

Beacon Hill Institute

State Competitiveness Report 2006





	Subindexes, Rank in 2006																	
	Overall		Govt & Fiscal Policy		Security		InfrStrc		Human Resources		Tech		Biz Incub.		Openness		Enviro Plcy	
	Index	Rank	I	R	I	R	I	R	I	R	I	R	I	R	I	R	I	R
Alabama	3.61	47	5.85	13	3.46	47	4.05	41	3.87	43	4.38	36	4.52	34	4.37	38	4.85	33
Alaska	5.75	14	6.55	3	3.93	44	5.96	12	4.47	36	4.12	39	2.85	50	8.83	1	5.81	14
Arizona	5.62	16	6.55	2	4.54	33	4.84	28	4.90	30	4.81	28	5.26	20	5.36	16	5.82	13
Arkansas	3.61	46	5.51	16	3.60	45	4.58	31	3.63	46	3.35	50	5.20	21	3.89	46	5.59	21
California	5.26	20	2.99	49	5.31	22	3.85	44	4.40	37	5.91	7	5.83	7	6.99	3	5.61	19
Colorado	6.33	4	4.77	31	4.55	32	5.82	14	5.53	18	6.51	3	6.74	4	4.64	29	5.90	7
Connecticut	5.01	24	3.81	44	6.33	5	4.39	37	5.88	9	6.13	4	3.78	47	5.45	12	4.25	41
Delaware	5.22	21	6.24	5	4.49	35	3.79	45	5.05	27	5.47	14	8.07	1	5.37	15	2.25	50
Florida	4.89	27	6.24	6	4.92	26	4.50	34	4.48	35	4.13	38	5.31	17	5.46	11	4.58	38
Georgia	4.70	30	6.21	7	4.25	39	4.47	35	3.78	45	4.71	33	5.77	8	4.86	24	4.95	32
Hawaii	4.00	42	3.16	47	5.36	20	4.28	38	5.59	16	4.57	35	3.07	49	5.19	19	5.44	23
Idaho	6.06	6	5.29	22	5.49	16	6.06	10	5.06	26	5.25	18	6.18	6	4.40	36	5.83	12
Illinois	4.51	33	4.40	36	4.44	37	4.02	42	5.09	25	5.25	17	5.02	25	5.56	9	4.59	37
Indiana	3.72	45	5.49	17	4.14	42	4.54	33	4.68	32	4.58	34	4.49	35	5.06	21	2.76	48
Iowa	5.54	18	5.03	25	5.46	18	5.49	15	6.32	5	4.88	27	4.62	32	4.38	37	5.62	18
Kansas	5.61	17	4.42	35	5.35	21	6.15	8	5.88	10	5.07	25	4.77	29	4.53	34	5.87	10
Kentucky	4.14	39	4.25	39	6.00	9	4.55	32	3.93	41	3.87	45	4.75	30	5.10	20	4.66	36
Louisiana	3.44	48	3.77	45	4.63	31	4.39	36	3.40	48	4.19	37	4.57	33	5.47	10	4.35	39
Maine	4.33	36	2.99	50	6.08	8	5.02	26	5.77	11	3.81	46	4.04	42	4.19	41	5.88	8
Maryland	5.13	23	6.17	9	4.24	41	3.88	43	5.53	17	7.70	2	5.08	24	4.59	31	3.23	46
Massachusetts	7.28	1	4.97	26	6.39	3	3.61	49	6.82	1	8.71	1	7.29	2	5.94	8	3.92	43
Michigan	4.46	34	4.84	28	4.04	43	5.09	23	4.67	33	5.27	16	4.02	43	5.31	17	4.95	31
Minnesota	6.00	9	4.20	40	5.49	17	6.39	6	6.69	3	5.56	11	4.40	37	4.80	26	5.81	15
Mississippi	3.02	50	5.34	21	4.85	27	3.65	48	2.45	50	3.64	49	4.40	36	3.73	48	5.33	24
Missouri	4.58	31	6.37	4	3.57	46	5.19	19	4.70	31	4.74	31	4.75	31	4.11	43	5.17	28
Montana	4.87	28	4.56	33	4.26	38	5.83	13	5.12	24	4.96	26	5.38	16	3.51	50	5.94	5
Nebraska	5.97	11	4.79	30	6.27	6	6.34	7	6.05	8	4.72	32	5.10	23	4.13	42	5.86	11
Nevada	4.79	29	6.00	10	3.25	48	6.11	9	4.02	40	3.72	47	5.58	12	5.39	14	5.22	27
New Hampshire	6.60	3	5.98	11	7.58	1	4.20	39	6.35	4	5.64	10	5.55	13	4.44	35	5.60	20
New Jersey	3.94	43	3.59	46	6.16	7	3.67	47	5.32	23	5.11	24	4.27	39	6.02	7	2.31	49
New Mexico	4.22	38	5.44	18	3.09	49	3.75	46	4.07	39	5.12	23	5.58	11	4.34	39	6.01	2
New York	4.44	35	3.08	48	5.67	11	2.35	50	5.41	20	5.54	12	4.81	28	6.23	5	5.05	29
North Carolina	4.90	26	5.39	20	4.24	40	5.46	16	4.51	34	5.13	22	5.63	9	4.63	30	4.68	35
North Dakota	6.27	5	5.44	19	5.54	15	7.02	1	6.24	6	5.20	19	4.95	26	3.98	44	5.88	9
Ohio	3.91	44	4.36	37	4.94	24	5.35	17	4.99	29	4.81	29	4.22	40	4.68	28	3.02	47
Oklahoma	4.13	40	4.55	34	4.80	29	5.02	25	4.17	38	4.11	40	4.82	27	3.91	45	5.72	17
Oregon	5.66	15	4.81	29	5.54	14	6.40	5	4.99	28	5.20	20	3.92	45	5.43	13	5.91	6
Pennsylvania	4.57	32	4.86	27	4.50	34	5.10	22	5.39	21	5.43	15	5.13	22	4.25	40	3.90	44
Rhode Island	4.95	25	4.02	42	6.92	2	4.88	27	5.67	13	5.86	8	3.88	46	4.72	27	3.90	45
South Carolina	4.28	37	5.78	15	4.49	36	4.73	30	3.50	47	4.00	43	5.30	18	5.02	22	4.76	34
South Dakota	6.00	8	5.87	12	5.94	10	6.81	2	5.66	14	3.95	44	5.44	15	3.63	49	6.06	1
Tennessee	4.01	41	6.19	8	3.04	50	5.12	21	3.87	42	4.07	42	5.28	19	4.80	25	4.30	40
Texas	5.15	22	5.15	23	4.82	28	4.05	40	3.86	44	4.78	30	5.45	14	7.06	2	5.32	25
Utah	7.12	2	5.80	14	5.66	12	6.44	4	6.12	7	5.97	5	6.84	3	4.97	23	5.30	26
Vermont	5.95	12	4.01	43	5.46	19	5.18	20	6.72	2	5.95	6	3.67	48	6.22	6	5.99	3
Virginia	5.98	10	6.66	1	4.93	25	4.81	29	5.34	22	5.68	9	6.29	5	4.59	32	4.98	30
Washington	5.87	13	4.35	38	4.70	30	6.02	11	5.46	19	5.50	13	4.36	38	6.77	4	5.74	16
West Virginia	3.32	49	5.13	24	5.27	23	5.05	24	3.24	49	3.68	48	4.01	44	3.89	47	4.08	42
Wisconsin	5.27	19	4.13	41	6.37	4	5.31	18	5.72	12	5.13	21	4.16	41	4.58	33	5.50	22
Wyoming	6.00	7	4.67	32	5.66	13	6.44	3	5.66	15	4.09	41	5.61	10	5.27	18	5.96	4



Subindexes, Rank in 2006

	Overall		Govt & Fiscal Policy		Security		InfrStrc		Human Resources		Tech		Biz Incub.		Openness		Enviro Plcy	
	Index	Rank	I	R	I	R	I	R	I	R	I	R	I	R	I	R	I	R
Massachusetts	7.28	1	4.97	26	6.39	3	3.61	49	6.82	1	8.71	1	7.29	2	5.94	8	3.92	43
Utah	7.12	2	5.80	14	5.66	12	6.44	4	6.12	7	5.97	5	6.84	3	4.97	23	5.30	26
New Hampshire	6.60	3	5.98	11	7.58	1	4.20	39	6.35	4	5.64	10	5.55	13	4.44	35	5.60	20
Colorado	6.33	4	4.77	31	4.55	32	5.82	14	5.53	18	6.51	3	6.74	4	4.64	29	5.90	7
North Dakota	6.27	5	5.44	19	5.54	15	7.02	1	6.24	6	5.20	19	4.95	26	3.98	44	5.88	9
Idaho	6.06	6	5.29	22	5.49	16	6.06	10	5.06	26	5.25	18	6.18	6	4.40	36	5.83	12
Wyoming	6.00	7	4.67	32	5.66	13	6.44	3	5.66	15	4.09	41	5.61	10	5.27	18	5.96	4
South Dakota	6.00	8	5.87	12	5.94	10	6.81	2	5.66	14	3.95	44	5.44	15	3.63	49	6.06	1
Minnesota	6.00	9	4.20	40	5.49	17	6.39	6	6.69	3	5.56	11	4.40	37	4.80	26	5.81	15
Virginia	5.98	10	6.66	1	4.93	25	4.81	29	5.34	22	5.68	9	6.29	5	4.59	32	4.98	30
Nebraska	5.97	11	4.79	30	6.27	6	6.34	7	6.05	8	4.72	32	5.10	23	4.13	42	5.86	11
Vermont	5.95	12	4.01	43	5.46	19	5.18	20	6.72	2	5.95	6	3.67	48	6.22	6	5.99	3
Washington	5.87	13	4.35	38	4.70	30	6.02	11	5.46	19	5.50	13	4.36	38	6.77	4	5.74	16
Alaska	5.75	14	6.55	3	3.93	44	5.96	12	4.47	36	4.12	39	2.85	50	8.83	1	5.81	14
Oregon	5.66	15	4.81	29	5.54	14	6.40	5	4.99	28	5.20	20	3.92	45	5.43	13	5.91	6
Arizona	5.62	16	6.55	2	4.54	33	4.84	28	4.90	30	4.81	28	5.26	20	5.36	16	5.82	13
Kansas	5.61	17	4.42	35	5.35	21	6.15	8	5.88	10	5.07	25	4.77	29	4.53	34	5.87	10
Iowa	5.54	18	5.03	25	5.46	18	5.49	15	6.32	5	4.88	27	4.62	32	4.38	37	5.62	18
Wisconsin	5.27	19	4.13	41	6.37	4	5.31	18	5.72	12	5.13	21	4.16	41	4.58	33	5.50	22
California	5.26	20	2.99	49	5.31	22	3.85	44	4.40	37	5.91	7	5.83	7	6.99	3	5.61	19
Delaware	5.22	21	6.24	5	4.49	35	3.79	45	5.05	27	5.47	14	8.07	1	5.37	15	2.25	50
Texas	5.15	22	5.15	23	4.82	28	4.05	40	3.86	44	4.78	30	5.45	14	7.06	2	5.32	25
Maryland	5.13	23	6.17	9	4.24	41	3.88	43	5.53	17	7.70	2	5.08	24	4.59	31	3.23	46
Connecticut	5.01	24	3.81	44	6.33	5	4.39	37	5.88	9	6.13	4	3.78	47	5.45	12	4.25	41
Rhode Island	4.95	25	4.02	42	6.92	2	4.88	27	5.67	13	5.86	8	3.88	46	4.72	27	3.90	45
North Carolina	4.90	26	5.39	20	4.24	40	5.46	16	4.51	34	5.13	22	5.63	9	4.63	30	4.68	35
Florida	4.89	27	6.24	6	4.92	26	4.50	34	4.48	35	4.13	38	5.31	17	5.46	11	4.58	38
Montana	4.87	28	4.56	33	4.26	38	5.83	13	5.12	24	4.96	26	5.38	16	3.51	50	5.94	5
Nevada	4.79	29	6.00	10	3.25	48	6.11	9	4.02	40	3.72	47	5.58	12	5.39	14	5.22	27
Georgia	4.70	30	6.21	7	4.25	39	4.47	35	3.78	45	4.71	33	5.77	8	4.86	24	4.95	32
Missouri	4.58	31	6.37	4	3.57	46	5.19	19	4.70	31	4.74	31	4.75	31	4.11	43	5.17	28
Pennsylvania	4.57	32	4.86	27	4.50	34	5.10	22	5.39	21	5.43	15	5.13	22	4.25	40	3.90	44
Illinois	4.51	33	4.40	36	4.44	37	4.02	42	5.09	25	5.25	17	5.02	25	5.56	9	4.59	37
Michigan	4.46	34	4.84	28	4.04	43	5.09	23	4.67	33	5.27	16	4.02	43	5.31	17	4.95	31
New York	4.44	35	3.08	48	5.67	11	2.35	50	5.41	20	5.54	12	4.81	28	6.23	5	5.05	29
Maine	4.33	36	2.99	50	6.08	8	5.02	26	5.77	11	3.81	46	4.04	42	4.19	41	5.88	8
South Carolina	4.28	37	5.78	15	4.49	36	4.73	30	3.50	47	4.00	43	5.30	18	5.02	22	4.76	34
New Mexico	4.22	38	5.44	18	3.09	49	3.75	46	4.07	39	5.12	23	5.58	11	4.34	39	6.01	2
Kentucky	4.14	39	4.25	39	6.00	9	4.55	32	3.93	41	3.87	45	4.75	30	5.10	20	4.66	36
Oklahoma	4.13	40	4.55	34	4.80	29	5.02	25	4.17	38	4.11	40	4.82	27	3.91	45	5.72	17
Tennessee	4.01	41	6.19	8	3.04	50	5.12	21	3.87	42	4.07	42	5.28	19	4.80	25	4.30	40
Hawaii	4.00	42	3.16	47	5.36	20	4.28	38	5.59	16	4.57	35	3.07	49	5.19	19	5.44	23
New Jersey	3.94	43	3.59	46	6.16	7	3.67	47	5.32	23	5.11	24	4.27	39	6.02	7	2.31	49
Ohio	3.91	44	4.36	37	4.94	24	5.35	17	4.99	29	4.81	29	4.22	40	4.68	28	3.02	47
Indiana	3.72	45	5.49	17	4.14	42	4.54	33	4.68	32	4.58	34	4.49	35	5.06	21	2.76	48
Arkansas	3.61	46	5.51	16	3.60	45	4.58	31	3.63	46	3.35	50	5.20	21	3.89	46	5.59	21
Alabama	3.61	47	5.85	13	3.46	47	4.05	41	3.87	43	4.38	36	4.52	34	4.37	38	4.85	33
Louisiana	3.44	48	3.77	45	4.63	31	4.39	36	3.40	48	4.19	37	4.57	33	5.47	10	4.35	39
West Virginia	3.32	49	5.13	24	5.27	23	5.05	24	3.24	49	3.68	48	4.01	44	3.89	47	4.08	42
Mississippi	3.02	50	5.34	21	4.85	27	3.65	48	2.45	50	3.64	49	4.40	36	3.73	48	5.33	24

From the Executive Director

The Beacon Hill Institute at Suffolk University is pleased to release its *State Competitiveness Report 2006*.

Massachusetts remains on top of the competitiveness index for the third year in a row. As they did last year, Utah and New Hampshire ranked second and third.

Since its beginning in 2001, The Institute has defined competitiveness as “the policies and conditions that ensure and sustain a high level of per capita income and its continued growth.” The report assigns 42 variables to eight categories – government and fiscal policy, security, infrastructure, human resources, technology, business incubation, openness, and environmental policy – and combines these eight measures into a single “competitiveness index.”

Idaho, Wyoming, South Dakota, and Virginia entered into top 10 in 2006 replacing Nebraska, Washington, Alaska, and Maryland which held similar positions last year.

Idaho is entering top ten for the first time after consistently placing 14th place for the last three years. Another “rural” state, Wyoming jumped 17 places to 7th place in this year’s ranking. South Dakota, which ranked 10th in 2003 before dropping 13 places in 2004, is back in the top ten.

The competitiveness index continues to be a powerful analytical tool for state policymakers. The report continues to show that improvement can translate into real capita income growth. For example, if a state can gain a point in the index, it can also gain \$417 in per capita income.

This year’s edition would be impossible without the talented resources available to the Institute from Suffolk University, which is celebrating its Centennial Year. Gleason Archer, the visionary educator who founded the university in 1906 to serve students of modest means preached “the gospel of self-help and hard work.” Today with campuses on three continents in Boston; Madrid, Spain; and Dakar, Senegal—as well as satellite locations in eastern Massachusetts, Suffolk has expanded its founding vision of opportunity to a global stage. This report is a product of that ambition.

BHI benefits greatly from the PhD and Masters programs in Economics at Suffolk. Two of the co-authors of this year’s report, Cagdas Sirin and Arif Orcun Soylemez are candidates in the department’s PhD program. Alexander Taylor, a graduate of the Master’s program and a lecturer in Economics, provided additional research and production assistance. Senior Colleen Sprague worked under the guidance of the research team. All performed the difficult task of compiling and checking the data that go into the construction of this unique index. They are proof positive that human capital is a critically important variable for achieving economic competitiveness.



