



The Beacon Hill Institute for
Public Policy Research

8 Ashburton Place
Boston, Massachusetts 02108-2770

phone: 617.573.8750
fax: 617.994.4279
email: bhi@beaconhill.org
web site: www.beaconhill.org

Embargoed until:
Monday, May 11, 2008
12:01 a.m.

Contact:
Frank Conte, Communications
617-573-8050; 8750
fconte@beaconhill.org

A Hub of Competition and Excellence: Boston Remains Highly Competitive; Ranks Second in BHI's Latest Metro Index

BOSTON – For the second consecutive year, the Boston metropolitan area ranked second in a measure of interstate economic competitiveness as developed by the Beacon Hill Institute at Suffolk University. In the latest *Metro Area Competitiveness Report 2007* released today, Boston is second to Salt Lake City.

The Institute defines competitiveness as “the policies and conditions that ensure and sustain a high level of per capita income and its continued growth.” The report assigns 38 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.”

“Boston is still a very competitive metropolitan area,” said David G. Tuerck, BHI Executive Director. “The continued emphasis on the region’s fiscal woes detracts from our understanding of the economic fundamentals, which remain as strong as ever,” he said. “Boston continues to benefit from the high quality of its labor force, its strength in high-tech and its role as a financial center.”

Boston scores well on the BHI index based on its position in technology, business incubation and human resources. For the five indicators comprising the technology sub-index, for example, Boston once again was in the top ten for all five measures. The depth of these strengths more than offset areas in which the region traditionally performs poorly – for example, infrastructure (electricity prices and travel-time to work) and government policy (unemployment benefits and cost of doing business). Denver, Portland OR, Washington, Seattle, Virginia Beach, Minneapolis, San Jose, and Providence rounded out the top 10 this year.

The metro areas used in the report are defined by the United States Census Bureau as Metropolitan Statistical Areas (MSA).

Memphis, Birmingham, Detroit, New Orleans, and Riverside (California) rank at the bottom of the index this year. If these five urban areas were to raise their competitiveness index score – currently 3.3 – to the national mean of 5, they could expect to boost their income levels by \$3,400 annually, or almost ten percent, according to the report’s authors. “To do this, these low-performing metro areas could emulate Salt Lake City, Boston, and Denver by raising their levels of education and human capital, where their performance is currently dismal,” says Professor Jonathan Haughton, co-author of the report.

