



*The Beacon Hill Institute  
for  
Public Policy Research*

# News Release

8 Ashburton Place  
Boston, Massachusetts  
02108-2770

phone: 617.573.8750  
fax: 617.994.4279  
email: [bhi@beaconhill.org](mailto:bhi@beaconhill.org)  
web site:  
[www.beaconhill.org](http://www.beaconhill.org)

Embargoed until:  
Wednesday, November 19, 2008  
12:01 a.m.

Contact:  
Frank Conte, Communications  
617-573-8050; 8750  
[fconte@beaconhill.org](mailto:fconte@beaconhill.org)

## **Governor Patrick to Introduce Report Showing that Massachusetts Ranks 1<sup>st</sup> in Competitiveness**

BOSTON – Governor Deval Patrick will introduce the Beacon Hill Institute’s Eighth Annual Competitiveness Report at a conference to take place at 9:30 a.m. this morning at Suffolk University Law School, 120 Tremont Street, Boston. The report shows that Massachusetts ranks 1<sup>st</sup> among all state in terms of its economic “competitiveness,” i.e., its ability to attract and retain business and to provide a high standard of living for its residents over the long run.

A panel consisting of Greg Bialecki, Massachusetts Undersecretary for Business Development, John Regan, Vice President of the Associated Industries of Massachusetts, and Michael George, CEO of OatSystems, Inc., will discuss the report.

The Bay State moved from 2<sup>nd</sup> last year to 1<sup>st</sup> this year for its strong showing in human resources, technology, business incubation and security. Massachusetts rose from 9<sup>th</sup> to 1<sup>st</sup> in the measure that tracks the number of residents with health insurance coverage. The state also improved its ranking for security, thanks to a decrease in crime.

Massachusetts also continues to outperform all other states in technology, as measured by grants from the National Institutes of Health, new patents, and its high tech workforce. The Commonwealth ranks 1<sup>st</sup> in venture capital per capita, making it, by that measure, the most attractive state in the union for startups.

Eight of the states that made the top ten last year remained in the top ten this year. Oregon and Montana moved up. South Dakota dropped out, as did New Hampshire, which slipped from 9<sup>th</sup> to 17<sup>th</sup> as a result of falling scores for security, fiscal policy and business incubation. New Hampshire ranked 3<sup>rd</sup> just two years ago.

The BHI competitiveness index is based on a set of 43 indicators divided into eight subindexes – government and fiscal policy, security, infrastructure, human resources, technology, business incubation, openness, and environmental policy. The overall index is an average of the eight subindexes, each of which is itself an average of the indicators making up that subindex. The index ranges from “1” to “10,” with “10” indicating the best state in a category and “1” indicating the worst, and is centered on 5. The breadth of the BHI index distinguishes it from more narrowly focused measures of competitiveness that target just taxes, high tech, or economic freedom.

“The current economic turmoil forces state policy makers to respond with short term solutions,” notes Jonathan Haughton, BHI senior economist and lead author of the report. “The key, however, is to pay attention to the factors that contribute to a state’s economic growth over the long term. The index continues to show that improvement in a state’s ranking can translate into a higher standard of living for state residents. Thus, if a state gains a point in the index, it will also gain \$1,546 in real per capita income per year.”

BHI will release its rankings of the top 50 U.S. metropolitan areas in February 2009.