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Defining Competitiveness

Introducing the indexes

How does one state create more economic activity, and hence more income for its citizens, than other areas? What special characteristics or attributes lead to generating this higher income? BHI's State Competitiveness Report attempts to identify the qualities that allow some areas to excel in income generation and the qualities that prohibit other areas from attaining the same level of competitiveness. This question quickly leads on to others: How can these qualities be measured? What standard should be used to determine whether a state is competitive or not? Indeed, why is it even interesting to measure competitiveness?

The State Competitive Report uses these questions as a starting point to estimate the competitiveness. The indexes are designed to measure the long-term competitiveness of an area, and use a similar approach to the one taken in BHI's earlier studies of state competitiveness (*State Competitiveness Report 2001, 2002, 2003, 2004, 2005*). This year marks the sixth year of the report.

In this year report, Massachusetts retains its first place position followed by Utah New Hampshire, and Colorado (Table 1). Three states, Idaho, and Wyoming and South Dakota enter the top ten, ranking 6th, 7th and 8th respectively. And Idaho is a first-time entrant into the top ten. Virginia rounds out the top ten.

What is Competitiveness?

We consider a state to be competitive if it has in place the policies and conditions that ensure and sustain a high level of per capita income and its continued growth. To achieve this, a state should be able both to attract and incubate new businesses and to provide an environment that is conducive to the growth of existing firms.

Competitiveness may be thought of as a catchall term that covers what Michael Porter calls "the microeconomic foundations of prosperity." The states of the United States all face the same macroeconomic conditions; where they differ is in their microeconomic policies. These policies matter. As Porter puts it, "wealth is actually created at the microeconomic level . . . - in the ability of firms to create valuable goods and services using productive methods." 1

It follows that the *outcome* of competitiveness is greater affluence, measured by higher levels of real Gross State Product or personal income per capita.

Quantifying Competitiveness

To be useful as a concept, it is essential to have an operational measure of competitiveness, a measure that aggregates the key microeconomic variables into a single index. In its influential annual Global Competitiveness Report, the World Economic Forum does this for the countries of the world but there is no equivalent at the level of the states of the U.S. (There are some more specialized rankings of the states; we discuss these in more detail below).

In thinking about how to create an index of competitiveness, we begin with the simple economic relation:

$$Y = f(K, L, \text{technology}).$$

This says that output (Y) depends on the amount of capital (K), labor (L) and technology that is harnessed by the economy.2 Not surprisingly, more inputs lead to more output. But what raises

input levels? And why do some urban areas or states mix the ingredients more successfully than others?

To answer these questions we need to focus on the quality of the business environment. Using his celebrated “diamond,” Porter finds it helpful to group the influences into four components: the quality of available inputs, the sophistication of local demand, the nature of local suppliers and the extent to which they form clusters, and the rules and institutions that govern the market.³ These are still very broad categories and so, following the Porter-inspired *Global Competitiveness Report*, we actually classify our indicators into eight groups. The breakdown is as follows:

Government and fiscal policies. Businesses are more likely to be attracted to areas with moderate tax rates and clear evidence of financial discipline (as evidenced, for instance, by high state and municipal bond ratings and budget surpluses). This sub index is designed to pick up these effects.

Security A state will be more attractive to business if public officials are trusted, and if crime is low. The security sub index addresses these dimensions of competitiveness, with particular emphasis on the importance of public safety.

Infrastructure. How easy is commuting? Do most households have access to high-speed broadband? Is housing affordable? How affordable is energy? These are the elements of competitiveness that are included in the infrastructure sub index for each state or metropolitan area.

Human resources. A high level of labor force participation, and skilled labor that is readily available and not too expensive, combined with a widespread commitment to

education, training and health care, make a state attractive for business. These factors are captured in the human resources sub index.

Technology. The development and application of technology is central to economic development, and has been ever since the industrial revolution. The technology sub index measures this by taking into account research funding, patents issued, the proportion of scientists and engineers in the labor force, and the importance of high tech companies.

Business Incubation. A good idea is not enough; businesses also need to be able to mobilize financing for investment, both internally and from the financial system. A higher rate of business births is a particularly clear sign of a competitive environment, and is an important component of the business incubation sub index.

Openness. Open economies tend to be more competitive and hence more productive. The openness sub index measures how connected the firms and people in a state is with the rest of the world. It is based on the level of exports, as well as the percent of the population born abroad.

Environmental Policy. States that are faced with environmental problems, or that have a heavy-handed policy of environmental regulation, are likely to be less attractive to businesses as well as to their workers and managers; we measure this effect with the environmental policy sub index, which among other things reflects the levels of air pollution and of toxic releases.

A complete list of the components of the competitiveness indexes are given in Table A1 at the end of this section of the report. We have used the most recent data available; due to time lags, most of the series refer to 2004 , 2005 or 2006.

The eight categories are coherent, but there is inevitably some degree of arbitrariness in the way in which individual data series are assigned to the sub indexes. For instance, the amount of air travel could be included in the infrastructure sub index or the measure of openness; and electricity prices could be included in the infrastructure sub index or the environmental sub index. In practice the assignment of the data series is much less important than the fact that they are included at all.

A competitiveness index is simply a summary measure based on a large number of variables. The difficult, and controversial, part is choosing a weighting scheme. Our approach is the simplest and most transparent: within each sub-index, each variable carries equal weight. Then each sub-index is given the same weight when constructing the overall index. This has been referred to as a “democratic” weighting structure, but it is of course arbitrary (although reasonable).

Is the competitiveness index useful?

Do the indexes of state competitiveness explain affluence and growth? If the index is properly constructed, then it should help explain why some areas are affluent and others are not. In our experiment we estimate the following equation:

This equation has an R^2 of 0.84. The coefficient on the Index variable is significant at the .05 level and indicates that if a state gains a point in the index, it will also gain \$416.8 in real per capita income. Competitiveness really does matter.

Putting the competitiveness index to work

What do we learn from this exercise? Naturally it is interesting to look at the raw rankings (Tables 1), but this may not be the most important use of the information. The detailed data, both in individual variables and the sub-indexes, allow one to identify the *determinants* of competitiveness. This is of value to policy makers, who are then in a better position to identify what needs to be done in order to improve the position of their states.

The logic behind this is that a higher competitiveness indicator index is associated with greater affluence. A reasonable inference is that if one were to improve competitiveness, then residents of the state would be better off. And the greatest upside potential is for the indicators whose performance is currently weak. For instance, a low-crime state may have trouble reducing the crime rate further, while for a high-crime state, efforts to reduce crime are likely to be an efficient way to boost competitiveness.

To illustrate, consider the case of North Carolina, which ranks 26th with a competitiveness indicator index of 4.90, or just below the average. North Carolina has a strong showing in the business incubation sub-index with a rank of nine. It achieves this by high bank deposit per capita and high venture capital investment.

Its overall index score is hurt by poor security, human resources, openness and environmental policy sub-indexes. Though these are the areas of greatest deficiency for North Carolina, they also mark the areas with the greatest potential. For example, if North Carolina can institute measures

that would raise their openness, security and environment policy variables to the national average (5.00), it could raise its overall index to 5.32 and in the process raise its real per capita personal income by almost \$174. The competitive index and its subindexes are powerful tools policymakers can use to improve their areas affluence.

To make it easier to identify the strengths and weaknesses of each state, a subsequent section of this report sets out the relevant details for each area.

Other studies

We are not the first to develop a set of statewide indexes, but we are the first to create a broad-based index of competitiveness, to design and present it in a way that policy makers will find useful, and to re-estimate the indexes annually.

The Progressive Policy Institute has created a *State New Economy Index*, which aims to measure the “New Economy.” The authors define the new economy as “a knowledge and idea-based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy.”⁴ They identify 21 indicators, grouped into five categories. The index ranges from 40.7 (West Virginia) to 90.0 (Massachusetts). Although we include a number of technology-related variables in our own index, we also believe that there is much more to competitiveness – and hence to achieving and maintaining affluence – than technology alone. This is why our index is based on almost three times as many variables, and so has greater breadth.

Conceived in a similar spirit is the *Index of the Massachusetts Innovation Economy*, published by the Massachusetts

Technology Collaborative in December 2006.⁵ The report compares Massachusetts with several other “leading technology states” (CA, CO, CT, IL, PA, MN, NC, NJ, NY VA), as well as presenting a wealth of information on the state itself. Most of the emphasis is on the state’s “knowledge-based innovation economy.” However, in our view it is preferable to consider the economy as a whole – which is what our index does – rather than just a fashionable quarter of it.

John Byars, Robert McCormick and Bruce Yandle of Clemson University have created an *Index of Economic Freedom* for the states of the U.S. They define economic freedom as “the right of individuals to pursue their own interests through voluntary exchange under a rule of law.”⁶ They sift through 145 indicators, assigning them to deciles from 1 (most free) to 10 (least free). After experimenting with 47 different indexes, they choose the one that best explains state growth in income per capita, net in-migration, and growth in manufacturing value added. After creating five sub-indexes, they assign weights to these using the technique of principal components, and apply these weights to create the overall index. By this measure, Idaho has the greatest amount of economic freedom (an index of 3.9) while New York has the least (index = 7.9).

Their report argues that greater economic freedom should be associated with faster economic growth, and their econometric results suggest that this is probably the case, although their index may be more valuable as a summary measure of freedoms that have value in their own right, rather than as a predictor of growth or well being.⁷

We do agree that economic freedom is important, and our index of competitiveness includes some indicators, such as the share of state tax collections in Gross State

Product, that measure the weight of government quite well. However, we believe that other factors are also important to competitiveness, even if they are not easy to place on a scale of economic freedom; these include such variables as the time that is required to travel to work, the availability of venture capital, and the importance to the economy of high-tech firms. The Heritage Foundation has also created an influential and widely-cited Index of Economic Freedom, but it is constructed for the countries of the world rather than for the states of the U.S.⁸

WHAT NEXT?

Since 2001 when we began compiling these rankings, we set out to invite the policymakers and citizens to pore over the detailed results contained here. Since there we've received significant press attention and fielded dozens of questions about our methodology. For each state we set out the main competitive strengths and weaknesses to give individuals a sense of where their home state has been and which direction it could be taking. In this spirit of broadening the debate, we welcome suggestions

(Endnotes)

1 Michael Porter, "The Current Competitiveness Index: Measuring the Microeconomic Foundations of Prosperity," in World Economic Forum, *The Global Competitiveness Report 2000*, Oxford University Press, New York, 2000.

2 By dividing across by the population, this equation may also be expressed in per capita terms; output per capita is a standard measure of affluence.

3 Michael E. Porter, *The Competitive Advantage of Nations*, Free Press, New York, 1990.

4 Robert Atkinson, Randolph Court and Joseph Ward, *The State New Economy Index*, Progressive Policy Institute, July 1999, p.3.

5 Patricia Flynn et al., *Index of the Massachusetts Innovation Economy 2001*, Massachusetts Technology Collaborative, Westborough, Massachusetts, November 2001.

6 John Byars, Robert McCormick and Bruce Yandle, *Economic Freedom in America's 50 States: A 1999 Analysis*, Clemson University, March 1999.

7 However, a regression of average annual growth in personal income against the index (and some additional variables) finds that the index does not have a statistically significant effect.

8 See William Beach and Gerald O'Driscoll Jr., "Methodology: Factors of the *Index of Economic Freedom*," in *2001 Index of Economic Freedom*, Heritage Foundation, Washington DC, 2001.

Table 1
State Competitiveness Index

	Index		Rank in					
	2006	2006	2005	2004	2003	2002	2001	1995
Massachusetts	7.283	1	1	1	2	2	2	1
Utah	7.123	2	2	2	4	13	11	9
New Hampshire	6.597	3	3	7	8	8	7	5
Colorado	6.333	4	6	5	11	4	6	3
North Dakota	6.271	5	5	11	28	18	21	18
Idaho	6.060	6	14	14	14	11	12	19
Wyoming	6.005	7	24	12	3	6	3	4
South Dakota	6.003	8	12	23	10	23	17	14
Minnesota	5.997	9	7	4	7	9	9	11
Virginia	5.977	10	11	9	12	15	14	10
Nebraska	5.969	11	8	6	15	17	15	13
Vermont	5.953	12	18	8	6	7	5	6
Washington	5.866	13	4	3	5	3	4	8
Alaska	5.750	14	9	27	25	34	22	12
Oregon	5.657	15	19	16	13	10	13	16
Arizona	5.622	16	22	32	44	42	41	42
Kansas	5.609	17	13	10	17	14	23	20
Iowa	5.537	18	15	17	16	12	16	24
Wisconsin	5.267	19	16	13	20	25	18	17
California	5.265	20	26	22	19	16	10	15
Delaware	5.217	21	23	18	1	1	1	2
Texas	5.145	22	20	21	32	28	33	26
Maryland	5.127	23	10	19	18	19	20	23
Connecticut	5.010	24	21	15	9	5	8	7
Rhode Island	4.953	25	31	31	22	29	25	21
North Carolina	4.901	26	25	26	33	35	28	25
Florida	4.885	27	28	29	36	39	36	31
Montana	4.870	28	33	28	21	31	31	28
Nevada	4.785	29	34	37	46	46	46	49
Georgia	4.701	30	27	25	34	40	35	35
Missouri	4.581	31	17	20	24	20	24	22
Pennsylvania	4.570	32	32	30	29	27	37	38
Illinois	4.512	33	35	39	40	33	39	33
Michigan	4.462	34	30	24	23	30	26	29
New York	4.443	35	40	34	31	32	34	39
Maine	4.334	36	38	36	27	24	19	27
South Carolina	4.282	37	29	40	41	38	40	40
New Mexico	4.223	38	44	33	37	41	42	43
Kentucky	4.139	39	39	38	35	37	38	36
Oklahoma	4.132	40	41	35	42	44	44	45
Tennessee	4.007	41	37	41	39	22	30	34
Hawaii	3.998	42	45	46	48	45	43	44
New Jersey	3.939	43	36	44	26	26	29	37
Ohio	3.915	44	42	43	38	36	32	32
Indiana	3.723	45	46	42	30	20	27	30
Arkansas	3.614	46	48	45	47	49	47	47
Alabama	3.609	47	43	47	43	42	45	41
Louisiana	3.440	48	50	49	45	47	48	46
West Virginia	3.315	49	47	48	49	48	49	48
Mississippi	3.024	50	49	50	50	50	50	50











How to Read Indicator Index Pages

In this column you will find variables where the state is competitive.

The index value ranks from 0 to 10, with a mean of 5 and a standard deviation of 1. Each state's index is ordered to create the overall rank among the 50 states.

Each state's overall rank is based on its total index from 1 (highest) to 50 (lowest)

In this column you will find variables where the state is not competitive

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.97	24	Government and fiscal policy subindex	4.97	24
Budget deficit, % of GSP	5.10	11	Bond rating: composite	3.13	49
Security subindex	5.65	11	Security subindex	5.65	11
The BGA Integrity Index	5.69	15			
Infrastructure subindex	3.63	47	Infrastructure subindex		
	6.99	1	Electricity prices per million BTU		
			Median Monthly Housing Costs		
			Travel time to work		
Human resources subindex	6.68	1	Human resources subindex		
Technology subindex	8.45	1	Technology subindex		
100 GSP	7.71	2			
per 1000 inhabitants	6.41	3			
Business incubation subindex	7.65	1	Business incubation subindex	7.65	1
Bank deposits per capita	5.38	5	Minimum wage	3.42	43
Venture capital per capita	10.00	1			
Openness subindex	6.29	7	Openness subindex	6.29	7
Exports per capita, dollars	5.95	7			
% of population born abroad	5.98	9			
Environmental policy subindex	3.92	43	Environmental policy subindex	3.92	43
			Carbon emission per 1000 sq miles	2.80	48

A subindex combines one or more variables that explain certain social or economic characteristics. For example, the institutions and security subindex is composed of other variables such as crime, percentage change in crime, and murders committed in the state.

Variables are the elements that make up each subindex. Variables that rank between 1 and 20 are considered advantages to a state, while variables that rank between 30 and 50 are considered disadvantages.