Metro Areas*	Subindexes, Rank in 2007 (Alphabetically)																	
	Overall		Govt & Fiscal Policy		Security		Infrstrc		Human Resources		Tech		Biz Incub.		Openness		Enviro. Policy	
	Index	Rank	I	R	I	R	I	R	I	R	I	R	I	R	I	R	I	R
Atlanta	4.84	25	5.99	8	4.98	26	5.15	26	4.48	35	4.26	41	5.20	17	4.65	25	4.80	35
Austin	5.54	14	5.66	18	5.96	9	4.23	42	5.08	25	4.97	24	5.31	15	6.05	11	4.43	38
Baltimore	5.72	11	5.60	20	3.72	47	4.57	33	6.20	5	7.88	2	5.19	18	4.14	42	4.96	28
Birmingham	3.50	47	5.90	10	3.94	45	4.24	41	3.97	40	4.35	39	4.90	25	3.93	50	4.10	42
Boston	7.38	2	4.90	29	5.93	10	3.50	47	7.22	2	8.51	1	6.75	4	4.87	19	5.79	13
Buffalo	4.92	24	3.31	49	5.39	21	5.60	14	5.46	17	5.18	20	4.21	42	4.75	23	5.84	12
Charlotte	5.45	16	6.07	6	4.03	43	6.34	4	4.54	33	4.86	26	7.12	3	4.41	34	4.05	43
Chicago	4.79	27	4.68	33	5.46	16	4.29	40	5.00	26	4.74	30	4.80	31	5.35	13	5.01	26
Cincinnati	4.16	43	4.89	30	5.42	17	6.07	5	4.69	31	4.70	31	3.51	48	4.24	37	3.87	45
Cleveland	4.08	44	4.23	37	6.30	6	5.85	8	4.30	38	4.78	28	3.71	47	4.45	32	3.51	48
Columbus	4.31	40	4.94	28	4.84	28	5.68	11	5.21	20	5.02	23	3.89	44	4.47	31	3.78	46
Dallas	5.25	19	5.75	14	5.00	25	4.56	34	4.44	36	4.61	32	5.11	19	6.28	9	5.04	25
Denver	6.62	3	4.61	35	6.17	7	6.79	2	5.80	10	5.54	11	5.93	10	4.49	29	5.76	14
Detroit	3.36	48	4.06	38	4.79	30	4.85	30	3.85	44	5.19	19	2.37	50	4.92	18	4.83	33
Hartford	5.55	13	3.89	39	6.07	8	5.13	27	6.05	8	5.63	9	4.35	39	4.57	26	6.04	8
Houston	4.50	35	5.57	21	4.16	41	4.33	39	3.78	45	4.59	33	5.29	16	6.50	6	4.20	40
Indianapolis	4.36	39	5.83	11	4.48	37	5.63	12	5.17	23	4.58	34	4.51	36	4.17	39	3.62	47
Jacksonville	4.69	30	5.67	17	4.75	32	5.08	29	4.83	30	3.84	46	5.07	21	4.50	28	5.27	21
Kansas City	5.32	17	5.76	13	4.77	31	5.79	9	5.56	13	4.74	29	4.66	32	4.10	46	5.61	15
Las Vegas	4.70	29	5.57	22	3.43	48	6.70	3	3.55	47	3.30	50	7.13	2	5.01	17	4.38	39
Los Angeles	4.44	36	3.76	41	5.39	20	3.57	46	3.86	42	5.25	17	4.92	23	7.45	2	4.03	44
Louisville	4.04	45	4.67	34	5.35	22	5.47	19	4.57	32	3.90	43	4.47	38	4.03	49	4.53	37
Memphis	3.51	46	5.98	9	1.54	50	5.54	17	3.40	49	4.37	38	5.60	12	4.06	48	4.84	32
Miami	4.41	38	5.05	26	4.11	42	4.45	35	3.71	46	3.66	49	4.88	26	6.42	7	5.87	10
Milwaukee	4.75	28	4.83	31	4.27	40	5.40	22	5.61	12	5.08	21	3.88	45	4.23	38	5.92	9
Minneapolis	6.11	8	5.01	27	5.72	13	5.88	7	7.26	1	5.78	7	3.34	49	4.45	33	6.04	7
Nashville	5.00	22	6.64	1	4.42	38	5.32	23	4.36	37	4.06	42	5.96	9	4.24	36	4.98	27
New Orleans	3.12	49	4.35	36	4.02	44	4.41	36	3.03	50	3.79	48	4.82	30	4.11	45	5.57	16
New York	4.62	33	3.76	40	6.33	4	2.59	50	5.18	22	4.93	25	4.50	37	6.08	10	5.45	18
Oklahoma City	5.08	21	5.80	12	5.08	24	5.61	13	4.21	39	3.84	45	5.51	14	4.08	47	6.13	5
Orlando	4.63	32	5.72	16	3.74	46	5.74	10	4.49	34	3.82	47	4.83	29	5.09	16	5.43	19
Philadelphia	4.30	41	4.73	32	4.57	33	4.38	37	5.39	19	5.22	18	4.27	41	4.50	27	4.75	36
Phoenix	4.83	26	6.03	7	4.49	36	5.41	21	5.43	18	4.30	40	6.03	8	4.85	21	2.94	49
Pittsburgh	4.42	37	3.66	44	6.39	3	5.55	16	5.14	24	5.33	14	3.75	46	4.17	40	4.20	41
Portland	6.56	4	5.72	15	6.95	1	5.95	6	5.52	15	5.32	15	4.14	43	4.66	24	6.63	1
Providence	5.81	10	3.48	47	6.60	2	4.82	31	5.63	11	6.54	5	4.92	22	4.48	30	6.05	6
Richmond	5.29	18	6.28	4	3.39	49	5.47	20	5.47	16	4.45	36	6.22	7	4.15	41	5.48	17
Riverside	2.93	50	3.49	46	5.40	19	2.95	49	3.85	43	5.07	22	4.91	24	6.69	5	1.16	50
Rochester	5.56	12	3.67	43	5.79	12	5.32	24	6.09	7	5.52	12	4.28	40	4.83	22	6.26	3
Sacramento	4.66	31	3.58	45	4.85	27	4.34	38	4.89	29	5.51	13	4.56	34	6.38	8	4.82	34
Salt Lake City	7.57	1	6.15	5	5.63	14	7.23	1	7.05	3	5.31	16	7.23	1	4.39	35	5.07	24
San Antonio	4.98	23	5.66	18	4.52	35	4.63	32	3.47	48	4.37	37	6.53	5	5.81	12	4.93	30
San Diego	5.15	20	3.13	50	5.83	11	3.84	43	4.99	27	5.65	8	5.08	20	6.76	4	5.20	23
San Francisco	5.53	15	3.40	48	4.29	39	3.61	45	5.56	14	5.80	6	5.65	11	7.16	3	6.21	4
San Jose	6.11	9	3.76	41	6.31	5	3.61	44	5.20	21	6.62	3	4.55	35	7.56	1	5.87	11
Seattle	6.31	6	5.08	25	5.17	23	5.60	15	6.18	6	5.54	10	4.84	27	5.31	14	6.38	2
St. Louis	4.55	34	5.11	24	4.81	29	5.31	25	4.95	28	4.78	27	4.65	33	4.13	43	4.87	31
Tampa	4.22	42	5.54	23	4.54	34	5.12	28	3.87	41	3.85	44	4.84	28	4.85	20	4.95	29
Virginia Beach	6.13	7	6.54	3	5.48	15	5.47	18	5.86	9	4.52	35	6.23	6	4.12	44	5.33	20
Washington	6.32	5	6.57	2	5.41	18	3.04	48	6.57	4	6.56	4	5.59	13	5.12	15	5.26	22

