



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
web site:
www.beaconhill.org

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

Fit for the future: Massachusetts ranks first once again in BHI measure of competitiveness

BOSTON - (December 15, 2009) For the second year in a row, Massachusetts ranks first in the Beacon Hill Institute's annual State Competitiveness Report for its ability to promote economic growth and provide high income for its workers *over the long term*. The institute plans to release the full report tomorrow at a conference which will feature a brief address by State Treasurer Timothy Cahill at Suffolk Law School at 9 a.m.

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 breadth of the BHI index distinguishes it from more narrowly focused measures of competitiveness that target only taxes, high tech, or economic freedom.

"The Institute remains persistent in providing the long view: state competitiveness, the ability of a state to promote sustainable economic and income growth for its citizens, is a reliable indicator of future performance," said Jonathan Houghton, Professor of Economics at Suffolk University and one of the principal authors of the report. "There may be little that states can do to address the current global economic insecurity, but competitiveness, as a measure, has other virtues. For example, it can help states find ways to keep firms within their borders productive, its standards for education above average, and its infrastructure sound."

Based on its strong showing in the measures of technology, business incubation and human resources, Massachusetts remains at the top, closely followed by North Dakota, and then by Utah, Minnesota, and Wyoming. Colorado, Alaska, Washington, Iowa, and Idaho round out the top 10 most competitive states. Alaska, capitalizing on increasing oil revenues, was the most improved this year, up 17 places. New Hampshire, a perennial competitor from New England, held third place only two years ago, but slipped to 17th last year; this year it improved slightly to the 15th position. Vermont finished 18th while other New England states finished in the middle of the pack: Maine (23), Rhode Island (29) and Connecticut (26). The lowest-ranked states were Mississippi (49) and Alabama (50). Louisiana, which had been ranked 49th in 2008, jumped to 41st position this year, as it continues to rebound from the effects of Hurricane Katrina. On the other hand California, beset by fiscal stresses, dropped seven places to 32nd position.

Policymakers often compare Massachusetts's performance with that of "leading technology states." However, these high technology states do not always prove to be competitive by the Institute's measure. Massachusetts (1), Minnesota (4) and Washington (8) are the only leading technology states to finish in the top ten in the latest BHI index. Other LTS states - California (32), Connecticut (26), New Jersey (42), New York (35), North Carolina (27) Pennsylvania (39) and Texas (24) - have relatively unimpressive rankings.