State Index



COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex 5.32 13			Government and fiscal policy subindex 5.32 13		
Average benefit per first payment for unemployed	6.72	1	Workers' compensation premium rates	4.17	42
State and local taxes per capita /income per capita	6.24	5			
Budget deficit, % of GSP	4.91	15			
Security subindex 4.19 47			Security subindex 4.19 47		
Crime index change 2004-2005, %	5.27	20	Murder index, per 100,000 inhabitants	3.53	47
			Crime index, per 100,000 inhabitants	4.39	34
			The BGA Integrity Index	3.57	47
Infrastructure subindex 4.65 41			Infrastructure subindex 4.65 41		
Average rent of 2 bedroom apartment	6.08	5	Households with installed phones, %	3.29	49
			High-speed lines per 1000	3.84	45
			Air passengers per capita	4.25	45
Human resources subindex 4.26 43			Human resources subindex 4.26 43		
Unemployment rate	6.07	6	% of students at or above proficient in mathematics, grade 4 - public schools	3.02	48
			% of population aged 25 and over that graduated from high school	3.52	46
			% of adults who are in the labor force	3.54	46
			Rate of nonfederal physicians per 100,000 inhabitants	4.09	44
			Infant mortality rate, deaths per 1000 live births	4.11	41
Technology subindex 4.55 36			Technology subindex 4.55 36		
Academic R&D per \$1,000 GSP	5.16	19	Patents, per 100,000 inhabitants	4.13	44
NIH support to institutions per capita	4.96	19	S&E degrees awarded per 100,000 inhabitants	4.31	40
			High-technology share of all business establishments	4.20	40
			Scientists and engineers as % of labor force	4.47	33
			Science & Engineering grad. students 100,000 inhabitants	4.65	31
Business incubation subindex 4.78 34			Business incubation subindex 4.78 34		
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	4.09	43
			Bank deposits per capita	4.68	35
			Venture capital investment dollars per worker	4.54	33
Openness subindex 4.62 38			Openness subindex 4.62 38		
Incoming FDI per capita, dollars	4.89	15	% of population born abroad	4.11	43
Environmental policy subindex 4.87 33			Environmental policy subindex 4.87 33		
			Toxic release inventory, pounds per 1000 sq. miles	4.58	37

ALASKA

Index **Overall Rank**
5.75 **14**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.58	3	Workers' compensation premium rates	5.58	3
Budget deficit, % of GSP	8.12	1	Full-time-equivalent state and local government employees per 100 residents	1.74	50
Average benefit per first payment for unemployed	10.00	1		2.36	49
	6.50	4			
Security subindex			Security subindex		
	4.44	44	Crime index, per 100,000 inhabitants	4.44	44
			Crime index change 2004-2005, %	4.48	31
				3.17	49
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	5.35	12	Electricity prices per million BTU	5.35	12
High-speed lines per 1000	5.93	10	Average rent of 2 bedroom apartment	3.78	43
Air passengers per capita	5.22	20		3.90	41
Travel time to work	6.92	3			
	6.38	6			
Human resources subindex			Human resources subindex		
% of population aged 25 and over that graduated from high school	4.65	36	% of population without health insurance	4.65	36
Infant mortality rate, deaths per 1000 live births	6.46	2	Unemployment rate	4.18	40
	6.07	8	% of population enrolled in degree-granting institutions	2.95	47
			Rate of nonfederal physicians per 100,000 inhabitants	3.69	48
			% of students at or above proficient in mathematics, grade 4 - public schools	4.15	41
				4.77	33
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	4.36	39	Science & Engineering grad. students 100,000 inhabitants	4.36	39
	5.18	18	High-technology share of all business establishments	4.44	36
			NIH support to institutions per capita	4.18	41
			Patents, per 100,000 inhabitants	4.31	43
			S&E degrees awarded per 100,000 inhabitants	4.00	47
				3.32	49
Business incubation subindex			Business incubation subindex		
	4.04	50	Openness subindex	4.04	50
			IPO Per 1000 Companies, in \$	7.24	1
			Minimum wage	4.31	36
			Venture capital investment dollars per worker	3.32	45
			% of labor force that is represented by unions	4.43	46
			Bank deposits per capita	3.01	48
				4.48	50
Openness subindex			Openness subindex		
Exports per capita, dollars	7.24	1	% of population born abroad	4.56	29
Incoming FDI per capita, dollars	7.18	4			
	10.00	1			
Environmental policy subindex			Environmental policy subindex		
Carbon emission per 1000 sq miles	5.69	14		5.69	14
	5.92	1			

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.20	19		5.58	2
Workers' compensation premium rates	6.08	6			
Bond rating: composite	4.99	17			
Budget deficit, % of GSP	4.90	16			
Average benefit per first payment for unemployed	6.46	5			
Full-time-equivalent state and local government employees per 100 residents	5.87	7			
Security subindex	4.76	33	Security subindex	4.76	33
Crime index change 2004-2005, %	6.64	3	Crime index, per 100,000 inhabitants	3.30	50
			Murder index, per 100,000 inhabitants	3.82	46
The BGA Integrity Index	5.26	20			
Infrastructure subindex	4.94	28	Infrastructure subindex	4.94	28
High-speed lines per 1000	5.46	15	Households with installed phones, %	4.10	39
Air passengers per capita	5.65	7	Travel time to work	4.51	35
			Average rent of 2 bedroom apartment	4.74	33
Human resources subindex	4.94	30	Human resources subindex	4.94	30
Unemployment rate	5.39	17	% of population without health insurance	3.77	45
% of population enrolled in degree-granting institutions	7.82	1	% of population aged 25 and over that graduated from high school	4.48	35
			% of adults who are in the labor force	4.31	37
			Rate of nonfederal physicians per 100,000 inhabitants	4.53	34
			% of students at or above proficient in mathematics, grade 4 - public schools	3.96	39
Technology subindex	4.86	28	Technology subindex	4.86	28
Patents, per 100,000 inhabitants	5.11	17	Academic R&D per \$1,000 GSP	4.68	32
Scientists and engineers as % of labor force	5.27	15	NIH support to institutions per capita	4.41	39
High-technology share of all business establishments	5.87	12	Science & Engineering grad. students 100,000 inhabitants	4.38	37
			S&E degrees awarded per 100,000 inhabitants	4.33	39
Business incubation subindex	5.11	20	Business incubation subindex	5.11	20
Employer firm births per 100,000 inhabitants	5.29	15	Bank deposits per capita	4.59	45
% of labor force that is represented by unions	5.86	13			
Minimum wage	5.69	1			
Openness subindex	5.20	16	Openness subindex	5.20	16
% of population born abroad	6.06	8	Incoming FDI per capita, dollars	4.57	47
Environmental policy subindex	5.71	13	Environmental policy subindex	5.71	13
Toxic release inventory, pounds per 1000 sq. miles	5.70	16			
Carbon emission per 1000 sq miles	5.71	14			

ARKANSAS

Index Overall Rank

3.61 46

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.19	16	Government and fiscal policy subindex	5.19	16
Workers' compensation premium rates	6.26	4	Budget deficit, % of GSP	4.36	50
Average benefit per first payment for unemployed	5.47	17			
Security subindex	4.26	45	Security subindex	4.26	45
			Crime index, per 100,000 inhabitants	4.11	39
			Crime index change 2004-2005, %	4.16	43
			Murder index, per 100,000 inhabitants	4.16	38
			The BGA Integrity Index	4.61	31
Infrastructure subindex	4.85	31	Infrastructure subindex	4.85	31
Travel time to work	5.61	13	Households with installed phones, %	3.85	42
Electricity prices per million BTU	5.59	14	High-speed lines per 1000	3.76	46
Average rent of 2 bedroom apartment	5.98	9	Air passengers per capita	4.29	44
Human resources subindex	4.10	46	Human resources subindex	4.10	46
			% of population without health insurance	4.24	38
			% of population aged 25 and over that graduated from high school	3.71	44
			Unemployment rate	4.22	41
			% of population enrolled in degree-granting institutions	4.06	41
			% of adults who are in the labor force	4.07	43
			Infant mortality rate, deaths per 1000 live births	3.85	44
			Rate of nonfederal physicians per 100,000 inhabitants	3.92	46
			% of students at or above proficient in mathematics, grade 4 - public schools	4.77	33
Technology subindex	3.82	50	Technology subindex	3.82	50
			Academic R&D per \$1,000 GSP	3.90	44
			NIH support to institutions per capita	4.30	44
			Patents, per 100,000 inhabitants	4.01	46
			Science & Engineering grad. students 100,000 inhabitants	3.70	47
			S&E degrees awarded per 100,000 inhabitants	3.68	47
			Scientists and engineers as % of labor force	3.43	50
			High-technology share of all business establishments	3.72	45
Business incubation subindex	5.08	21	Business incubation subindex	5.08	21
IPO Per 1000 Companies, in \$	5.02	14	Bank deposits per capita	4.71	33
% of labor force that is represented by unions	6.16	3	Venture capital investment dollars per worker	4.45	42
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	4.48	33
Openness subindex	4.34	46	Openness subindex	4.34	46
			Exports per capita, dollars	4.11	41
			Incoming FDI per capita, dollars	4.63	41
			% of population born abroad	4.27	36
Environmental policy subindex	5.51	21	Environmental policy subindex	5.51	21
Carbon emission per 1000 sq miles	5.58	18			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Budget deficit, % of GSP	4.96	13	State and local taxes per capita /income per capita	4.58	36
Full-time-equivalent state and local government employees per 100 residents	5.69	12	Workers' compensation premium rates	2.90	49
Full-time-equivalent state and local government employees per 100 residents	5.69	12	Bond rating: composite	2.91	49
			Average benefit per first payment for unemployed	4.38	40
Security subindex			Security subindex		
Crime index change 2004-2005, %	5.32	19	Murder index, per 100,000 inhabitants	4.08	40
The BGA Integrity Index	6.35	5			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	5.76	13	Travel time to work	3.88	43
High-speed lines per 1000	6.21	6	Electricity prices per million BTU	3.74	44
Air passengers per capita	5.02	17	Average rent of 2 bedroom apartment	2.86	49
Human resources subindex			Human resources subindex		
% of population enrolled in degree-granting institutions	5.76	12	% of population without health insurance	3.69	46
Infant mortality rate, deaths per 1000 live births	6.14	7	% of population aged 25 and over that graduated from high school	3.46	47
			% of adults who are in the labor force	3.98	44
			% of students at or above proficient in mathematics, grade 4 - public schools	3.96	39
			% of students at or above proficient in mathematics, grade 4 - public schools	3.96	39
Technology subindex			Technology subindex		
NIH support to institutions per capita	5.37	10			
Patents, per 100,000 inhabitants	6.52	3			
Science & Engineering grad. students 100,000 inhabitants	5.54	13			
Scientists and engineers as % of labor force	5.82	9			
High-technology share of all business establishments	6.41	6			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.98	11	% of labor force that is represented by unions	4.11	44
Venture capital investment dollars per worker	8.64	2	Minimum wage	3.79	40
Employer firm births per 100,000 inhabitants	5.07	17			
IPO Per 1000 Companies, in \$	5.60	8			
Openness subindex			Openness subindex		
Exports per capita, dollars	5.52	12			
% of population born abroad	8.17	1			
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.82	6			

COLORADO

Index Overall Rank
6.33 4

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.48	13	Budget deficit, % of GSP	4.55	41
			Average benefit per first payment for unemployed	3.94	44
Security subindex			Security subindex		
Murder index, per 100,000 inhabitants	5.43	20	Crime index, per 100,000 inhabitants	4.27	35
The BGA Integrity Index	5.61	16	Crime index change 2004-2005, %	3.74	46
Infrastructure subindex			Infrastructure subindex		
High-speed lines per 1000	5.86	12	Average rent of 2 bedroom apartment	4.45	36
Air passengers per capita	6.09	4			
Human resources subindex			Human resources subindex		
% of population aged 25 and over that graduated from high school	5.83	13	% of population without health insurance	4.32	36
% of population enrolled in degree-granting institutions	5.67	13			
% of adults who are in the labor force	5.80	11			
Infant mortality rate, deaths per 1000 live births	5.68	14			
Rate of nonfederal physicians per 100,000 inhabitants	5.15	18			
% of students at or above proficient in mathematics, grade 4 - public schools	5.44	19			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	5.02	20			
NIH support to institutions per capita	5.10	15			
Patents, per 100,000 inhabitants	5.90	8			
Science & Engineering grad. students 100,000 inhabitants	6.28	5			
S&E degrees awarded per 100,000 inhabitants	6.35	5			
Scientists and engineers as % of labor force	6.99	4			
High-technology share of all business establishments	6.98	1			
Business incubation subindex			Business incubation subindex		
Venture capital investment dollars per worker	5.52	8			
Employer firm births per 100,000 inhabitants	7.27	2			
IPO Per 1000 Companies, in \$	5.82	6			
% of labor force that is represented by unions	5.57	16			
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
Incoming FDI per capita, dollars	4.85	19	Exports per capita, dollars	4.16	40
% of population born abroad	5.33	15			
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.86	5			
Carbon emission per 1000 sq miles	5.68	15			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Full-time-equivalent state and local government employees per 100 residents	5.39	17	State and local taxes per capita /income per capita	4.19	42
			Workers' compensation premium rates	4.53	37
			Bond rating: composite	4.32	36
			Average benefit per first payment for unemployed	4.03	43
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.70	5		5.70	5
Murder index, per 100,000 inhabitants	5.98	10			
The BGA Integrity Index	5.77	16			
	5.81	13			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	4.78	37	Air passengers per capita	4.78	37
High-speed lines per 1000	5.67	15	Travel time to work	4.44	34
	6.93	1	Electricity prices per million BTU	4.51	35
			Average rent of 2 bedroom apartment	3.26	48
				3.84	42
Human resources subindex			Human resources subindex		
% of population without health insurance	5.58	9	% of population enrolled in degree-granting institutions	5.58	9
% of population aged 25 and over that graduated from high school	5.91	10		3.95	45
% of adults who are in the labor force	5.61	19			
Infant mortality rate, deaths per 1000 live births	5.68	13			
Rate of nonfederal physicians per 100,000 inhabitants	5.68	14			
	6.72	5			
% of students at or above proficient in mathematics, grade 4 - public schools	5.98	6			
Technology subindex			Technology subindex		
NIH support to institutions per capita	5.81	4		5.81	4
Patents, per 100,000 inhabitants	5.97	3			
Science & Engineering grad. students 100,000 inhabitants	6.18	7			
S&E degrees awarded per 100,000 inhabitants	6.02	7			
Scientists and engineers as % of labor force	5.44	15			
High-technology share of all business establishments	6.42	6			
	5.81	13			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.46	47	Employer firm births per 100,000 inhabitants	4.46	47
Venture capital investment dollars per worker	5.03	9	IPO Per 1000 Companies, in \$	4.38	35
	5.62	7	% of labor force that is represented by unions	4.45	32
			Minimum wage	4.24	40
				3.02	48
Openness subindex			Openness subindex		
Exports per capita, dollars	5.25	12		5.25	12
Incoming FDI per capita, dollars	5.16	18			
% of population born abroad	4.87	17			
	5.73	12			
Environmental policy subindex			Environmental policy subindex		
	4.36	41	Carbon emission per 1000 sq miles	4.36	41
				3.33	47

DELAWARE

Index **Overall Rank**

5.22

21

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.47	5	Government and fiscal policy subindex	5.47	5
State and local taxes per capita /income per capita	6.64	3	Workers' compensation premium rates	3.19	48
Bond rating: composite	6.67	1			
Budget deficit, % of GSP	5.67	3			
Full-time-equivalent state and local government employees per 100 residents	5.43	16			
Security subindex	4.73	35	Security subindex	4.73	35
			Crime index change 2004-2005, %	4.49	33
			The BGA Integrity Index	4.31	38
Infrastructure subindex	4.55	45	Infrastructure subindex	4.55	45
			Households with installed phones, %	4.70	35
			High-speed lines per 1000	4.76	33
			Air passengers per capita	3.98	50
			Travel time to work	4.83	32
			Electricity prices per million BTU	4.87	35
			Average rent of 2 bedroom apartment	4.18	38
Human resources subindex	5.03	27	Human resources subindex	5.03	27
Unemployment rate	5.68	12	Infant mortality rate, deaths per 1000 live births	3.85	44
% of population enrolled in degree-granting institutions	5.09	20			
% of adults who are in the labor force	5.23	19			
Rate of nonfederal physicians per 100,000 inhabitants	5.12	20			
Technology subindex	5.34	14	Technology subindex	5.34	14
Patents, per 100,000 inhabitants	5.80	10	Academic R&D per \$1,000 GSP	3.88	45
Science & Engineering grad. students 100,000 inhabitants	6.04	6	NIH support to institutions per capita	4.44	37
S&E degrees awarded per 100,000 inhabitants	5.84	10			
Scientists and engineers as % of labor force	5.95	7			
High-technology share of all business establishments	5.43	17			
Business incubation subindex	6.35	1	Business incubation subindex	6.35	1
Bank deposits per capita	10.00	1	Venture capital investment dollars per worker	4.43	46
Employer firm births per 100,000 inhabitants	5.59	12			
IPO Per 1000 Companies, in \$	8.65	1			
			Minimum wage	4.50	34
Openness subindex	5.21	15	Openness subindex	5.21	15
Exports per capita, dollars	5.34	15			
Incoming FDI per capita, dollars	5.35	4			
Environmental policy subindex	2.63	50	Environmental policy subindex	2.63	50
			Toxic release inventory, pounds per 1000 sq. miles	1.75	50
			Carbon emission per 1000 sq miles	3.51	46

BHI

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.52	12	Workers' compensation premium rates	3.97	45
Bond rating: composite	6.20	7			
Budget deficit, % of GSP	5.15	11			
Average benefit per first payment for unemployed	5.66	15			
Full-time-equivalent state and local government	6.30	4			
Security subindex			Security subindex		
Crime index change 2004-2005, %	5.45	12	Crime index, per 100,000 inhabitants	3.98	42
The BGA Integrity Index	5.52	18			
Infrastructure subindex			Infrastructure subindex		
High-speed lines per 1000	6.08	8	Households with installed phones, %	4.48	38
Air passengers per capita	5.59	8	Travel time to work	4.17	42
			Electricity prices per million BTU	4.52	38
			Average rent of 2 bedroom apartment	4.06	39
Human resources subindex			Human resources subindex		
Unemployment rate	6.17	5	% of population without health insurance	3.31	48
Rate of nonfederal physicians per 100,000 inhabitants	5.13	19	% of population aged 25 and over that graduated from high school	4.70	32
			% of population enrolled in degree-granting institutions	4.00	42
			% of adults who are in the labor force	4.34	36
			Infant mortality rate, deaths per 1000 live births	4.57	32
Technology subindex			Technology subindex		
High-technology share of all business establishments	5.53	15	Academic R&D per \$1,000 GSP	3.85	46
			NIH support to institutions per capita	4.27	45
			Science & Engineering grad. students 100,000 inhabitants	4.16	41
			S&E degrees awarded per 100,000 inhabitants	3.78	46
			Scientists and engineers as % of labor force	4.51	32
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.91	16	Minimum wage	4.21	37
Employer firm births per 100,000 inhabitants	6.40	7			
% of labor force that is represented by unions	5.95	11			
Openness subindex			Openness subindex		
% of population born abroad	6.72	4	Exports per capita, dollars	4.48	31
			Incoming FDI per capita, dollars	4.58	46
Environmental policy subindex			Environmental policy subindex		
			Toxic release inventory, pounds per 1000 sq. miles	4.66	35
			Carbon emission per 1000 sq miles	4.63	40