*Metro Areas are abbreviated

Metro Areas*	Subindexes, Rank in 2007																	
	Overall		Govt & Fiscal Policy		Security		Infrstrc		Human Resources		Tech		Biz Incub.		Openness		Enviro. Policy	
	Index	Rank	I	R	I	R	I	R	I	R	I	R	I	R	I	R	I	R
Salt Lake City	7.57	1	6.15	5	5.63	14	7.23	1	7.05	3	5.31	16	7.23	1	4.39	35	5.07	24
Boston	7.38	2	4.90	29	5.93	10	3.50	47	7.22	2	8.51	1	6.75	4	4.87	19	5.79	13
Denver	6.62	3	4.61	35	6.17	7	6.79	2	5.80	10	5.54	11	5.93	10	4.49	29	5.76	14
Portland	6.56	4	5.72	15	6.95	1	5.95	6	5.52	15	5.32	15	4.14	43	4.66	24	6.63	1
Washington	6.32	5	6.57	2	5.41	18	3.04	48	6.57	4	6.56	4	5.59	13	5.12	15	5.26	22
Seattle	6.31	6	5.08	25	5.17	23	5.60	15	6.18	6	5.54	10	4.84	27	5.31	14	6.38	2
Virginia Beach	6.13	7	6.54	3	5.48	15	5.47	18	5.86	9	4.52	35	6.23	6	4.12	44	5.33	20
Minneapolis	6.11	8	5.01	27	5.72	13	5.88	7	7.26	1	5.78	7	3.34	49	4.45	33	6.04	7
San Jose	6.11	9	3.76	41	6.31	5	3.61	44	5.20	21	6.62	3	4.55	35	7.56	1	5.87	11
Providence	5.81	10	3.48	47	6.60	2	4.82	31	5.63	11	6.54	5	4.92	22	4.48	30	6.05	6
Baltimore	5.72	11	5.60	20	3.72	47	4.57	33	6.20	5	7.88	2	5.19	18	4.14	42	4.96	28
Rochester	5.56	12	3.67	43	5.79	12	5.32	24	6.09	7	5.52	12	4.28	40	4.83	22	6.26	3
Hartford	5.55	13	3.89	39	6.07	8	5.13	27	6.05	8	5.63	9	4.35	39	4.57	26	6.04	8
Austin	5.54	14	5.66	18	5.96	9	4.23	42	5.08	25	4.97	24	5.31	15	6.05	11	4.43	38
San Francisco	5.53	15	3.40	48	4.29	39	3.61	45	5.56	14	5.80	6	5.65	11	7.16	3	6.21	4
Charlotte	5.45	16	6.07	6	4.03	43	6.34	4	4.54	33	4.86	26	7.12	3	4.41	34	4.05	43
Kansas City	5.32	17	5.76	13	4.77	31	5.79	9	5.56	13	4.74	29	4.66	32	4.10	46	5.61	15
Richmond	5.29	18	6.28	4	3.39	49	5.47	20	5.47	16	4.45	36	6.22	7	4.15	41	5.48	17
Dallas	5.25	19	5.75	14	5.00	25	4.56	34	4.44	36	4.61	32	5.11	19	6.28	9	5.04	25
San Diego	5.15	20	3.13	50	5.83	11	3.84	43	4.99	27	5.65	8	5.08	20	6.76	4	5.20	23
Oklahoma City	5.08	21	5.80	12	5.08	24	5.61	13	4.21	39	3.84	45	5.51	14	4.08	47	6.13	5
Nashville	5.00	22	6.64	1	4.42	38	5.32	23	4.36	37	4.06	42	5.96	9	4.24	36	4.98	27
San Antonio	4.98	23	5.66	18	4.52	35	4.63	32	3.47	48	4.37	37	6.53	5	5.81	12	4.93	30
Buffalo	4.92	24	3.31	49	5.39	21	5.60	14	5.46	17	5.18	20	4.21	42	4.75	23	5.84	12