	Subindexes, Rank in 2008																	
	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	7.33	1	4.71	34	6.16	3	4.21	41	7.09	1	8.83	1	6.95	3	5.39	9	4.28	43
Utah	6.79	2	6.45	4	4.99	27	5.60	11	6.18	7	5.70	12	7.56	2	4.95	22	4.64	36
North Dakota	6.75	3	6.39	5	6.14	4	6.00	7	6.48	4	5.20	20	4.93	23	4.54	41	6.13	1
Colorado	6.73	4	4.97	30	6.92	1	5.67	9	5.42	20	6.21	4	6.09	6	4.71	34	5.73	9
Idaho	6.58	5	5.33	20	5.75	13	6.88	3	5.13	24	5.20	19	6.29	5	4.70	35	5.89	7
Washington	6.57	6	5.24	22	6.02	7	4.30	39	5.53	16	5.83	8	4.68	31	6.49	2	5.80	8
Minnesota	6.17	7	5.01	27	5.80	12	5.69	8	6.54	2	5.79	10	4.72	30	4.84	26	5.48	18
Oregon	5.97	8	5.78	12	5.38	21	6.52	5	4.88	29	5.40	17	4.18	42	5.25	15	5.49	17
Wyoming	5.94	9	4.04	41	5.36	24	6.78	4	5.98	9	4.07	40	5.34	16	5.42	8	5.64	12
Montana	5.88	10	4.77	32	6.09	6	6.98	2	5.27	22	4.81	29	5.15	19	4.18	50	5.98	4
South Dakota	5.75	11	5.87	11	5.37	23	5.57	14	5.84	11	4.12	37	5.61	10	4.23	49	6.12	2
Iowa	5.74	12	5.37	19	5.73	14	6.19	6	6.32	5	5.00	25	3.79	46	4.64	37	5.52	16
Vermont	5.69	13	4.03	42	4.94	29	4.85	31	6.48	3	6.45	3	3.99	44	5.10	17	6.07	3
Nebraska	5.68	14	5.51	16	5.92	10	5.13	25	6.08	8	4.96	26	4.73	29	4.53	42	5.57	14
Nevada	5.64	15	6.57	2	4.44	37	7.22	1	4.06	41	3.34	50	5.75	8	5.33	11	5.11	25
Virginia	5.64	16	5.62	14	5.01	26	5.13	24	5.03	26	5.80	9	5.85	7	4.80	27	5.01	28
New Hampshire	5.63	17	5.39	18	5.63	16	4.41	36	6.24	6	5.76	11	4.87	26	4.60	38	5.38	20
Kansas	5.62	18	4.97	31	4.84	30	5.60	12	5.82	12	5.03	23	4.88	25	4.85	25	5.91	6
Delaware	5.37	19	5.05	24	4.40	38	4.80	33	5.10	25	5.50	14	8.53	1	5.27	14	2.92	50
Wisconsin	5.33	20	4.41	37	5.81	11	5.19	21	5.97	10	5.08	21	4.33	41	4.75	32	5.57	15
Connecticut	5.16	21	4.01	43	6.22	2	4.32	38	5.74	13	5.86	7	4.54	36	5.33	12	4.42	41
Arizona	5.10	22	6.20	8	4.45	36	5.03	27	4.81	32	4.69	32	5.44	12	5.23	16	4.46	39
Texas	4.94	23	5.25	21	4.38	39	4.02	42	3.87	44	4.78	30	5.38	13	6.11	3	5.15	23
Alaska	4.82	24	2.72	50	4.97	28	5.37	16	4.50	34	4.11	38	3.26	50	7.08	1	5.68	11
California	4.70	25	3.19	47	5.61	18	3.31	48	4.18	37	5.92	6	5.19	18	6.03	4	4.87	32
Maine	4.70	26	3.84	45	6.11	5	4.50	35	5.64	14	3.87	46	4.73	28	4.49	43	5.92	5
North Carolina	4.68	27	5.55	15	4.24	41	5.59	13	4.15	39	5.04	22	5.66	9	4.72	33	4.36	42
Maryland	4.66	28	4.98	28	4.51	35	3.11	49	5.61	15	7.29	2	5.35	15	4.79	29	3.72	46
Missouri	4.61	29	6.20	7	4.37	40	4.60	34	4.90	27	4.86	28	4.68	32	4.48	44	4.99	29
Michigan	4.60	30	5.02	26	4.82	31	5.33	17	4.53	33	5.28	18	3.36	49	5.08	18	5.13	24
Rhode Island	4.58	31	4.21	39	5.64	15	3.91	45	5.15	23	5.96	5	4.39	38	4.87	24	4.66	35
Florida	4.58	32	6.74	1	3.80	45	3.64	47	4.23	36	3.99	43	5.61	11	5.28	13	5.07	26
Illinois	4.45	33	4.68	35	4.56	33	4.27	40	4.81	31	5.01	24	4.37	39	5.34	10	4.91	30
New Mexico	4.39	34	5.03	25	3.67	46	5.16	22	4.17	38	5.45	15	4.80	27	4.57	40	5.34	21
New York	4.38	35	3.21	46	5.62	17	2.13	50	5.45	19	5.57	13	4.66	33	5.74	5	5.04	27
Indiana	4.37	36	6.33	6	4.56	34	5.32	18	4.85	30	4.48	35	4.36	40	4.98	20	3.45	48
Georgia	4.28	37	5.88	9	2.89	49	5.21	20	3.70	47	4.45	36	6.45	4	4.80	28	4.50	38
Kentucky	4.21	38	3.96	44	5.49	20	5.42	15	4.06	42	3.97	44	4.65	34	5.02	19	4.81	33
Pennsylvania	4.18	39	4.48	36	5.38	22	4.40	37	5.48	17	5.44	16	4.17	43	4.58	39	3.95	45
Oklahoma	4.17	40	4.34	38	4.60	32	5.13	23	4.39	35	4.10	39	5.06	21	4.33	47	5.60	13
Tennessee	4.16	41	6.49	3	3.53	47	5.24	19	3.75	45	4.04	41	5.29	17	4.77	30	4.43	40
New Jersey	4.15	42	2.91	49	6.01	8	3.90	46	5.39	21	4.89	27	5.11	20	5.66	6	3.28	49
Arkansas	4.03	43	5.23	23	3.95	43	4.84	32	4.01	43	3.58	49	5.35	14	4.37	45	5.70	10
Ohio	3.95	44	4.18	40	5.59	19	5.64	10	4.89	28	4.73	31	3.82	45	4.77	31	3.49	47
Hawaii	3.94	45	3.14	48	5.34	25	4.00	43	5.46	18	4.51	34	3.53	48	4.97	21	5.41	19
South Carolina	3.93	46	5.71	13	3.92	44	5.11	26	3.50	48	4.00	42	4.97	22	4.92	23	4.51	37
West Virginia	3.70	47	5.47	17	6.00	9	4.89	30	4.13	40	3.79	47	3.66	47	4.35	46	4.11	44
Alabama	3.39	48	4.97	29	3.01	48	4.97	28	3.72	46	4.55	33	4.45	37	4.66	36	4.67	34
Louisiana	3.30	49	4.74	33	1.87	50	4.93	29	3.21	49	3.93	45	4.89	24	5.54	7	4.90	31
Mississippi	3.12	50	5.88	10	4.23	42	3.99	44	2.30	50	3.77	48	4.61	35	4.25	48	5.21	22