GEORGIA

Index Overall Rank
4.70 30

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.46	7	Government and fiscal policy subindex	5.46	7
Workers' compensation premium rates	5.69	11			
Bond rating: composite	6.67	1			
Full-time-equivalent state and local government employees per 100 residents	5.51	15			
Security subindex	4.61	39	Security subindex	4.61	39
			Crime index, per 100,000 inhabitants	4.08	40
			Murder index, per 100,000 inhabitants	4.37	36
Infrastructure subindex	4.80	35	Infrastructure subindex	4.80	35
High-speed lines per 1000	5.46	16	Households with installed phones, %	3.38	46
Air passengers per capita	6.06	5	Travel time to work	3.82	46
			Average rent of 2 bedroom apartment	4.80	32
Human resources subindex	4.20	45	Human resources subindex	4.20	45
			% of population without health insurance	3.95	42
			% of population aged 25 and over that graduated from high school	4.20	37
			Unemployment rate	4.61	34
			% of population enrolled in degree-granting institutions	3.88	46
			% of adults who are in the labor force	4.55	35
			Infant mortality rate, deaths per 1000 live births	4.05	43
			Rate of nonfederal physicians per 100,000 inhabitants	4.14	42
			% of students at or above proficient in mathematics, grade 4 - public schools	4.23	38
Technology subindex	4.79	33	Technology subindex	4.79	33
Scientists and engineers as % of labor force	5.15	19	NIH support to institutions per capita	4.59	31
High-technology share of all business establishments	5.80	14	Science & Engineering grad. students 100,000 inhabitants	4.34	38
			S&E degrees awarded per 100,000 inhabitants	4.30	41
Business incubation subindex	5.34	8	Business incubation subindex	5.34	8
Venture capital investment dollars per worker	5.43	10			
Employer firm births per 100,000 inhabitants	5.00	19			
IPO Per 1000 Companies, in \$	4.96	16			
% of labor force that is represented by unions	6.16	3			
Minimum wage	5.69	1			
Openness subindex	4.91	24	Openness subindex	4.91	24
% of population born abroad	5.15	18			
Environmental policy subindex	4.96	32	Environmental policy subindex	4.96	32
			Toxic release inventory, pounds per 1000 sq. miles	4.80	34

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Budget deficit, % of GSP	5.50	4	State and local taxes per capita /income per capita	3.83	46
			Workers' compensation premium rates	4.54	36
			Bond rating: composite	4.32	36
			Average benefit per first payment for unemployed	2.73	49
			Full-time-equivalent state and local government employees	4.86	33
Security subindex			Security subindex		
Murder index, per 100,000 inhabitants	6.19	6	Crime index, per 100,000 inhabitants	3.62	47
The BGA Integrity Index	6.37	4	Crime index change 2004-2005, %	4.56	32
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	5.89	11	Travel time to work	4.25	41
Air passengers per capita	9.38	1	Electricity prices per million BTU	1.28	50
			Average rent of 2 bedroom apartment	2.69	50
Human resources subindex			Human resources subindex		
% of population without health insurance	6.52	3	% of population enrolled in degree-granting institutions	4.37	38
% of population aged 25 and over that graduated from high school	5.66	17	% of adults who are in the labor force	4.79	31
Unemployment rate	7.14	1	% of students at or above proficient in mathematics, grade 4 - public schools	3.83	43
Rate of nonfederal physicians per 100,000 inhabitants	5.70	10			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	5.69	9	Patents, per 100,000 inhabitants	3.96	49
NIH support to institutions per capita	4.98	18	S&E degrees awarded per 100,000 inhabitants	4.41	35
			Scientists and engineers as % of labor force	4.39	35
			High-technology share of all business establishments	4.45	32
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.91	15	IPO Per 1000 Companies, in \$	4.31	36
			% of labor force that is represented by unions	2.56	49
			Minimum wage	3.79	40
Openness subindex			Openness subindex		
Incoming FDI per capita, dollars	5.13	6	Exports per capita, dollars	3.67	49
% of population born abroad	6.51	6			
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.71	15	Carbon emission per 1000 sq miles	5.05	32

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.13	22	Full-time-equivalent state and local government employees per 100 residents	4.82	35
Bond rating: composite	4.99	17			
Average benefit per first payment for unemployed	5.48	16			
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.85	15			
Murder index, per 100,000 inhabitants	5.98	12	The BGA Integrity Index	3.96	42
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.01	8	High-speed lines per 1000	3.98	42
Travel time to work	5.95	9			
Electricity prices per million BTU	6.17	1			
Average rent of 2 bedroom apartment	5.65	18			
Human resources subindex			Human resources subindex		
Unemployment rate	6.07	6	% of population without health insurance	4.70	31
Infant mortality rate, deaths per 1000 live births	5.48	18	% of population enrolled in degree-granting institutions	4.52	33
% of students at or above proficient in mathematics, grade 4 - public schools	5.71	11	Rate of nonfederal physicians per 100,000 inhabitants	3.58	49
Technology subindex			Technology subindex		
Patents, per 100,000 inhabitants	9.29	1	Academic R&D per \$1,000 GSP	4.22	38
			NIH support to institutions per capita	4.07	50
			S&E degrees awarded per 100,000 inhabitants	4.36	36
			High-technology share of all business establishments	4.50	31
Business incubation subindex			Business incubation subindex		
Employer firm births per 100,000 inhabitants	8.04	1	Bank deposits per capita	4.52	48
% of labor force that is represented by unions	6.11	8	Venture capital investment dollars per worker	4.44	45
Minimum wage	5.69	1	IPO Per 1000 Companies, in \$	4.31	36
Openness subindex			Openness subindex		
			Incoming FDI per capita, dollars	4.54	48
Environmental policy subindex			Environmental policy subindex		
Carbon emission per 1000 sq miles	5.88	3			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Full-time-equivalent state and local government employees per 100 residents	5.98	6	State and local taxes per capita /income per capita	4.56	37
			Workers' compensation premium rates	4.81	31
			Bond rating: composite	4.32	36
			Budget deficit, % of GSP	4.52	44
			Average benefit per first payment for unemployed	4.42	39
Security subindex			Security subindex		
	4.71	37	Murder index, per 100,000 inhabitants	4.46	32
			The BGA Integrity Index	4.04	41
Infrastructure subindex			Infrastructure subindex		
Air passengers per capita	4.64	42	Households with installed phones, %	3.72	44
	5.55	9	Travel time to work	3.56	47
			Average rent of 2 bedroom apartment	4.62	34
Human resources subindex			Human resources subindex		
% of population enrolled in degree-granting institutions	5.06	25	% of students at or above proficient in mathematics, grade 4 - public schools	4.50	35
Rate of nonfederal physicians per 100,000 inhabitants	5.42	16			
	5.25	15			
Technology subindex			Technology subindex		
Patents, per 100,000 inhabitants	5.18	17	Academic R&D per \$1,000 GSP	5.18	17
Science & Engineering grad. students 100,000 inhabitants	5.05	19		4.58	33
Scientists and engineers as % of labor force	5.60	11			
High-technology share of all business establishments	5.22	18			
	5.93	11			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	5.00	25	Employer firm births per 100,000 inhabitants	5.00	25
IPO Per 1000 Companies, in \$	5.11	7	% of labor force that is represented by unions	4.15	42
	7.85	2	Minimum wage	4.14	43
				4.09	38
Openness subindex			Openness subindex		
Exports per capita, dollars	5.32	9		5.32	9
Incoming FDI per capita, dollars	5.20	17			
% of population born abroad	4.85	18			
	5.91	10			
Environmental policy subindex			Environmental policy subindex		
	4.65	37	Toxic release inventory, pounds per 1000 sq. miles	4.65	37
			Carbon emission per 1000 sq miles	4.57	38
				4.72	37

INDIANA

Index **Overall Rank**
3.72 **45**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.18	17	Government and fiscal policy subindex	5.18	17
Workers' compensation premium rates	6.73	2	State and local taxes per capita /income per capita	4.49	39
Bond rating: composite	4.99	17	Budget deficit, % of GSP	4.58	38
Full-time-equivalent state and local government employees per 100 residents	5.79	9	Average benefit per first payment for unemployed	4.51	36
Security subindex	4.55	42	Security subindex	4.55	42
			Crime index change 2004-2005, %	4.19	42
			Murder index, per 100,000 inhabitants	4.58	31
			The BGA Integrity Index	4.44	34
Infrastructure subindex	4.83	33	Infrastructure subindex	4.83	33
Travel time to work	5.17	19	Households with installed phones, %	4.02	40
Electricity prices per million BTU	5.71	10	High-speed lines per 1000	4.25	39
			Air passengers per capita	4.34	43
Human resources subindex	4.79	32	Human resources subindex	4.79	32
			Unemployment rate	4.32	39
			Infant mortality rate, deaths per 1000 live births	4.63	31
			Rate of nonfederal physicians per 100,000 inhabitants	4.22	38
Technology subindex	4.70	34	Technology subindex	4.70	34
			NIH support to institutions per capita	4.49	34
			Scientists and engineers as % of labor force	4.27	36
Business incubation subindex	4.77	35	Business incubation subindex	4.77	35
Minimum wage	5.69	1	Bank deposits per capita	4.65	40
			Employer firm births per 100,000 inhabitants	4.09	44
Openness subindex	5.03	21	Openness subindex	5.03	21
Exports per capita, dollars	5.66	9	% of population born abroad	4.32	34
Incoming FDI per capita, dollars	5.09	8			
Environmental policy subindex	3.07	48	Environmental policy subindex	3.07	48
			Toxic release inventory, pounds per 1000 sq. miles	2.08	49
			Carbon emission per 1000 sq miles	4.07	44

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation premium rates	6.05	7	Average benefit per first payment for unemployed	4.65	34
Bond rating: composite	4.99	17	Full-time-equivalent state and local government employees per 100 residents	4.50	40
Budget deficit, % of GSP	4.87	19			
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.67	17	The BGA Integrity Index	3.90	43
Murder index, per 100,000 inhabitants	6.44	2			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.27	4	High-speed lines per 1000	2.83	50
Travel time to work	6.35	7	Air passengers per capita	4.21	46
Electricity prices per million BTU	5.53	20			
Average rent of 2 bedroom apartment	5.91	11			
Human resources subindex			Human resources subindex		
% of population without health insurance	6.55	2	Rate of nonfederal physicians per 100,000 inhabitants	4.21	39
% of population aged 25 and over that graduated from high school	6.08	7			
Unemployment rate	5.68	12			
% of population enrolled in degree-granting institutions	6.56	5			
% of adults who are in the labor force	6.46	5			
Infant mortality rate, deaths per 1000 live births	6.20	5			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	5.70	8	Scientists and engineers as % of labor force	4.07	41
NIH support to institutions per capita	4.96	20	High-technology share of all business establishments	3.68	46
Science & Engineering grad. students 100,000 inhabitants	5.48	14			
S&E degrees awarded per 100,000 inhabitants	5.71	11			
Business incubation subindex			Business incubation subindex		
IPO Per 1000 Companies, in \$	5.35	9	Venture capital investment dollars per worker	4.45	41
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	3.81	48
Openness subindex			Openness subindex		
			Incoming FDI per capita, dollars	4.67	38
			% of population born abroad	4.26	37
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.55	20			
Carbon emission per 1000 sq miles	5.52	20			

KANSAS

Index **Overall Rank**
5.61 **17**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.77	35	Government and fiscal policy subindex	4.77	35
Workers' compensation premium rates	5.93	9	State and local taxes per capita /income per capita	4.68	33
Bond rating: composite	4.99	17	Average benefit per first payment for unemployed	4.48	37
Budget deficit, % of GSP	4.89	17	Full-time-equivalent state and local government employees per 100 residents	3.68	46
Security subindex	5.18	21	Security subindex	5.18	21
Crime index change 2004-2005, %	5.55	11			
Murder index, per 100,000 inhabitants	5.43	20			
Infrastructure subindex	5.42	8	Infrastructure subindex	5.42	8
Households with installed phones, %	5.46	20	Air passengers per capita	4.11	48
High-speed lines per 1000	5.37	18			
Travel time to work	6.35	7			
Electricity prices per million BTU	5.55	17			
Average rent of 2 bedroom apartment	5.69	16			
Human resources subindex	5.58	10	Human resources subindex	5.58	10
% of population without health insurance	6.03	8	Infant mortality rate, deaths per 1000 live births	4.57	32
% of population aged 25 and over that graduated from high school	5.83	13	Rate of nonfederal physicians per 100,000 inhabitants	4.54	32
% of population enrolled in degree-granting institutions	6.17	6			
% of adults who are in the labor force	5.98	10			
% of students at or above proficient in mathematics, grade 4 - public schools	6.52	2			
Technology subindex	5.05	25	Technology subindex	5.05	25
Science & Engineering grad. students 100,000 inhabitants	6.39	3	Academic R&D per \$1,000 GSP	4.69	31
S&E degrees awarded per 100,000 inhabitants	5.28	18	NIH support to institutions per capita	4.38	40
Scientists and engineers as % of labor force	5.46	14			
Business incubation subindex	4.89	29	Business incubation subindex	4.89	29
% of labor force that is represented by unions	5.55	17	Venture capital investment dollars per worker	4.56	32
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	4.34	36
			IPO Per 1000 Companies, in \$	4.40	35
Openness subindex	4.72	34	Openness subindex	4.72	34
			Incoming FDI per capita, dollars	4.61	45
Environmental policy subindex	5.75	10	Environmental policy subindex	5.75	10
Toxic release inventory, pounds per 1000 sq. miles	5.81	7			
Carbon emission per 1000 sq miles	5.68	16			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Bond rating: composite	4.99	17	State and local taxes per capita /income per capita	4.71	31
Full-time-equivalent state and local government employees per 100 residents	5.37	18	Workers' compensation premium rates	3.36	47
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	6.01	8	Crime index change 2004-2005, %	4.43	35
The BGA Integrity Index	6.61	3			
Infrastructure subindex			Infrastructure subindex		
Air passengers per capita	5.40	12	Households with installed phones, %	3.38	46
Travel time to work	5.17	19	High-speed lines per 1000	2.91	48
Electricity prices per million BTU	6.01	4			
Average rent of 2 bedroom apartment	6.14	4			
Human resources subindex			Human resources subindex		
	4.30	41	% of population aged 25 and over that graduated from high school	3.16	48
			Unemployment rate	4.12	45
			% of adults who are in the labor force	3.33	49
			Rate of nonfederal physicians per 100,000 inhabitants	4.38	36
			% of students at or above proficient in mathematics, grade 4 - public schools	3.83	43
Technology subindex			Technology subindex		
	4.19	45	Academic R&D per \$1,000 GSP	4.57	35
			NIH support to institutions per capita	4.56	33
			Patents, per 100,000 inhabitants	4.19	42
			Science & Engineering grad. students 100,000 inhabitants	4.12	43
			S&E degrees awarded per 100,000 inhabitants	3.80	45
			Scientists and engineers as % of labor force	4.10	40
			High-technology share of all business establishments	4.01	43
Business incubation subindex			Business incubation subindex		
Venture capital investment dollars per worker	4.69	20	Bank deposits per capita	4.66	37
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	4.08	45
Openness subindex			Openness subindex		
Exports per capita, dollars	5.77	7	% of population born abroad	4.06	44
Incoming FDI per capita, dollars	5.31	5			
Environmental policy subindex			Environmental policy subindex		
	4.71	36	Toxic release inventory, pounds per 1000 sq. miles	4.58	36
			Carbon emission per 1000 sq miles	4.84	36