Atlanta	4.84	25	5.99	8	4.98	26	5.15	26	4.48	35	4.26	41	5.20	17	4.65	25	4.80	35
Phoenix	4.83	26	6.03	7	4.49	36	5.41	21	5.43	18	4.30	40	6.03	8	4.85	21	2.94	49
Chicago	4.79	27	4.68	33	5.46	16	4.29	40	5.00	26	4.74	30	4.80	31	5.35	13	5.01	26
Milwaukee	4.75	28	4.83	31	4.27	40	5.40	22	5.61	12	5.08	21	3.88	45	4.23	38	5.92	9
Las Vegas	4.70	29	5.57	22	3.43	48	6.70	3	3.55	47	3.30	50	7.13	2	5.01	17	4.38	39
Jacksonville	4.69	30	5.67	17	4.75	32	5.08	29	4.83	30	3.84	46	5.07	21	4.50	28	5.27	21
Sacramento	4.66	31	3.58	45	4.85	27	4.34	38	4.89	29	5.51	13	4.56	34	6.38	8	4.82	34
Orlando	4.63	32	5.72	16	3.74	46	5.74	10	4.49	34	3.82	47	4.83	29	5.09	16	5.43	19
New York	4.62	33	3.76	40	6.33	4	2.59	50	5.18	22	4.93	25	4.50	37	6.08	10	5.45	18
St. Louis	4.55	34	5.11	24	4.81	29	5.31	25	4.95	28	4.78	27	4.65	33	4.13	43	4.87	31
Houston	4.50	35	5.57	21	4.16	41	4.33	39	3.78	45	4.59	33	5.29	16	6.50	6	4.20	40
Los Angeles	4.44	36	3.76	41	5.39	20	3.57	46	3.86	42	5.25	17	4.92	23	7.45	2	4.03	44
Pittsburgh	4.42	37	3.66	44	6.39	3	5.55	16	5.14	24	5.33	14	3.75	46	4.17	40	4.20	41
Miami	4.41	38	5.05	26	4.11	42	4.45	35	3.71	46	3.66	49	4.88	26	6.42	7	5.87	10
Indianapolis	4.36	39	5.83	11	4.48	37	5.63	12	5.17	23	4.58	34	4.51	36	4.17	39	3.62	47
Columbus	4.31	40	4.94	28	4.84	28	5.68	11	5.21	20	5.02	23	3.89	44	4.47	31	3.78	46
Philadelphia	4.30	41	4.73	32	4.57	33	4.38	37	5.39	19	5.22	18	4.27	41	4.50	27	4.75	36
Tampa	4.22	42	5.54	23	4.54	34	5.12	28	3.87	41	3.85	44	4.84	28	4.85	20	4.95	29
Cincinnati	4.16	43	4.89	30	5.42	17	6.07	5	4.69	31	4.70	31	3.51	48	4.24	37	3.87	45
Cleveland	4.08	44	4.23	37	6.30	6	5.85	8	4.30	38	4.78	28	3.71	47	4.45	32	3.51	48
Louisville	4.04	45	4.67	34	5.35	22	5.47	19	4.57	32	3.90	43	4.47	38	4.03	49	4.53	37
Memphis	3.51	46	5.98	9	1.54	50	5.54	17	3.40	49	4.37	38	5.60	12	4.06	48	4.84	32
Birmingham	3.50	47	5.90	10	3.94	45	4.24	41	3.97	40	4.35	39	4.90	25	3.93	50	4.10	42
Detroit	3.36	48	4.06	38	4.79	30	4.85	30	3.85	44	5.19	19	2.37	50	4.92	18	4.83	33
New Orleans	3.12	49	4.35	36	4.02	44	4.41	36	3.03	50	3.79	48	4.82	30	4.11	45	5.57	16
Riverside	2.93	50	3.49	46	5.40	19	2.95	49	3.85	43	5.07	22	4.91	24	6.69	5	1.16	50

*Metro areas are abbreviated