	Subindexes, Rank in 2009																	
	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	7.04	1	4.90	30	5.03	22	4.66	40	6.38	1	7.70	1	5.81	4	5.42	8	4.60	37
North Dakota	6.93	2	5.16	16	5.64	5	5.78	2	5.97	5	5.36	14	5.02	20	4.68	34	6.05	2
Utah	6.65	3	5.40	9	5.32	14	5.21	12	5.56	10	5.45	13	6.01	2	5.03	18	4.77	31
Minnesota	6.58	4	4.87	31	5.80	3	5.27	9	6.23	2	5.70	5	5.04	19	4.80	29	5.60	13
Wyoming	6.37	5	4.60	44	5.24	19	5.75	3	5.44	14	4.19	47	5.95	3	5.41	9	5.79	10
Colorado	6.33	6	5.06	26	5.34	13	5.24	10	5.33	18	5.90	4	5.57	6	4.67	37	5.48	16
Alaska	6.31	7	5.63	3	5.30	17	5.03	25	4.74	33	4.28	42	4.52	45	6.85	1	5.88	7
Washington	6.15	8	5.08	22	5.56	7	4.84	34	5.25	21	5.50	10	4.41	48	6.16	3	5.77	11
Iowa	6.13	9	5.06	25	5.94	2	5.40	8	5.98	4	4.99	25	4.66	40	4.72	32	5.44	17
Idaho	6.12	10	4.96	28	5.54	8	5.73	4	4.82	31	5.28	16	5.12	17	4.67	36	5.84	9
Oregon	6.11	11	5.22	14	5.45	10	5.56	6	4.87	30	5.31	15	4.48	46	5.29	13	5.86	8
South Dakota	5.89	12	5.35	10	4.94	28	5.52	7	5.59	9	4.43	37	5.44	7	4.19	49	5.96	4
Virginia	5.80	13	5.49	6	4.92	30	5.00	27	5.15	24	5.53	8	5.44	8	4.77	30	5.02	25
Kansas	5.72	14	4.81	32	5.44	11	5.12	15	5.50	11	5.04	22	4.96	24	4.91	23	5.89	6
New Hampshire	5.70	15	5.15	17	5.00	25	4.65	43	5.94	6	5.46	11	5.24	12	4.64	38	5.66	12
Nebraska	5.55	16	5.09	21	5.79	4	5.04	23	5.79	7	4.92	29	4.83	30	4.58	41	5.03	24
Montana	5.52	17	4.76	35	5.26	18	5.78	1	5.16	23	4.79	32	4.98	22	4.19	50	6.05	1
Vermont	5.48	18	4.60	43	4.44	44	4.90	33	6.18	3	5.99	3	4.68	38	5.13	16	5.89	5
Nevada	5.35	19	5.71	2	4.83	35	5.71	5	4.14	45	3.86	50	5.32	10	5.27	15	4.71	34
Delaware	5.16	20	5.11	19	4.28	46	4.92	31	5.10	25	5.04	21	6.81	1	5.38	10	2.84	50
Arizona	5.12	21	5.49	5	4.73	38	4.96	28	4.90	29	4.86	31	5.34	9	5.09	17	4.42	44
Wisconsin	5.07	22	4.76	34	5.60	6	5.03	24	5.26	19	5.01	23	4.52	44	4.71	33	5.52	14
Maine	5.05	23	4.59	45	5.31	16	4.74	38	5.46	13	4.99	24	5.15	15	4.44	44	5.96	3
Texas	4.95	24	4.99	27	4.93	29	4.64	44	4.27	42	4.88	30	5.07	18	6.17	2	4.90	28
Florida	4.87	25	5.87	1	4.49	42	4.48	47	4.44	39	4.34	39	5.29	11	5.29	14	5.17	22
Connecticut	4.81	26	4.38	48	5.32	15	4.66	41	5.66	8	5.53	9	4.69	35	5.36	11	4.60	38
Hawaii	4.72	27	4.44	47	6.14	1	4.81	36	5.36	15	4.37	38	4.32	50	5.01	19	5.43	18
Georgia	4.69	28	5.29	11	4.57	39	5.09	18	4.11	46	4.66	35	5.71	5	4.82	26	4.57	39
Rhode Island	4.68	29	4.73	37	5.23	20	4.66	42	5.24	22	5.59	7	4.74	32	4.85	25	4.72	32
North Carolina	4.51	30	5.07	23	4.49	43	5.22	11	4.46	38	5.05	20	5.15	14	4.67	35	4.66	36
Maryland	4.48	31	5.22	15	4.41	45	4.20	49	5.50	12	6.50	2	4.94	25	4.81	27	3.81	46
California	4.48	32	4.48	46	4.79	36	4.35	48	4.48	36	5.67	6	5.15	16	5.98	4	4.52	40
Michigan	4.47	33	4.93	29	4.95	27	5.11	16	4.54	34	5.18	19	4.39	49	5.01	20	4.91	27
Missouri	4.44	34	5.50	4	4.51	40	4.82	35	5.01	26	4.92	28	4.71	33	4.39	45	4.98	26
New York	4.37	35	4.32	49	5.18	21	3.94	50	5.26	20	5.25	18	4.89	27	5.78	6	5.06	23
Illinois	4.33	36	4.74	36	5.00	24	4.71	39	4.93	28	4.98	26	4.68	36	5.34	12	4.50	42
Indiana	4.26	37	5.47	8	4.89	32	5.10	17	4.76	32	4.55	36	4.61	42	4.91	24	3.68	47
Arkansas	4.23	38	5.13	18	4.91	31	4.94	30	4.27	43	4.03	49	5.24	13	4.34	47	5.41	19
Pennsylvania	4.18	39	4.77	33	4.98	26	4.80	37	5.36	16	5.28	17	4.70	34	4.59	40	4.10	45
New Mexico	4.14	40	5.10	20	3.90	48	5.04	22	4.47	37	5.46	12	4.75	31	4.55	42	5.18	21
Louisiana	4.06	41	4.62	41	4.50	41	5.05	21	3.96	49	4.33	40	4.86	28	5.90	5	4.86	30
New Jersey	4.03	42	4.05	50	5.52	9	4.55	46	5.34	17	4.93	27	5.01	21	5.70	7	3.28	49
Kentucky	3.95	43	4.73	39	5.01	23	5.14	14	4.41	40	4.26	44	4.68	37	4.93	22	4.67	35
Oklahoma	3.91	44	4.61	42	4.78	37	5.06	19	4.53	35	4.27	43	4.96	23	4.29	48	5.51	15
South Carolina	3.86	45	5.28	12	4.22	47	5.02	26	3.98	48	4.21	46	4.86	29	4.97	21	4.88	29
Tennessee	3.76	46	5.49	7	3.86	49	5.06	20	4.19	44	4.28	41	4.90	26	4.81	28	4.50	41
Ohio	3.68	47	4.66	40	4.85	33	5.20	13	4.96	27	4.79	33	4.44	47	4.75	31	3.66	48
West Virginia	3.54	48	4.73	38	5.40	12	4.92	32	4.33	41	4.21	45	4.54	43	4.46	43	4.49	43
Mississippi	3.29	49	5.27	13	4.83	34	4.62	45	3.47	50	4.10	48	4.67	39	4.34	46	5.20	20
Alabama	3.20	50	5.07	24	3.66	50	4.96	29	4.01	47	4.77	34	4.65	41	4.63	39	4.71	33