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex			Government and fiscal policy subindex		
Average benefit per first payment for unemployed	6.65	3	State and local taxes per capita /income per capita	4.42	40
			Workers' compensation premium rates	4.26	40
			Bond rating: composite	1.96	50
Security subindex			Security subindex		
Crime index change 2004-2005, %	8.33	1	Crime index, per 100,000 inhabitants	4.44	33
			Murder index, per 100,000 inhabitants	2.81	49
			The BGA Integrity Index	3.64	46
Infrastructure subindex			Infrastructure subindex		
Average rent of 2 bedroom apartment	5.83	12	High-speed lines per 1000	3.84	44
			Air passengers per capita	4.48	32
			Travel time to work	4.48	37
			Electricity prices per million BTU	5.16	31
Human resources subindex			Human resources subindex		
	3.95	48	% of population without health insurance	4.06	41
			% of population aged 25 and over that graduated from high school	3.57	45
			% of population enrolled in degree-granting institutions	4.52	34
			% of adults who are in the labor force	3.45	47
			Infant mortality rate, deaths per 1000 live births	2.87	49
			% of students at or above proficient in mathematics, grade 4 - public schools	3.43	47
Technology subindex			Technology subindex		
	4.42	37	NIH support to institutions per capita	4.58	32
			Patents, per 100,000 inhabitants	4.06	45
			S&E degrees awarded per 100,000 inhabitants	4.42	34
			Scientists and engineers as % of labor force	3.85	46
			High-technology share of all business establishments	4.29	37
Business incubation subindex			Business incubation subindex		
% of labor force that is represented by unions	5.92	12	Bank deposits per capita	4.61	44
Minimum wage	5.69	1	Venture capital investment dollars per worker	4.44	44
			Employer firm births per 100,000 inhabitants	3.86	47
			IPO Per 1000 Companies, in \$	4.31	36
Openness subindex			Openness subindex		
Exports per capita, dollars	6.29	5	% of population born abroad	4.12	42
Incoming FDI per capita, dollars	5.39	3			
Environmental policy subindex			Environmental policy subindex		
	4.44	39	Toxic release inventory, pounds per 1000 sq. miles	4.21	43
			Carbon emission per 1000 sq miles	4.68	38

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex 4.23 50			Government and fiscal policy subindex 4.23 50		
Average benefit per first payment for unemployed	5.39	18	State and local taxes per capita /income per capita	2.37	50
			Workers' compensation premium rates	4.12	43
			Bond rating: composite	3.85	44
			Budget deficit, % of GSP	4.54	43
Security subindex 5.57 8			Security subindex 5.57 8		
Crime index, per 100,000 inhabitants	6.30	5	Crime index change 2004-2005, %	4.45	34
Murder index, per 100,000 inhabitants	6.40	4			
Infrastructure subindex 5.01 26			Infrastructure subindex 5.01 26		
Households with installed phones, %	6.14	7	Air passengers per capita	4.38	39
			Electricity prices per million BTU	3.98	42
Human resources subindex 5.50 11			Human resources subindex 5.50 11		
% of population without health insurance	6.14	5	Unemployment rate	4.61	34
% of population aged 25 and over that graduated from high school	5.91	10	% of population enrolled in degree-granting institutions	3.99	44
% of adults who are in the labor force	5.44	18			
Infant mortality rate, deaths per 1000 live births	6.66	2			
Rate of nonfederal physicians per 100,000 inhabitants	5.82	9			
% of students at or above proficient in mathematics, grade 4 - public schools	5.44	19			
Technology subindex 4.15 46			Technology subindex 4.15 46		
			Academic R&D per \$1,000 GSP	3.77	47
			Patents, per 100,000 inhabitants	4.34	38
			Science & Engineering grad. students 100,000 inhabitants	2.99	50
			Scientists and engineers as % of labor force	3.94	44
			High-technology share of all business establishments	4.31	36
Business incubation subindex 4.57 42			Business incubation subindex 4.57 42		
			Bank deposits per capita	4.66	38
			IPO Per 1000 Companies, in \$	4.31	36
			% of labor force that is represented by unions	4.84	31
			Minimum wage	4.09	38
Openness subindex 4.51 41			Openness subindex 4.51 41		
Incoming FDI per capita, dollars	4.99	10	Exports per capita, dollars	4.39	35
			% of population born abroad	4.16	41
Environmental policy subindex 5.76 8			Environmental policy subindex 5.76 8		
Toxic release inventory, pounds per 1000 sq. miles	5.80	10			
Carbon emission per 1000 sq miles	5.72	11			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation premium rates	5.68	12	State and local taxes per capita /income per capita	4.68	32
Bond rating: composite	6.67	1	Average benefit per first payment for unemployed	4.70	31
Budget deficit, % of GSP	5.23	10			
Full-time-equivalent state and local government employees per 100 residents	5.70	11			
Security subindex			Security subindex		
The BGA Integrity Index	6.02	10	Crime index, per 100,000 inhabitants	4.47	32
			Murder index, per 100,000 inhabitants	2.81	49
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	5.72	14	Travel time to work	2.79	49
High-speed lines per 1000	6.13	7	Electricity prices per million BTU	4.69	37
			Average rent of 2 bedroom apartment	3.46	46
Human resources subindex			Human resources subindex		
Unemployment rate	5.29	19	Infant mortality rate, deaths per 1000 live births	4.37	35
% of adults who are in the labor force	5.68	13			
Rate of nonfederal physicians per 100,000 inhabitants	7.03	3			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	9.16	1			
NIH support to institutions per capita	8.83	2			
Science & Engineering grad. students 100,000 inhabitants	5.94	9			
S&E degrees awarded per 100,000 inhabitants	5.94	7			
Scientists and engineers as % of labor force	7.07	3			
High-technology share of all business establishments	6.74	4			
Business incubation subindex			Business incubation subindex		
Venture capital investment dollars per worker	5.78	5	% of labor force that is represented by unions	4.59	33
Employer firm births per 100,000 inhabitants	5.62	11	Minimum wage	4.50	34
IPO Per 1000 Companies, in \$	4.93	18			
Openness subindex			Openness subindex		
% of population born abroad	5.60	14	Exports per capita, dollars	4.02	45
			Incoming FDI per capita, dollars	4.63	42
Environmental policy subindex			Environmental policy subindex		
			Toxic release inventory, pounds per 1000 sq. miles	3.38	47
			Carbon emission per 1000 sq miles	3.58	45

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation premium rates	6.12	5	Average benefit per first payment for unemployed	2.67	50
Budget deficit, % of GSP	5.27	9			
Full-time-equivalent state and local government employees per 100 residents	5.99	5			
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.99	9		5.73	3
Crime index change 2004-2005, %	5.39	16			
Murder index, per 100,000 inhabitants	5.85	14			
The BGA Integrity Index	5.69	15			
Infrastructure subindex			Infrastructure subindex		
High-speed lines per 1000	6.76	3	Travel time to work	3.88	43
Air passengers per capita	4.91	19	Electricity prices per million BTU	2.92	49
			Average rent of 2 bedroom apartment	3.38	47
Human resources subindex			Human resources subindex		
% of population without health insurance	6.09	7	Unemployment rate	4.71	32
% of population aged 25 and over that graduated from high school	5.64	18			
% of population enrolled in degree-granting institutions	6.00	9			
% of adults who are in the labor force	5.53	15			
Infant mortality rate, deaths per 1000 live births	6.66	2			
Rate of nonfederal physicians per 100,000 inhabitants	8.11	1			
% of students at or above proficient in mathematics, grade 4 - public schools	6.78	1			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	6.78	3		7.66	1
NIH support to institutions per capita	9.45	1			
Patents, per 100,000 inhabitants	6.38	4			
Science & Engineering grad. students 100,000 inhabitants	8.99	1			
S&E degrees awarded per 100,000 inhabitants	7.91	1			
Scientists and engineers as % of labor force	7.39	2			
High-technology share of all business establishments	6.74	5			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	5.25	5	% of labor force that is represented by unions	4.61	32
Venture capital investment dollars per worker	9.89	1	Minimum wage	3.79	40
IPO Per 1000 Companies, in \$	7.72	3			
Openness subindex			Openness subindex		
Exports per capita, dollars	5.68	8		5.54	8
Incoming FDI per capita, dollars	4.91	14			
% of population born abroad	6.05	9			
Environmental policy subindex			Environmental policy subindex		
	4.07	43	Carbon emission per 1000 sq miles	2.80	48

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation premium rates	5.65	13	State and local taxes per capita /income per capita	4.63	35
Full-time-equivalent state and local government employees per 100 residents	5.85	8	Budget deficit, % of GSP	4.41	48
			Average benefit per first payment for unemployed	4.30	41
Security subindex			Security subindex		
	4.50	43	Crime index change 2004-2005, %	3.90	45
			Murder index, per 100,000 inhabitants	4.41	33
			The BGA Integrity Index	4.56	32
Infrastructure subindex			Infrastructure subindex		
	5.03	23	Electricity prices per million BTU	5.12	32
Human resources subindex			Human resources subindex		
% of population without health insurance	5.86	15	Unemployment rate	2.47	50
% of population enrolled in degree-granting institutions	5.25	18	% of adults who are in the labor force	4.58	34
Rate of nonfederal physicians per 100,000 inhabitants	5.36	12	Infant mortality rate, deaths per 1000 live births	4.24	38
Technology subindex			Technology subindex		
Patents, per 100,000 inhabitants	5.58	12		5.19	16
S&E degrees awarded per 100,000 inhabitants	5.20	19			
Scientists and engineers as % of labor force	5.56	13			
High-technology share of all business establishments	5.08	20			
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1	Bank deposits per capita	4.66	36
			Employer firm births per 100,000 inhabitants	4.20	40
			% of labor force that is represented by unions	3.48	46
Openness subindex			Openness subindex		
Exports per capita, dollars	5.88	6		5.17	17
Incoming FDI per capita, dollars	4.97	12			
Environmental policy subindex			Environmental policy subindex		
	4.96	31	Carbon emission per 1000 sq miles	4.94	35

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Bond rating: composite	6.20	7	State and local taxes per capita /income per capita	3.69	47
Budget deficit, % of GSP	4.93	14	Workers' compensation premium rates	4.81	31
			Average benefit per first payment for unemployed	3.57	46
			Full-time-equivalent state and local government employees per 100 residents	4.97	32
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.39	18	Crime index change 2004-2005, %	4.03	44
Murder index, per 100,000 inhabitants	6.06	8			
The BGA Integrity Index	5.54	17			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.73	1	Average rent of 2 bedroom apartment	4.93	31
Air passengers per capita	5.52	10			
Travel time to work	5.26	17			
Electricity prices per million BTU	5.54	19			
Human resources subindex			Human resources subindex		
% of population without health insurance	6.67	1			
% of population aged 25 and over that graduated from high school	6.43	3			
Unemployment rate	5.39	17			
% of population enrolled in degree-granting institutions	6.00	10			
% of adults who are in the labor force	6.64	2			
Infant mortality rate, deaths per 1000 live births	5.88	11			
Rate of nonfederal physicians per 100,000 inhabitants	5.35	13			
% of students at or above proficient in mathematics, grade 4 - public schools	6.52	2			
Technology subindex			Technology subindex		
NIH support to institutions per capita	5.28	12	Academic R&D per \$1,000 GSP	3.98	43
Patents, per 100,000 inhabitants	6.31	6			
Science & Engineering grad. students 100,000 inhabitants	5.47	15			
Scientists and engineers as % of labor force	5.85	8			
High-technology share of all business establishments	5.95	10			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.88	19	Employer firm births per 100,000 inhabitants	4.21	38
Venture capital investment dollars per worker	5.36	11	% of labor force that is represented by unions	4.35	38
IPO Per 1000 Companies, in \$	5.08	13	Minimum wage	4.50	34
Openness subindex			Openness subindex		
Exports per capita, dollars	5.24	16	Incoming FDI per capita, dollars	4.68	37
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.80	8			
Carbon emission per 1000 sq miles	5.58	17			

MISSISSIPPI

Index **Overall Rank**
3.02 **50**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.13	21	Government and fiscal policy subindex	5.13	21
Workers' compensation premium rates	5.47	19	Bond rating: composite	4.32	36
Average benefit per first payment for unemployed	6.70	2	Budget deficit, % of GSP	4.48	47
			Full-time-equivalent state and local government employees per 100 residents	4.69	38
Security subindex	4.92	27	Security subindex	4.92	27
Crime index change 2004-2005, %	6.10	5	Murder index, per 100,000 inhabitants	3.91	43
			The BGA Integrity Index	4.45	33
Infrastructure subindex	4.50	48	Infrastructure subindex	4.50	48
Average rent of 2 bedroom apartment	6.06	7	Households with installed phones, %	3.93	41
			High-speed lines per 1000	2.84	49
			Air passengers per capita	4.17	47
			Electricity prices per million BTU	5.12	32
Human resources subindex	3.33	50	Human resources subindex	3.33	50
			% of population without health insurance	4.24	38
			% of population aged 25 and over that graduated from high school	3.02	50
			Unemployment rate	2.66	49
			% of population enrolled in degree-granting institutions	4.28	39
			% of adults who are in the labor force	3.45	47
			Infant mortality rate, deaths per 1000 live births	2.74	50
			Rate of nonfederal physicians per 100,000 inhabitants	3.49	50
			% of students at or above proficient in mathematics, grade 4 - public schools	2.75	49
Technology subindex	4.02	49	Technology subindex	4.02	49
Academic R&D per \$1,000 GSP	5.48	15	NIH support to institutions per capita	4.14	46
			Patents, per 100,000 inhabitants	3.95	50
			Science & Engineering grad. students 100,000 inhabitants	4.02	45
			S&E degrees awarded per 100,000 inhabitants	3.67	48
			Scientists and engineers as % of labor force	3.45	49
			High-technology share of all business establishments	3.44	48
Business incubation subindex	4.73	36	Business incubation subindex	4.73	36
% of labor force that is represented by unions	5.52	20	Bank deposits per capita	4.58	46
Minimum wage	5.69	1	Venture capital investment dollars per worker	4.43	46
			Employer firm births per 100,000 inhabitants	3.86	46
			IPO Per 1000 Companies, in \$	4.31	36
Openness subindex	4.24	48	Openness subindex	4.24	48
			Exports per capita, dollars	4.10	42
			Incoming FDI per capita, dollars	4.72	35
			% of population born abroad	3.91	49
Environmental policy subindex	5.29	24	Environmental policy subindex	5.29	24

State Index

MISSOURI

Index **Overall Rank**
4.58 **31**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.35	17	Budget deficit, % of GSP	4.68	34
Bond rating: composite	6.67	1			
Average benefit per first payment for unemployed	6.09	7			
Security subindex			Security subindex		
	4.25	46	Crime index, per 100,000 inhabitants	4.25	36
			Crime index change 2004-2005, %	4.23	41
			Murder index, per 100,000 inhabitants	4.08	40
			The BGA Integrity Index	4.43	35
Infrastructure subindex			Infrastructure subindex		
Air passengers per capita	4.90	20	Households with installed phones, %	4.78	34
Electricity prices per million BTU	5.70	11	High-speed lines per 1000	4.36	37
Average rent of 2 bedroom apartment	5.66	17			
Human resources subindex			Human resources subindex		
% of population without health insurance	5.59	18	% of population aged 25 and over that graduated from high school	4.81	31
% of population enrolled in degree-granting institutions	5.45	14	Unemployment rate	3.93	46
% of adults who are in the labor force	5.15	20	Infant mortality rate, deaths per 1000 live births	4.18	40
			% of students at or above proficient in mathematics, grade 4 - public schools	4.37	36
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	5.19	17	Patents, per 100,000 inhabitants	4.37	36
NIH support to institutions per capita	5.31	11	Science & Engineering grad. students 100,000 inhabitants	4.46	34
S&E degrees awarded per 100,000 inhabitants	5.37	17	Scientists and engineers as % of labor force	4.62	31
			High-technology share of all business establishments	4.37	35
Business incubation subindex			Business incubation subindex		
Venture capital investment dollars per worker	4.71	19	IPO Per 1000 Companies, in \$	4.44	33
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
	4.47	43	Exports per capita, dollars	4.43	33
			Incoming FDI per capita, dollars	4.75	32
			% of population born abroad	4.22	40
Environmental policy subindex			Environmental policy subindex		
	5.14	28	Toxic release inventory, pounds per 1000 sq. miles	4.91	32

MONTANA

Index Overall Rank

4.87 28

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.70	9	Workers' compensation premium rates	3.48	46
Budget deficit, % of GSP	5.36	6	Bond rating: composite	3.85	44
Average benefit per first payment for unemployed	6.23	6	Full-time-equivalent state and local government employees per 100 residents	4.35	41
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	5.35	20	Crime index change 2004-2005, %	3.08	50
Murder index, per 100,000 inhabitants	6.19	6	The BGA Integrity Index	3.83	45
Infrastructure subindex			Infrastructure subindex		
Travel time to work	6.67	3	Households with installed phones, %	4.82	31
Electricity prices per million BTU	5.64	13	High-speed lines per 1000	4.06	41
Average rent of 2 bedroom apartment	5.96	10			
Human resources subindex			Human resources subindex		
% of population aged 25 and over that graduated from high school	6.38	4	% of population without health insurance	3.86	44
Unemployment rate	5.68	12	% of population enrolled in degree-granting institutions	4.12	40
% of adults who are in the labor force	5.53	15	Rate of nonfederal physicians per 100,000 inhabitants	4.54	31
% of students at or above proficient in mathematics, grade 4 - public schools	5.44	19			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	6.24	4	Patents, per 100,000 inhabitants	4.38	34
S&E degrees awarded per 100,000 inhabitants	5.85	9	Scientists and engineers as % of labor force	4.19	38
			High-technology share of all business establishments	4.39	34
Business incubation subindex			Business incubation subindex		
Employer firm births per 100,000 inhabitants	6.70	5	Bank deposits per capita	4.64	41
Minimum wage	5.69	1	Venture capital investment dollars per worker	4.44	43
			IPO Per 1000 Companies, in \$	4.43	34
Openness subindex			Openness subindex		
			Exports per capita, dollars	3.63	50
			Incoming FDI per capita, dollars	4.75	33
			% of population born abroad	3.96	48
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.75	12			
Carbon emission per 1000 sq miles	5.87	4			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation premium rates	5.59	15	State and local taxes per capita /income per capita	3.95	45
Bond rating: composite	4.99	17	Full-time-equivalent state and local government employees per 100 residents	3.91	45
Budget deficit, % of GSP	5.33	7			
Average benefit per first payment for unemployed	5.73	12			
Security subindex			Security subindex		
Crime index change 2004-2005, %	5.33	18			
Murder index, per 100,000 inhabitants	5.94	13			
The BGA Integrity Index	6.35	5			
Infrastructure subindex			Infrastructure subindex		
High-speed lines per 1000	5.45	17	Households with installed phones, %	4.82	31
Travel time to work	6.50	5	Air passengers per capita	4.54	31
Electricity prices per million BTU	5.82	8			
Average rent of 2 bedroom apartment	5.83	12			
Human resources subindex			Human resources subindex		
% of population without health insurance	5.88	11			
% of population aged 25 and over that graduated from high school	6.05	8			
Unemployment rate	6.27	4			
% of population enrolled in degree-granting institutions	6.08	7			
% of adults who are in the labor force	6.52	4			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	5.66	11	Patents, per 100,000 inhabitants	4.32	40
Science & Engineering grad. students 100,000 inhabitants	5.19	19	High-technology share of all business establishments	3.99	44
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.89	18	Venture capital investment dollars per worker	4.43	46
IPO Per 1000 Companies, in \$	5.02	15	Employer firm births per 100,000 inhabitants	4.65	31
% of labor force that is represented by unions	5.55	17			
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
	4.48	42	Exports per capita, dollars	4.36	37
			Incoming FDI per capita, dollars	4.49	50
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.70	17			
Carbon emission per 1000 sq miles	5.77	8			