	Subindexes, Rank in 2008																	
	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	3.39	48	4.97	29	3.01	48	4.97	28	3.72	46	4.55	33	4.45	37	4.66	36	4.67	34
Alaska	4.82	24	2.72	50	4.97	28	5.37	16	4.50	34	4.11	38	3.26	50	7.08	1	5.68	11
Arizona	5.10	22	6.20	8	4.45	36	5.03	27	4.81	32	4.69	32	5.44	12	5.23	16	4.46	39
Arkansas	4.03	43	5.23	23	3.95	43	4.84	32	4.01	43	3.58	49	5.35	14	4.37	45	5.70	10
California	4.70	25	3.19	47	5.61	18	3.31	48	4.18	37	5.92	6	5.19	18	6.03	4	4.87	32
Colorado	6.73	4	4.97	30	6.92	1	5.67	9	5.42	20	6.21	4	6.09	6	4.71	34	5.73	9
Connecticut	5.16	21	4.01	43	6.22	2	4.32	38	5.74	13	5.86	7	4.54	36	5.33	12	4.42	41
Delaware	5.37	19	5.05	24	4.40	38	4.80	33	5.10	25	5.50	14	8.53	1	5.27	14	2.92	50
Florida	4.58	32	6.74	1	3.80	45	3.64	47	4.23	36	3.99	43	5.61	11	5.28	13	5.07	26
Georgia	4.28	37	5.88	9	2.89	49	5.21	20	3.70	47	4.45	36	6.45	4	4.80	28	4.50	38
Hawaii	3.94	45	3.14	48	5.34	25	4.00	43	5.46	18	4.51	34	3.53	48	4.97	21	5.41	19
Idaho	6.58	5	5.33	20	5.75	13	6.88	3	5.13	24	5.20	19	6.29	5	4.70	35	5.89	7
Illinois	4.45	33	4.68	35	4.56	33	4.27	40	4.81	31	5.01	24	4.37	39	5.34	10	4.91	30
Indiana	4.37	36	6.33	6	4.56	34	5.32	18	4.85	30	4.48	35	4.36	40	4.98	20	3.45	48
Iowa	5.74	12	5.37	19	5.73	14	6.19	6	6.32	5	5.00	25	3.79	46	4.64	37	5.52	16
Kansas	5.62	18	4.97	31	4.84	30	5.60	12	5.82	12	5.03	23	4.88	25	4.85	25	5.91	6
Kentucky	4.21	38	3.96	44	5.49	20	5.42	15	4.06	42	3.97	44	4.65	34	5.02	19	4.81	33
Louisiana	3.30	49	4.74	33	1.87	50	4.93	29	3.21	49	3.93	45	4.89	24	5.54	7	4.90	31
Maine	4.70	26	3.84	45	6.11	5	4.50	35	5.64	14	3.87	46	4.73	28	4.49	43	5.92	5
Maryland	4.66	28	4.98	28	4.51	35	3.11	49	5.61	15	7.29	2	5.35	15	4.79	29	3.72	46
Massachusetts	7.33	1	4.71	34	6.16	3	4.21	41	7.09	1	8.83	1	6.95	3	5.39	9	4.28	43
Michigan	4.60	30	5.02	26	4.82	31	5.33	17	4.53	33	5.28	18	3.36	49	5.08	18	5.13	24
Minnesota	6.17	7	5.01	27	5.80	12	5.69	8	6.54	2	5.79	10	4.72	30	4.84	26	5.48	18
Mississippi	3.12	50	5.88	10	4.23	42	3.99	44	2.30	50	3.77	48	4.61	35	4.25	48	5.21	22
Missouri	4.61	29	6.20	7	4.37	40	4.60	34	4.90	27	4.86	28	4.68	32	4.48	44	4.99	29
Montana	5.88	10	4.77	32	6.09	6	6.98	2	5.27	22	4.81	29	5.15	19	4.18	50	5.98	4
Nebraska	5.68	14	5.51	16	5.92	10	5.13	25	6.08	8	4.96	26	4.73	29	4.53	42	5.57	14
Nevada	5.64	15	6.57	2	4.44	37	7.22	1	4.06	41	3.34	50	5.75	8	5.33	11	5.11	25
New Hampshire	5.63	17	5.39	18	5.63	16	4.41	36	6.24	6	5.76	11	4.87	26	4.60	38	5.38	20
New Jersey	4.15	42	2.91	49	6.01	8	3.90	46	5.39	21	4.89	27	5.11	20	5.66	6	3.28	49
New Mexico	4.39	34	5.03	25	3.67	46	5.16	22	4.17	38	5.45	15	4.80	27	4.57	40	5.34	21
New York	4.38	35	3.21	46	5.62	17	2.13	50	5.45	19	5.57	13	4.66	33	5.74	5	5.04	27
North Carolina	4.68	27	5.55	15	4.24	41	5.59	13	4.15	39	5.04	22	5.66	9	4.72	33	4.36	42
North Dakota	6.75	3	6.39	5	6.14	4	6.00	7	6.48	4	5.20	20	4.93	23	4.54	41	6.13	1
Ohio	3.95	44	4.18	40	5.59	19	5.64	10	4.89	28	4.73	31	3.82	45	4.77	31	3.49	47
Oklahoma	4.17	40	4.34	38	4.60	32	5.13	23	4.39	35	4.10	39	5.06	21	4.33	47	5.60	13
Oregon	5.97	8	5.78	12	5.38	21	6.52	5	4.88	29	5.40	17	4.18	42	5.25	15	5.49	17
Pennsylvania	4.18	39	4.48	36	5.38	22	4.40	37	5.48	17	5.44	16	4.17	43	4.58	39	3.95	45
Rhode Island	4.58	31	4.21	39	5.64	15	3.91	45	5.15	23	5.96	5	4.39	38	4.87	24	4.66	35
South Carolina	3.93	46	5.71	13	3.92	44	5.11	26	3.50	48	4.00	42	4.97	22	4.92	23	4.51	37
South Dakota	5.75	11	5.87	11	5.37	23	5.57	14	5.84	11	4.12	37	5.61	10	4.23	49	6.12	2
Tennessee	4.16	41	6.49	3	3.53	47	5.24	19	3.75	45	4.04	41	5.29	17	4.77	30	4.43	40
Texas	4.94	23	5.25	21	4.38	39	4.02	42	3.87	44	4.78	30	5.38	13	6.11	3	5.15	23
Utah	6.79	2	6.45	4	4.99	27	5.60	11	6.18	7	5.70	12	7.56	2	4.95	22	4.64	36
Vermont	5.69	13	4.03	42	4.94	29	4.85	31	6.48	3	6.45	3	3.99	44	5.10	17	6.07	3
Virginia	5.64	16	5.62	14	5.01	26	5.13	24	5.03	26	5.80	9	5.85	7	4.80	27	5.01	28
Washington	6.57	6	5.24	22	6.02	7	4.30	39	5.53	16	5.83	8	4.68	31	6.49	2	5.80	8
West Virginia	3.70	47	5.47	17	6.00	9	4.89	30	4.13	40	3.79	47	3.66	47	4.35	46	4.11	44
Wisconsin	5.33	20	4.41	37	5.81	11	5.19	21	5.97	10	5.08	21	4.33	41	4.75	32	5.57	15
Wyoming	5.94	9	4.04	41	5.36	24	6.78	4	5.98	9	4.07	40	5.34	16	5.42	8	5.64	12