NEVADA

Index **Overall Rank**

4.79 **29**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.72	8	Budget deficit, % of GSP	4.54	42
Bond rating: composite	5.73	11	Average benefit per first payment for unemployed	4.69	33
Full-time-equivalent state and local government employees per 100 residents	6.34	3			
Security subindex			Security subindex		
	4.08	48	Crime index, per 100,000 inhabitants	3.83	43
			Crime index change 2004-2005, %	4.43	37
			Murder index, per 100,000 inhabitants	3.40	48
Infrastructure subindex			Infrastructure subindex		
High-speed lines per 1000	6.04	9	Households with installed phones, %	4.70	35
Air passengers per capita	8.31	2	Electricity prices per million BTU	4.77	36
			Average rent of 2 bedroom apartment	3.68	45
Human resources subindex			Human resources subindex		
Infant mortality rate, deaths per 1000 live births	5.48	18	% of population without health insurance	3.95	42
			% of population aged 25 and over that graduated from high school	4.20	37
			% of population enrolled in degree-granting institutions	3.53	49
			Rate of nonfederal physicians per 100,000 inhabitants	3.92	47
			% of students at or above proficient in mathematics, grade 4 - public schools	3.69	45
Technology subindex			Technology subindex		
High-technology share of all business establishments	6.05	8	Academic R&D per \$1,000 GSP	3.51	50
			NIH support to institutions per capita	4.10	49
			Science & Engineering grad. students 100,000 inhabitants	3.62	48
			S&E degrees awarded per 100,000 inhabitants	2.91	50
			Scientists and engineers as % of labor force	3.71	48
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	4.94	14	Venture capital investment dollars per worker	4.52	34
Employer firm births per 100,000 inhabitants	5.99	9	% of labor force that is represented by unions	4.58	35
IPO Per 1000 Companies, in \$	5.80	7			
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
% of population born abroad	6.54	5	Exports per capita, dollars	4.30	38
Environmental policy subindex			Environmental policy subindex		
Carbon emission per 1000 sq miles	5.82	5	Toxic release inventory, pounds per 1000 sq. miles	4.56	39

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	7.48	2			
			Workers' compensation premium rates	4.73	33
			Budget deficit, % of GSP	4.52	46
Full-time-equivalent state and local government employees per 100 residents	5.54	14			
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	6.94	1			
Crime index change 2004-2005, %	7.67	2			
Murder index, per 100,000 inhabitants	6.40	4			
			The BGA Integrity Index	4.42	36
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	5.67	15			
High-speed lines per 1000	6.26	5			
			Travel time to work	4.46	39
			Electricity prices per million BTU	3.40	46
			Average rent of 2 bedroom apartment	3.73	44
Human resources subindex			Human resources subindex		
% of population without health insurance	6.14	5			
% of population aged 25 and over that graduated from high school	6.16	6			
Unemployment rate	5.97	9			
			% of population enrolled in degree-granting institutions	4.45	35
% of adults who are in the labor force	6.43	6			
Infant mortality rate, deaths per 1000 live births	6.20	5			
Rate of nonfederal physicians per 100,000 inhabitants	5.20	16			
% of students at or above proficient in mathematics, grade 4 - public schools	6.52	2			
Technology subindex			Technology subindex		
Academic R&D per \$1,000 GSP	6.04	5			
NIH support to institutions per capita	5.11	14			
Patents, per 100,000 inhabitants	5.83	9			
			Science & Engineering grad. students 100,000 inhabitants	4.17	40
S&E degrees awarded per 100,000 inhabitants	5.66	13			
High-technology share of all business establishments	6.34	7			
Business incubation subindex			Business incubation subindex		
Bank deposits per capita	5.06	8			
Venture capital investment dollars per worker	5.85	4			
Employer firm births per 100,000 inhabitants	5.32	14			
			IPO Per 1000 Companies, in \$	4.31	36
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
Incoming FDI per capita, dollars	4.85	20			
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.65	19			

NEW JERSEY

Index **Overall Rank**
3.94 **43**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.46	46	Government and fiscal policy subindex	4.46	46
			State and local taxes per capita /income per capita	4.64	34
			Bond rating: composite	4.32	36
			Budget deficit, % of GSP	4.58	39
			Average benefit per first payment for unemployed	3.09	48
Security subindex	5.61	7	Security subindex	5.61	7
Crime index, per 100,000 inhabitants	6.13	7			
Crime index change 2004-2005, %	5.42	14			
The BGA Integrity Index	5.91	12			
Infrastructure subindex	4.51	47	Infrastructure subindex	4.51	47
High-speed lines per 1000	6.88	2			
			Travel time to work	3.16	48
			Electricity prices per million BTU	4.03	41
			Average rent of 2 bedroom apartment	3.14	48
Human resources subindex	5.21	23	Human resources subindex	5.21	23
			% of population enrolled in degree-granting institutions	3.36	50
Infant mortality rate, deaths per 1000 live births	5.94	10			
Rate of nonfederal physicians per 100,000 inhabitants	6.08	8			
% of students at or above proficient in mathematics, grade 4 - public schools	6.38	5			
Technology subindex	5.08	24	Technology subindex	5.08	24
			Academic R&D per \$1,000 GSP	3.73	48
Patents, per 100,000 inhabitants	5.41	13	NIH support to institutions per capita	4.47	35
Scientists and engineers as % of labor force	5.58	12			
High-technology share of all business establishments	6.95	2			
Business incubation subindex	4.67	39	Business incubation subindex	4.67	39
Bank deposits per capita	5.19	6			
Venture capital investment dollars per worker	5.49	9			
Employer firm births per 100,000 inhabitants	5.47	13			
IPO Per 1000 Companies, in \$	5.13	12			
			% of labor force that is represented by unions	3.43	47
			Minimum wage	3.32	45
Openness subindex	5.59	7	Openness subindex	5.59	7
Incoming FDI per capita, dollars	4.99	11			
% of population born abroad	6.89	3			
Environmental policy subindex	2.68	49	Environmental policy subindex	2.68	49
			Toxic release inventory, pounds per 1000 sq. miles	4.32	42
			Carbon emission per 1000 sq miles	1.05	50

State Index

NEW MEXICO

Index Overall Rank
4.22 **38**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.37	15			
Bond rating: composite	5.73	11			
Budget deficit, % of GSP	5.39	5			
Average benefit per first payment for unemployed	5.67	14			
			Full-time-equivalent state and local government employees per 100 residents	3.65	47
Security subindex	3.99	49	Security subindex	3.99	49
			Crime index, per 100,000 inhabitants	3.83	44
			Murder index, per 100,000 inhabitants	3.86	44
			The BGA Integrity Index	3.54	48
Infrastructure subindex	4.54	46	Infrastructure subindex	4.54	46
			Households with installed phones, %	2.19	50
			High-speed lines per 1000	3.67	47
Travel time to work	5.55	14			
Average rent of 2 bedroom apartment	5.70	15			
Human resources subindex	4.39	39	Human resources subindex	4.39	39
			% of population without health insurance	3.22	49
			% of population aged 25 and over that graduated from high school	3.98	40
% of population enrolled in degree-granting institutions	6.07	8			
			% of adults who are in the labor force	3.86	45
Infant mortality rate, deaths per 1000 live births	5.61	16			
			% of students at or above proficient in mathematics, grade 4 - public schools	2.75	49
Technology subindex	5.09	23	Technology subindex	5.09	23
Academic R&D per \$1,000 GSP	5.67	10			
Science & Engineering grad. students 100,000 inhabitants	5.97	8	Patents, per 100,000 inhabitants	4.45	31
Scientists and engineers as % of labor force	5.66	11	S&E degrees awarded per 100,000 inhabitants	4.08	44
Business incubation subindex	5.25	11	Business incubation subindex	5.25	11
			Bank deposits per capita	4.50	49
Employer firm births per 100,000 inhabitants	7.10	3	IPO Per 1000 Companies, in \$	4.31	36
Minimum wage	5.69	1			
Openness subindex	4.60	39	Openness subindex	4.60	39
			Exports per capita, dollars	4.06	43
% of population born abroad	5.13	19	Incoming FDI per capita, dollars	4.61	44
Environmental policy subindex	5.87	2	Environmental policy subindex	5.87	2
Toxic release inventory, pounds per 1000 sq. miles	5.95	2			
Carbon emission per 1000 sq miles	5.80	7			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.27	48	Government and fiscal policy subindex	4.27	48
			State and local taxes per capita /income per capita	2.91	49
			Workers' compensation premium rates	4.20	41
			Bond rating: composite	4.32	36
			Average benefit per first payment for unemployed	4.61	35
			Full-time-equivalent state and local government employees per 100 residents	4.85	34
Security subindex	5.35	11	Security subindex	5.35	11
Crime index, per 100,000 inhabitants	6.27	6			
Crime index change 2004-2005, %	5.37	17			
Infrastructure subindex	4.02	50	Infrastructure subindex	4.02	50
			Households with installed phones, %	3.38	46
High-speed lines per 1000	5.88	11			
Air passengers per capita	4.92	18			
			Travel time to work	2.67	50
			Electricity prices per million BTU	3.46	45
			Average rent of 2 bedroom apartment	3.83	43
Human resources subindex	5.27	20	Human resources subindex	5.27	20
% of population without health insurance	5.33	19			
			% of population aged 25 and over that graduated from high school	4.62	33
Unemployment rate	5.29	19			
			% of adults who are in the labor force	4.13	41
Infant mortality rate, deaths per 1000 live births	5.55	17			
Rate of nonfederal physicians per 100,000 inhabitants	7.17	2			
Technology subindex	5.39	12	Technology subindex	5.39	12
NIH support to institutions per capita	5.57	9			
Patents, per 100,000 inhabitants	5.14	16			
Science & Engineering grad. students 100,000 inhabitants	6.29	4			
S&E degrees awarded per 100,000 inhabitants	5.96	6			
Business incubation subindex	4.91	28	Business incubation subindex	4.91	28
Bank deposits per capita	5.65	4			
Venture capital investment dollars per worker	5.06	15			
Employer firm births per 100,000 inhabitants	4.94	20			
IPO Per 1000 Companies, in \$	7.60	4			
			% of labor force that is represented by unions	2.42	50
			Minimum wage	3.79	40
Openness subindex	5.71	5	Openness subindex	5.71	5
Exports per capita, dollars	5.05	20			
Incoming FDI per capita, dollars	4.88	16			
% of population born abroad	7.21	2			
Environmental policy subindex	5.04	29	Environmental policy subindex	5.04	29
			Carbon emission per 1000 sq miles	4.62	41

NORTH CAROLINA

Index **Overall Rank**
4.90 **26**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
	5.14	20		5.14	20
Workers' compensation premium rates	5.49	16			
Bond rating: composite	6.20	7			
			Budget deficit, % of GSP	4.57	40
			Full-time-equivalent state and local government employees per 100 residents	4.71	37
Security subindex			Security subindex		
	4.60	40		4.60	40
			Crime index, per 100,000 inhabitants	4.16	37
			Murder index, per 100,000 inhabitants	4.16	38
Infrastructure subindex			Infrastructure subindex		
	5.17	16		5.17	16
High-speed lines per 1000	5.33	19			
Air passengers per capita	5.03	16			
Human resources subindex			Human resources subindex		
	4.68	34		4.68	34
			% of population without health insurance	4.67	33
			% of population aged 25 and over that graduated from high school	4.07	39
			Unemployment rate	4.61	34
			Infant mortality rate, deaths per 1000 live births	4.31	36
% of students at or above proficient in mathematics, grade 4 - public schools	5.57	14			
Technology subindex			Technology subindex		
	5.09	22		5.09	22
Academic R&D per \$1,000 GSP	5.44	16			
NIH support to institutions per capita	5.87	5			
Business incubation subindex			Business incubation subindex		
	5.27	9		5.27	9
Bank deposits per capita	4.99	10			
Venture capital investment dollars per worker	5.06	16			
% of labor force that is represented by unions	6.52	2			
Minimum wage	5.69	1			
Openness subindex			Openness subindex		
	4.77	30		4.77	30
Environmental policy subindex			Environmental policy subindex		
	4.73	35		4.73	35
			Toxic release inventory, pounds per 1000 sq. miles	4.39	41
			Carbon emission per 1000 sq miles	5.06	31

NORTH DAKOTA

Index **Overall Rank**
6.27 **5**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.16	19	Government and fiscal policy subindex	5.16	19
State and local taxes per capita /income per capita	5.42	14			
Workers' compensation premium rates	6.91	1			
Bond rating: composite	4.99	17			
Budget deficit, % of GSP	5.32	8			
Average benefit per first payment for unemployed	5.32	19			
			Full-time-equivalent state and local government employees per 100 residents	3.02	48
Security subindex	5.28	15	Security subindex	5.28	15
Crime index, per 100,000 inhabitants	6.78	3			
			Crime index change 2004-2005, %	3.57	47
Murder index, per 100,000 inhabitants	6.53	1			
			The BGA Integrity Index	4.25	39
Infrastructure subindex	5.74	1	Infrastructure subindex	5.74	1
Households with installed phones, %	5.89	11			
			High-speed lines per 1000	4.83	31
Travel time to work	6.96	1	Air passengers per capita	4.42	35
Electricity prices per million BTU	5.87	5			
Average rent of 2 bedroom apartment	6.50	1			
Human resources subindex	5.81	6	Human resources subindex	5.81	6
% of population without health insurance	5.88	11			
% of population aged 25 and over that graduated from high school	5.69	16			
Unemployment rate	6.07	6			
% of population enrolled in degree-granting institutions	7.00	3			
% of adults who are in the labor force	6.78	1			
			Rate of nonfederal physicians per 100,000 inhabitants	4.53	33
% of students at or above proficient in mathematics, grade 4 - public schools	5.71	11			
Technology subindex	5.15	19	Technology subindex	5.15	19
Academic R&D per \$1,000 GSP	6.98	2			
			NIH support to institutions per capita	4.45	36
Science & Engineering grad. students 100,000 inhabitants	6.69	2	Patents, per 100,000 inhabitants	4.38	33
S&E degrees awarded per 100,000 inhabitants	5.88	8			
			Scientists and engineers as % of labor force	4.15	39
Business incubation subindex	4.97	26	Business incubation subindex	4.97	26
Bank deposits per capita	4.90	17			
			IPO Per 1000 Companies, in \$	4.31	36
% of labor force that is represented by unions	5.60	15			
Minimum wage	5.69	1			
Openness subindex	4.39	44	Openness subindex	4.39	44
			Exports per capita, dollars	4.47	32
			Incoming FDI per capita, dollars	4.71	36
			% of population born abroad	3.99	47
Environmental policy subindex	5.76	9	Environmental policy subindex	5.76	9
Toxic release inventory, pounds per 1000 sq. miles	5.80	9			
Carbon emission per 1000 sq miles	5.71	13			

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.75	37	Government and fiscal policy subindex	4.75	37
			State and local taxes per capita /income per capita	3.61	48
Bond rating: composite	5.73	11	Workers' compensation premium rates	4.39	39
			Budget deficit, % of GSP	4.59	37
Full-time-equivalent state and local government employees per 100 residents	5.75	10	Average benefit per first payment for unemployed	4.45	38
Security subindex	4.97	24	Security subindex	4.97	24
			Crime index change 2004-2005, %	4.57	31
The BGA Integrity Index	5.75	14			
Infrastructure subindex	5.13	17	Infrastructure subindex	5.13	17
			Air passengers per capita	4.40	37
Travel time to work	5.20	18			
Average rent of 2 bedroom apartment	5.51	20			
Human resources subindex	4.99	29	Human resources subindex	4.99	29
% of population without health insurance	5.74	16	Unemployment rate	4.22	41
			% of population enrolled in degree-granting institutions	4.41	37
			Infant mortality rate, deaths per 1000 live births	4.11	41
Rate of nonfederal physicians per 100,000 inhabitants	5.38	11			
% of students at or above proficient in mathematics, grade 4 - public schools	5.98	6			
Technology subindex	4.86	29	Technology subindex	4.86	29
			Academic R&D per \$1,000 GSP	4.51	36
Science & Engineering grad. students 100,000 inhabitants	5.18	20			
			S&E degrees awarded per 100,000 inhabitants	4.61	31
Business incubation subindex	4.65	40	Business incubation subindex	4.65	40
			Bank deposits per capita	4.83	23
			Venture capital investment dollars per worker	4.47	38
IPO Per 1000 Companies, in \$	4.94	17	Employer firm births per 100,000 inhabitants	3.76	49
Minimum wage	5.69	1	% of labor force that is represented by unions	4.21	41
Openness subindex	4.80	28	Openness subindex	4.80	28
Exports per capita, dollars	5.37	14	% of population born abroad	4.24	39
			Environmental policy subindex	3.30	47
Environmental policy subindex	3.30	47	Toxic release inventory, pounds per 1000 sq. miles	2.49	48
			Carbon emission per 1000 sq miles	4.11	43

OKLAHOMA

Index **Overall Rank**
4.13 **40**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.63	11		4.82	34
Budget deficit, % of GSP	4.88	18	Workers' compensation premium rates	4.45	38
Average benefit per first payment for unemployed	5.68	13	Bond rating: composite	4.32	36
			Full-time-equivalent state and local government employees per 100 residents	3.99	44
Security subindex	4.89	29	Security subindex	4.89	29
Crime index change 2004-2005, %	5.56	10	Crime index, per 100,000 inhabitants	4.15	38
Infrastructure subindex	5.01	25	Infrastructure subindex	5.01	25
Travel time to work	5.86	10	Households with installed phones, %	3.76	43
Average rent of 2 bedroom apartment	5.99	8	High-speed lines per 1000	4.62	35
			Air passengers per capita	4.40	38
Human resources subindex	4.45	38	Human resources subindex	4.45	38
Unemployment rate	5.49	16	% of population without health insurance	3.69	46
			% of population aged 25 and over that graduated from high school	4.62	33
			% of adults who are in the labor force	4.22	40
			Rate of nonfederal physicians per 100,000 inhabitants	3.99	45
			% of students at or above proficient in mathematics, grade 4 - public schools	3.96	39
Technology subindex	4.36	40	Technology subindex	4.36	40
			Academic R&D per \$1,000 GSP	4.12	41
			NIH support to institutions per capita	4.31	42
			Patents, per 100,000 inhabitants	4.35	37
			Science & Engineering grad. students 100,000 inhabitants	4.45	35
			S&E degrees awarded per 100,000 inhabitants	4.43	33
			Scientists and engineers as % of labor force	4.41	34
			High-technology share of all business establishments	4.44	33
Business incubation subindex	4.92	27	Business incubation subindex	4.92	27
			Bank deposits per capita	4.65	39
			Venture capital investment dollars per worker	4.57	31
			Employer firm births per 100,000 inhabitants	4.19	41
			IPO Per 1000 Companies, in \$	4.31	36
% of labor force that is represented by unions	6.09	9			
Minimum wage	5.69	1			
Openness subindex	4.35	45	Openness subindex	4.35	45
			Exports per capita, dollars	3.98	46
			Incoming FDI per capita, dollars	4.67	39
			% of population born abroad	4.41	31
Environmental policy subindex	5.62	17	Environmental policy subindex	5.62	17
Toxic release inventory, pounds per 1000 sq. miles	5.74	13			

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.37	16		4.92	29
Workers' compensation premium rates	5.76	10	Bond rating: composite	3.85	44
			Budget deficit, % of GSP	4.68	33
Security subindex			Security subindex		
	5.28	14		5.28	14
Crime index change 2004-2005, %	5.78	9	Crime index, per 100,000 inhabitants	4.01	41
Murder index, per 100,000 inhabitants	6.06	8			
The BGA Integrity Index	5.29	19			
Infrastructure subindex			Infrastructure subindex		
	5.52	5		5.52	5
Households with installed phones, %	6.35	3			
High-speed lines per 1000	5.83	13			
Travel time to work	5.35	16			
Electricity prices per million BTU	5.72	9			
Human resources subindex			Human resources subindex		
	5.00	28		5.00	28
% of population aged 25 and over that graduated from high school	5.50	20	% of population without health insurance	4.44	35
			Unemployment rate	4.22	41
Infant mortality rate, deaths per 1000 live births	5.75	12			
Rate of nonfederal physicians per 100,000 inhabitants	5.33	14			
Technology subindex			Technology subindex		
	5.15	20		5.15	20
NIH support to institutions per capita	5.12	13			
Patents, per 100,000 inhabitants	6.33	5	Science & Engineering grad. students 100,000 inhabitants	4.24	39
Scientists and engineers as % of labor force	5.26	16			
High-technology share of all business establishments	5.17	19			
Business incubation subindex			Business incubation subindex		
	4.52	45		4.52	45
Venture capital investment dollars per worker	5.01	17	Bank deposits per capita	4.56	47
Employer firm births per 100,000 inhabitants	5.64	10	% of labor force that is represented by unions	4.47	37
			Minimum wage	2.90	49
Openness subindex			Openness subindex		
	5.24	13		5.24	13
Exports per capita, dollars	5.65	10			
% of population born abroad	5.27	17			
Environmental policy subindex			Environmental policy subindex		
	5.78	6		5.78	6
Toxic release inventory, pounds per 1000 sq. miles	5.75	11			
Carbon emission per 1000 sq miles	5.81	6			

PENNSYLVANIA

Index Overall Rank
4.57 32

BHI

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.94	27	Government and fiscal policy subindex	4.94	27
Workers' compensation premium rates	4.66	34	Budget deficit, % of GSP	4.52	45
Budget deficit, % of GSP	4.52	45	Average benefit per first payment for unemployed	4.14	42
Average benefit per first payment for unemployed	4.14	42			
Full-time-equivalent state and local government employees per 100 residents	6.65	1			
Security subindex	4.74	34	Security subindex	4.74	34
Crime index, per 100,000 inhabitants	5.97	11	Crime index change 2004-2005, %	4.43	38
			Murder index, per 100,000 inhabitants	4.41	33
			The BGA Integrity Index	4.14	40
Infrastructure subindex	5.04	22	Infrastructure subindex	5.04	22
Households with installed phones, %	5.63	17	Travel time to work	4.43	40
			Electricity prices per million BTU	5.04	34
Human resources subindex	5.25	21	Human resources subindex	5.25	21
% of population without health insurance	5.97	9	% of adults who are in the labor force	4.76	33
			Infant mortality rate, deaths per 1000 live births	4.50	34
Rate of nonfederal physicians per 100,000 inhabitants	6.19	7			
% of students at or above proficient in mathematics, grade 4 - public schools	5.71	11			
Technology subindex	5.31	15	Technology subindex	5.31	15
Academic R&D per \$1,000 GSP	5.65	12			
NIH support to institutions per capita	5.75	7			
Science & Engineering grad. students 100,000 inhabitants	5.36	16			
S&E degrees awarded per 100,000 inhabitants	5.71	12			
Business incubation subindex	5.05	22	Business incubation subindex	5.05	22
Venture capital investment dollars per worker	5.09	14			
IPO Per 1000 Companies, in \$	5.29	10	% of labor force that is represented by unions	4.59	33
Minimum wage	5.69	1			
Openness subindex	4.55	40	Openness subindex	4.55	40
			Exports per capita, dollars	4.42	34
			Incoming FDI per capita, dollars	4.73	34
Environmental policy subindex	4.05	44	Environmental policy subindex	4.05	44
			Toxic release inventory, pounds per 1000 sq. miles	3.90	44
			Carbon emission per 1000 sq miles	4.21	42

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.62	42	Government and fiscal policy subindex	4.62	42
			State and local taxes per capita /income per capita	4.06	43
			Bond rating: composite	4.32	36
			Budget deficit, % of GSP	4.70	31
			Average benefit per first payment for unemployed	3.20	47
Full-time-equivalent state and local government employees per 100 residents	6.65	2			
Security subindex	6.01	2	Security subindex	6.01	2
Crime index, per 100,000 inhabitants	5.83	16			
Crime index change 2004-2005, %	5.83	7			
Murder index, per 100,000 inhabitants	5.64	17			
The BGA Integrity Index	6.74	2			
Infrastructure subindex	4.96	27	Infrastructure subindex	4.96	27
Households with installed phones, %	5.50	18			
High-speed lines per 1000	6.30	4			
Air passengers per capita	5.12	14			
			Electricity prices per million BTU	3.38	47
			Average rent of 2 bedroom apartment	4.31	37
Human resources subindex	5.44	13	Human resources subindex	5.44	13
% of population without health insurance	5.88	11			
			% of population aged 25 and over that graduated from high school	4.40	36
% of population enrolled in degree-granting institutions	6.63	4	Unemployment rate	4.32	39
% of adults who are in the labor force	5.74	12			
Infant mortality rate, deaths per 1000 live births	5.48	18			
Rate of nonfederal physicians per 100,000 inhabitants	6.66	6			
			% of students at or above proficient in mathematics, grade 4 - public schools	4.37	36
Technology subindex	5.62	8	Technology subindex	5.62	8
Academic R&D per \$1,000 GSP	5.54	14			
NIH support to institutions per capita	5.85	6			
Patents, per 100,000 inhabitants	5.21	15			
Science & Engineering grad. students 100,000 inhabitants	5.58	12			
S&E degrees awarded per 100,000 inhabitants	7.02	3			
Scientists and engineers as % of labor force	5.14	20			
Business incubation subindex	4.50	46	Business incubation subindex	4.50	46
Bank deposits per capita	4.95	13			
Venture capital investment dollars per worker	4.96	18			
Employer firm births per 100,000 inhabitants	5.12	16			
			IPO Per 1000 Companies, in \$	4.31	36
			% of labor force that is represented by unions	4.28	39
			Minimum wage	3.38	44
Openness subindex	4.82	27	Openness subindex	4.82	27
			Exports per capita, dollars	3.95	48
% of population born abroad	5.75	11			
Environmental policy subindex	4.05	45	Environmental policy subindex	4.05	45
Toxic release inventory, pounds per 1000 sq. miles	5.66	18			
			Carbon emission per 1000 sq miles	2.44	49

SOUTH CAROLINA

Index **Overall Rank**
4.28 **37**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.29	15	Government and fiscal policy subindex	5.29	15
Bond rating: composite	6.20	7	Full-time-equivalent state and local government employees per 100 residents	4.66	39
Budget deficit, % of GSP	4.87	20			
Average benefit per first payment for unemployed	5.87	10			
Security subindex	4.73	36	Security subindex	4.73	36
Crime index change 2004-2005, %	5.44	13	Crime index, per 100,000 inhabitants	3.57	48
The BGA Integrity Index	6.06	7	Murder index, per 100,000 inhabitants	3.86	44
Infrastructure subindex	4.90	30	Infrastructure subindex	4.90	30
Electricity prices per million BTU	5.57	16	Households with installed phones, %	4.82	31
Average rent of 2 bedroom apartment	5.52	19	High-speed lines per 1000	4.28	38
			Air passengers per capita	4.35	42
Human resources subindex	4.02	47	Human resources subindex	4.02	47
			% of population without health insurance	4.47	34
			% of population aged 25 and over that graduated from high school	3.90	41
			Unemployment rate	2.76	48
			% of population enrolled in degree-granting institutions	4.00	43
			% of adults who are in the labor force	4.25	39
			Infant mortality rate, deaths per 1000 live births	3.33	48
			Rate of nonfederal physicians per 100,000 inhabitants	4.40	35
Technology subindex	4.28	43	Technology subindex	4.28	43
			NIH support to institutions per capita	4.41	38
			Patents, per 100,000 inhabitants	4.37	35
			Science & Engineering grad. students 100,000 inhabitants	3.58	49
			S&E degrees awarded per 100,000 inhabitants	4.35	38
			Scientists and engineers as % of labor force	4.25	37
			High-technology share of all business establishments	4.26	38
Business incubation subindex	5.13	18	Business incubation subindex	5.13	18
			Bank deposits per capita	4.61	43
			Venture capital investment dollars per worker	4.47	37
			Employer firm births per 100,000 inhabitants	4.64	32
% of labor force that is represented by unions	6.63	1			
Minimum wage	5.69	1			
Openness subindex	5.01	22	Openness subindex	5.01	22
Exports per capita, dollars	5.55	11	% of population born abroad	4.36	32
Incoming FDI per capita, dollars	5.11	7			
Environmental policy subindex	4.80	34	Environmental policy subindex	4.80	34
			Toxic release inventory, pounds per 1000 sq. miles	4.42	40

State Index

SOUTH DAKOTA

Index Overall Rank
6.00 8

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.97	6	Full-time-equivalent state and local government employees per 100 residents	4.21	42
Workers' compensation premium rates	5.95	8			
Average benefit per first payment for unemployed	6.03	9			
Bond rating: composite	4.99	17			
Security subindex			Security subindex		
Crime index, per 100,000 inhabitants	6.91	2	The BGA Integrity Index	2.69	50
Crime index change 2004-2005, %	6.35	4			
Murder index, per 100,000 inhabitants	6.02	10			
Infrastructure subindex			Infrastructure subindex		
Travel time to work	6.87	2	Air passengers per capita	4.35	41
Average rent of 2 bedroom apartment	6.34	3	High-speed lines per 1000	4.83	32
Households with installed phones, %	5.97	9			
Electricity prices per million BTU	5.64	12			
Human resources subindex			Human resources subindex		
% of adults who are in the labor force	6.55	3	Infant mortality rate, deaths per 1000 live births	4.24	38
Unemployment rate	5.97	9	Rate of nonfederal physicians per 100,000 inhabitants	4.23	37
% of students at or above proficient in mathematics, grade 4 - public schools	5.57	14			
% of population aged 25 and over that graduated from high school	5.80	15			
% of population enrolled in degree-granting institutions	5.43	15			
% of population without health insurance	5.68	17			
Technology subindex			Technology subindex		
S&E degrees awarded per 100,000 inhabitants	5.63	14	Academic R&D per \$1,000 GSP	3.70	49
			High-technology share of all business establishments	3.43	49
			Scientists and engineers as % of labor force	3.90	45
			Patents, per 100,000 inhabitants	4.17	43
			NIH support to institutions per capita	4.34	41
			Science & Engineering grad. students 100,000 inhabitants	4.54	32
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1	Venture capital investment dollars per worker	4.43	46
Bank deposits per capita	6.48	2	IPO Per 1000 Companies, in \$	4.31	36
% of labor force that is represented by unions	5.78	14	Employer firm births per 100,000 inhabitants	4.46	34
Openness subindex			Openness subindex		
	4.18	49	Incoming FDI per capita, dollars	4.53	49
			Exports per capita, dollars	3.98	47
			% of population born abroad	4.04	45
Environmental policy subindex			Environmental policy subindex		
Carbon emission per 1000 sq miles	5.89	2		5.91	1
Toxic release inventory, pounds per 1000 sq. miles	5.93	3			

TENNESSEE

Index Overall Rank
4.01 41

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	6.43	4	Budget deficit, % of GSP	4.69	32
Average benefit per first payment for unemployed	6.03	8			
Full-time-equivalent state and local government employees per 100 residents	5.68	13			
Security subindex			Security subindex		
	3.97	50	Crime index, per 100,000 inhabitants	3.64	46
			The BGA Integrity Index	3.84	44
			Murder index, per 100,000 inhabitants	3.95	42
			Crime index change 2004-2005, %	4.43	36
Infrastructure subindex			Infrastructure subindex		
Average rent of 2 bedroom apartment	5.73	14	Households with installed phones, %	4.70	35
Electricity prices per million BTU	5.54	18	High-speed lines per 1000	4.62	34
Human resources subindex			Human resources subindex		
	4.26	42	% of population enrolled in degree-granting institutions	3.72	47
			Infant mortality rate, deaths per 1000 live births	3.65	46
			% of population aged 25 and over that graduated from high school	3.76	42
			% of adults who are in the labor force	4.13	41
			% of students at or above proficient in mathematics, grade 4 - public schools	3.96	39
Technology subindex			Technology subindex		
NIH support to institutions per capita	5.08	16	Science & Engineering grad. students 100,000 inhabitants	4.14	42
			S&E degrees awarded per 100,000 inhabitants	4.13	42
			Scientists and engineers as % of labor force	3.98	42
			Patents, per 100,000 inhabitants	4.34	39
			High-technology share of all business establishments	4.20	39
			Academic R&D per \$1,000 GSP	4.47	37
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1		5.12	19
% of labor force that is represented by unions	6.05	10			
IPO Per 1000 Companies, in \$	4.91	19			
Openness subindex			Openness subindex		
Exports per capita, dollars	5.49	13	% of population born abroad	4.29	35
Environmental policy subindex			Environmental policy subindex		
	4.40	40	Toxic release inventory, pounds per 1000 sq. miles	3.75	46
			Carbon emission per 1000 sq miles	5.04	33

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
State and local taxes per capita /income per capita	5.80	23	Workers' compensation premium rates	4.61	35
Bond rating: composite	5.26	15			
Security subindex			Security subindex		
The BGA Integrity Index	6.03	9	Crime index, per 100,000 inhabitants	3.82	45
Crime index change 2004-2005, %	5.41	15	Murder index, per 100,000 inhabitants	4.37	36
Infrastructure subindex			Infrastructure subindex		
Air passengers per capita	5.24	13	Households with installed phones, %	3.63	45
			Electricity prices per million BTU	4.51	39
			Travel time to work	4.57	33
Human resources subindex			Human resources subindex		
Infant mortality rate, deaths per 1000 live births	5.75	12	% of population without health insurance	2.09	50
% of students at or above proficient in mathematics, grade 4 - public schools	5.57	14	% of population aged 25 and over that graduated from high school	3.10	49
			Rate of nonfederal physicians per 100,000 inhabitants	4.14	43
			Unemployment rate	4.51	37
			% of adults who are in the labor force	4.31	37
			% of population enrolled in degree-granting institutions	4.52	32
Technology subindex			Technology subindex		
Scientists and engineers as % of labor force	5.24	17	S&E degrees awarded per 100,000 inhabitants	4.11	43
High-technology share of all business establishments	5.43	17	Academic R&D per \$1,000 GSP	4.57	34
Patents, per 100,000 inhabitants	4.97	20			
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1	Employer firm births per 100,000 inhabitants	4.21	39
% of labor force that is represented by unions	6.12	6			
IPO Per 1000 Companies, in \$	5.29	11			
Venture capital investment dollars per worker	5.12	13			
Openness subindex			Openness subindex		
Exports per capita, dollars	7.35	3			
% of population born abroad	6.29	7			
Incoming FDI per capita, dollars	4.96	13			
Environmental policy subindex			Environmental policy subindex		
	5.27	25		5.27	25

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Bond rating: composite	6.67	1	Budget deficit, % of GSP	4.65	35
Workers' compensation premium rates	5.64	14	Average benefit per first payment for unemployed	4.70	32
Full-time-equivalent state and local government employees per 100 residents	5.33	20			
Security subindex			Security subindex		
Crime index change 2004-2005, %	5.85	6		5.35	12
Murder index, per 100,000 inhabitants	6.02	10			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.39	2	High-speed lines per 1000	4.23	40
Air passengers per capita	5.85	6			
Electricity prices per million BTU	5.84	7			
Travel time to work	5.75	11			
Human resources subindex			Human resources subindex		
Unemployment rate	6.75	2	Rate of nonfederal physicians per 100,000 inhabitants	4.18	40
% of population enrolled in degree-granting institutions	7.26	2	% of population without health insurance	4.70	31
% of population aged 25 and over that graduated from high school	6.21	5			
Infant mortality rate, deaths per 1000 live births	6.07	8			
% of adults who are in the labor force	5.53	15			
Technology subindex			Technology subindex		
S&E degrees awarded per 100,000 inhabitants	6.73	4		5.70	5
Academic R&D per \$1,000 GSP	5.83	7			
High-technology share of all business establishments	6.02	9			
Science & Engineering grad. students 100,000 inhabitants	5.63	10			
Scientists and engineers as % of labor force	5.71	10			
Patents, per 100,000 inhabitants	5.06	18			
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1		5.81	3
Bank deposits per capita	6.19	3			
% of labor force that is represented by unions	6.14	5			
Venture capital investment dollars per worker	5.63	6			
Employer firm births per 100,000 inhabitants	6.30	8			
IPO Per 1000 Companies, in \$	4.91	20			
Openness subindex			Openness subindex		
Incoming FDI per capita, dollars	5.03	9		4.97	23
% of population born abroad	4.97	20			
Environmental policy subindex			Environmental policy subindex		
Carbon emission per 1000 sq miles	5.71	12	Toxic release inventory, pounds per 1000 sq. miles	4.80	33

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Bond rating: composite	5.73	11	Workers' compensation premium rates	4.08	44
			Full-time-equivalent state and local government employees per 100 residents	4.15	43
			State and local taxes per capita /income per capita	4.35	41
			Budget deficit, % of GSP	4.61	36
Security subindex			Security subindex		
Murder index, per 100,000 inhabitants	6.44	2	The BGA Integrity Index	3.32	49
Crime index, per 100,000 inhabitants	6.43	4			
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.27	4	Electricity prices per million BTU	4.20	40
Travel time to work	5.55	14	Air passengers per capita	4.46	33
Human resources subindex			Human resources subindex		
Infant mortality rate, deaths per 1000 live births	7.05	1			
Rate of nonfederal physicians per 100,000 inhabitants	6.89	4			
% of students at or above proficient in mathematics, grade 4 - public schools	5.98	6			
% of population aged 25 and over that graduated from high school	6.05	8			
% of adults who are in the labor force	6.16	8			
% of population without health insurance	5.88	11			
Unemployment rate	5.68	12			
% of population enrolled in degree-granting institutions	5.32	17			
Technology subindex			Technology subindex		
Patents, per 100,000 inhabitants	7.11	2	Science & Engineering grad. students 100,000 inhabitants	3.94	46
S&E degrees awarded per 100,000 inhabitants	7.18	2			
Academic R&D per \$1,000 GSP	6.00	6			
NIH support to institutions per capita	5.61	8			
Business incubation subindex			Business incubation subindex		
	4.40	48	Minimum wage	3.20	47
			Venture capital investment dollars per worker	4.46	40
			IPO Per 1000 Companies, in \$	4.31	36
			Bank deposits per capita	4.73	31
Openness subindex			Openness subindex		
Exports per capita, dollars	8.24	1	Incoming FDI per capita, dollars	4.62	43
			% of population born abroad	4.26	37
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.97	1			
Carbon emission per 1000 sq miles	5.73	10			

VIRGINIA

Index **Overall Rank**
5.98 **10**

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	5.62	1	Government and fiscal policy subindex	5.62	1
Bond rating: composite	6.67	1	Full-time-equivalent state and local government employees per 100 residents	4.97	31
Workers' compensation premium rates	6.36	3			
State and local taxes per capita /income per capita	5.68	10			
Average benefit per first payment for unemployed	5.25	20			
Security subindex	4.96	25	Security subindex	4.96	25
Crime index, per 100,000 inhabitants	5.88	14	Murder index, per 100,000 inhabitants	4.41	33
Infrastructure subindex	4.93	29	Infrastructure subindex	4.93	29
Air passengers per capita	5.47	11	Travel time to work	3.88	43
High-speed lines per 1000	5.63	14	Average rent of 2 bedroom apartment	4.04	40
Electricity prices per million BTU	5.59	14			
Human resources subindex	5.22	22	Human resources subindex	5.22	22
Unemployment rate	6.36	3			
% of students at or above proficient in mathematics, grade 4 - public schools	5.57	14			
% of adults who are in the labor force	5.15	20			
Technology subindex	5.49	9	Technology subindex	5.49	9
Scientists and engineers as % of labor force	7.44	1	Academic R&D per \$1,000 GSP	4.16	40
High-technology share of all business establishments	6.76	3	Patents, per 100,000 inhabitants	4.42	32
S&E degrees awarded per 100,000 inhabitants	5.42	16			
Science & Engineering grad. students 100,000 inhabitants	5.32	18			
Business incubation subindex	5.57	5	Business incubation subindex	5.57	5
Minimum wage	5.69	1			
IPO Per 1000 Companies, in \$	6.28	5			
% of labor force that is represented by unions	6.12	6			
Bank deposits per capita	4.96	12			
Venture capital investment dollars per worker	5.31	12			
Employer firm births per 100,000 inhabitants	5.02	18			
Openness subindex	4.75	32	Openness subindex	4.75	32
% of population born abroad	5.30	16	Incoming FDI per capita, dollars	4.66	40
			Exports per capita, dollars	4.28	39
Environmental policy subindex	4.99	30	Environmental policy subindex	4.99	30
			Carbon emission per 1000 sq miles	5.04	34
			Toxic release inventory, pounds per 1000 sq. miles	4.93	31

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Bond rating: composite	5.26	15	Average benefit per first payment for unemployed	3.63	45
Workers' compensation premium rates	5.49	16	State and local taxes per capita /income per capita	4.52	38
			Full-time-equivalent state and local government employees per 100 residents	4.75	36
Security subindex			Security subindex		
The BGA Integrity Index	6.01	11	Crime index, per 100,000 inhabitants	3.42	49
Murder index, per 100,000 inhabitants	5.60	18	Crime index change 2004-2005, %	4.35	39
Infrastructure subindex			Infrastructure subindex		
Households with installed phones, %	6.18	6	Average rent of 2 bedroom apartment	4.57	35
Electricity prices per million BTU	5.86	6	Travel time to work	4.54	34
High-speed lines per 1000	5.98	10			
Air passengers per capita	5.11	15			
Human resources subindex			Human resources subindex		
Infant mortality rate, deaths per 1000 live births	6.33	4	Unemployment rate	4.51	37
% of students at or above proficient in mathematics, grade 4 - public schools	5.84	9	% of population enrolled in degree-granting institutions	4.59	31
% of population aged 25 and over that graduated from high school	5.86	11	% of adults who are in the labor force	4.79	31
Rate of nonfederal physicians per 100,000 inhabitants	5.17	17			
% of population without health insurance	5.31	20			
Technology subindex			Technology subindex		
NIH support to institutions per capita	5.95	4	Science & Engineering grad. students 100,000 inhabitants	4.05	44
Scientists and engineers as % of labor force	6.78	5			
Patents, per 100,000 inhabitants	5.75	11			
High-technology share of all business establishments	5.50	16			
Business incubation subindex			Business incubation subindex		
Venture capital investment dollars per worker	6.21	3	Minimum wage	2.75	50
Employer firm births per 100,000 inhabitants	6.45	6	% of labor force that is represented by unions	3.65	45
			Bank deposits per capita	4.69	34
			IPO Per 1000 Companies, in \$	4.51	31
			Employer firm births per 100,000 inhabitants	6.45	6
			Venture capital investment dollars per worker	6.21	3
Openness subindex			Openness subindex		
Exports per capita, dollars	7.65	2			
% of population born abroad	5.68	13			
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.71	14			
Carbon emission per 1000 sq miles	5.57	19			

WEST VIRGINIA

Index **Overall Rank**
3.32 **49**

BHI

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Average benefit per first payment for unemployed	5.86	11	Bond rating: composite	3.85	44
Budget deficit, % of GSP	4.98	12			
Full-time-equivalent state and local government employees per 100 residents	5.35	19			
Workers' compensation premium rates	5.45	20			
Security subindex			Security subindex		
The BGA Integrity Index	6.04	8	Crime index change 2004-2005, %	3.50	48
Crime index, per 100,000 inhabitants	5.91	12			
Infrastructure subindex			Infrastructure subindex		
Electricity prices per million BTU	6.17	2	Air passengers per capita	4.08	49
Average rent of 2 bedroom apartment	6.47	2	High-speed lines per 1000	3.87	43
			Travel time to work	4.48	37
Human resources subindex			Human resources subindex		
	3.85	49	% of adults who are in the labor force	2.11	50
			Infant mortality rate, deaths per 1000 live births	3.52	47
			% of students at or above proficient in mathematics, grade 4 - public schools	3.69	45
			% of population aged 25 and over that graduated from high school	3.76	42
			Unemployment rate	4.22	41
			% of population without health insurance	4.26	37
			% of population enrolled in degree-granting institutions	4.45	36
Technology subindex			Technology subindex		
	4.06	48	High-technology share of all business establishments	3.42	50
			NIH support to institutions per capita	4.12	48
			Patents, per 100,000 inhabitants	4.00	48
			Scientists and engineers as % of labor force	3.83	47
			Academic R&D per \$1,000 GSP	4.17	39
			S&E degrees awarded per 100,000 inhabitants	4.36	37
			Science & Engineering grad. students 100,000 inhabitants	4.49	33
Business incubation subindex			Business incubation subindex		
Minimum wage	4.55	44	Employer firm births per 100,000 inhabitants	3.72	50
	5.69	1	Bank deposits per capita	4.62	42
			Venture capital investment dollars per worker	4.49	36
			IPO Per 1000 Companies, in \$	4.31	36
			% of labor force that is represented by unions	4.51	36
Openness subindex			Openness subindex		
	4.34	47	% of population born abroad	3.84	50
			Exports per capita, dollars	4.37	36
Environmental policy subindex			Environmental policy subindex		
	4.21	42	Toxic release inventory, pounds per 1000 sq. miles	3.77	45
			Carbon emission per 1000 sq miles	4.66	39

State Index

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex	4.66	41	Government and fiscal policy subindex	4.66	41
Workers' compensation premium rates	5.48	18	Budget deficit, % of GSP	4.36	49
			State and local taxes per capita /income per capita	3.99	44
			Bond rating: composite	3.85	44
Security subindex	5.72	4	Security subindex	5.72	4
The BGA Integrity Index	7.14	1	Crime index change 2004-2005, %	4.32	40
Crime index, per 100,000 inhabitants	5.90	13			
Murder index, per 100,000 inhabitants	5.51	19			
Infrastructure subindex	5.12	18	Infrastructure subindex	5.12	18
Travel time to work	5.66	12	Air passengers per capita	4.41	36
Human resources subindex	5.47	12	Human resources subindex	5.47	12
% of population without health insurance	6.29	4	Unemployment rate	4.71	32
% of adults who are in the labor force	6.16	8			
% of population aged 25 and over that graduated from high school	5.86	11			
% of students at or above proficient in mathematics, grade 4 - public schools	5.57	14			
% of population enrolled in degree-granting institutions	5.12	19			
Technology subindex	5.10	21	Technology subindex	5.10	21
Academic R&D per \$1,000 GSP	5.55	13			
Patents, per 100,000 inhabitants	5.35	14			
NIH support to institutions per capita	5.03	17			
S&E degrees awarded per 100,000 inhabitants	5.17	20			
Business incubation subindex	4.62	41	Business incubation subindex	4.62	41
Bank deposits per capita	4.86	20	% of labor force that is represented by unions	4.21	41
			Employer firm births per 100,000 inhabitants	4.23	37
			Venture capital investment dollars per worker	4.52	35
			Minimum wage	5.04	33
			IPO Per 1000 Companies, in \$	4.89	21
			Bank deposits per capita	4.86	20
Openness subindex	4.74	33	Openness subindex	4.74	33
Exports per capita, dollars	5.11	19	% of population born abroad	4.36	32
			Incoming FDI per capita, dollars	4.77	31
Environmental policy subindex	5.43	22	Environmental policy subindex	5.43	22

WYOMING

Index **Overall Rank**

6.00

7

COMPETITIVE ADVANTAGES			COMPETITIVE DISADVANTAGES		
<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>	<i>Subindex/Variable</i>	<i>Index</i>	<i>Rank</i>
Government and fiscal policy subindex			Government and fiscal policy subindex		
Budget deficit, % of GSP	7.25	2	Full-time-equivalent state and local government employees per 100 residents	1.34	50
State and local taxes per capita /income per capita	5.22	18			
Security subindex			Security subindex		
Crime index change 2004-2005, %	5.80	8	The BGA Integrity Index	4.35	37
Murder index, per 100,000 inhabitants	5.85	14			
Crime index, per 100,000 inhabitants	5.39	19			
Infrastructure subindex			Infrastructure subindex		
Travel time to work	6.67	3	Air passengers per capita	4.36	40
Electricity prices per million BTU	6.10	3	High-speed lines per 1000	4.49	36
Average rent of 2 bedroom apartment	6.07	6			
Households with installed phones, %	5.50	18			
Human resources subindex			Human resources subindex		
% of population aged 25 and over that graduated from high school	6.54	1	Rate of nonfederal physicians per 100,000 inhabitants	3.83	48
% of adults who are in the labor force	6.19	7	Infant mortality rate, deaths per 1000 live births	4.31	36
Unemployment rate	5.97	9			
% of students at or above proficient in mathematics, grade 4 - public schools	5.84	9			
% of population enrolled in degree-granting institutions	5.85	11			
Technology subindex			Technology subindex		
Science & Engineering grad. students 100,000 inhabitants	5.34	17	NIH support to institutions per capita	4.14	47
			Scientists and engineers as % of labor force	3.97	43
			Academic R&D per \$1,000 GSP	4.09	42
			High-technology share of all business establishments	4.17	42
			Patents, per 100,000 inhabitants	4.28	41
			S&E degrees awarded per 100,000 inhabitants	4.46	32
Business incubation subindex			Business incubation subindex		
Minimum wage	5.69	1	Venture capital investment dollars per worker	4.47	39
Employer firm births per 100,000 inhabitants	6.77	4	IPO Per 1000 Companies, in \$	4.31	36
% of labor force that is represented by unions	5.55	17			
Openness subindex			Openness subindex		
Incoming FDI per capita, dollars	7.36	2	% of population born abroad	4.04	45
			Exports per capita, dollars	4.06	44
Environmental policy subindex			Environmental policy subindex		
Toxic release inventory, pounds per 1000 sq. miles	5.90	4			
Carbon emission per 1000 sq miles	5.75	9			

About the Beacon Hill Institute

Founded in 1991, BHI is an independent, nonpartisan economic research organization, located within Suffolk University in Boston, that applies a market-clearing approach to the analysis of tax, fiscal and regulatory issues. In addition to analyzing tax policy, we study issues including education spending, charitable tax incentives, federal tax reform universal health care, tort reform and economic competitiveness. BHI develops innovative solutions and applies economic analysis to public-policy issues affecting the states and the nation.



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