



*The Beacon Hill Institute  
for  
Public Policy Research*

# News Release

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For Immediate Release

March 6, 2012

12:01 a.m

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## ***Back on top, Massachusetts ranks first in BHI measure of economic growth and income***

BOSTON - (March 6, 2012) Massachusetts regained the top spot on the 11<sup>th</sup> Annual Beacon Hill Institute's State Competitiveness Report. Last year the Bay State ranked third behind Colorado and North Dakota, which finished first last year. Longstanding strengths in human resources, technology and openness buoyed Massachusetts.

The BHI competitiveness index is based on a set of 44 indicators divided into eight sub-indexes – 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.

Massachusetts continues to show real strengths in its human resources (particularly with its top-scoring student achievement), technology (with its large base of scientists and engineers and high-tech employment) and business incubation, where Massachusetts draws the top ranking in terms of venture capital per capita. The state ranked first with the fewest number of residents going without health insurance. It is a favorite destination of National Institutes of Health grant money.

“During the past decade, Massachusetts has solidified its standing as a competitive state.” said Jonathan Haughton, Professor of Economics at Suffolk University and one of the principal authors of the report. “One cannot over-emphasize the importance of a highly skilled workforce that can deploy technology and export value-added goods and services. The index does a good job of balancing cost factors such long commuting times and high electricity prices against resource strengths such as education and technology.”

While general business incubation in Massachusetts was strong, labor costs and firm births per 100,000 should be a concern. The index also identified Massachusetts as scoring poorly in one measure: carbon emissions per 1000 sq. miles, finishing 48<sup>th</sup>. While scoring well on some infrastructure measures, Massachusetts continues to suffer from high energy prices, and poor travel-time-to-work rankings.

North Dakota finished second this year followed by Colorado, and then Minnesota, Utah, Nebraska, Virginia, Iowa, Washington and Wyoming. All New England states improved this year. New Hampshire, a perennial competitor on the border, moved from 17<sup>th</sup> place last year to 11<sup>th</sup>. Vermont improved to 14<sup>th</sup> while other New England states finished in the middle of the pack: Maine (28), Rhode Island (19) and Connecticut (26). The lowest-ranked states were New Jersey (48) Alabama (49) and Mississippi (50)

Policymakers often compare Massachusetts's performance with that of “leading technology states (LTS).” However, these high technology states do not always prove to be competitive by the Institute's measure. Colorado (2), Minnesota (4), Virginia (7) and Washington (9) are the only LTSs to finish in the top 10. Other LTS states, including California (31), Connecticut (26), New Jersey (48), New York (29), North Carolina (21) Pennsylvania (39) and Texas (15) trailed significantly.



	Subindexes, Rank in 2011																	
	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	7.34	1	4.99	27	5.05	22	4.97	29	6.46	1	7.93	1	5.22	12	5.41	9	4.92	28
North Dakota	7.29	2	4.5	44	6.24	1	5.63	1	5.93	6	5.3	14	5.48	4	4.6	41	5.9	7
Colorado	6.9	3	5.2	20	5.29	13	5.59	2	5.47	14	5.77	6	5.36	8	4.7	34	5.58	12
Minnesota	6.5	4	4.99	28	5.59	7	5.24	10	6.17	2	5.75	7	4.77	39	4.85	26	5.71	11
Utah	6.33	5	5.5	8	5.1	20	5.1	19	5.55	13	5.44	12	5.57	3	5.12	17	4.56	37
Nebraska	5.97	6	5.06	23	5.54	9	5.31	5	5.66	7	4.9	25	5.01	26	4.64	38	5.43	18
Virginia	5.96	7	5.67	3	5.2	16	5.07	23	5.19	22	5.26	16	5.25	9	4.76	30	5.12	26
Iowa	5.94	8	5.23	18	5.65	5	5.04	25	5.99	5	5.11	20	4.89	31	4.7	33	5.24	21
Washington	5.91	9	4.83	36	5.03	24	5.3	8	5.3	18	5.56	9	4.25	49	6	3	5.95	6
Wyoming	5.87	10	4.18	49	5.37	11	5.48	4	5.28	20	4.17	47	5.39	7	5.13	16	6.02	3
New Hampshire	5.84	11	5.45	9	5.23	15	4.55	48	6.1	4	5.55	10	5.07	24	4.74	31	5.52	16
Kansas	5.83	12	4.89	32	5.18	17	5.3	7	5.39	16	4.9	24	5.12	21	4.79	29	5.79	8
South Dakota	5.75	13	5.35	13	4.3	46	5.27	9	5.56	10	4.5	37	5.75	1	4.16	50	5.97	4
Vermont	5.72	14	4.76	40	5.31	12	4.27	50	6.16	3	6.3	3	4.76	40	5.27	13	5.96	5
Texas	5.7	15	5.06	24	4.99	27	5.18	16	4.31	42	4.76	32	5.14	17	6.3	2	5.06	27
Idaho	5.61	16	5.27	17	5.27	14	5.01	27	4.58	34	4.86	28	5.44	6	4.63	39	5.77	9
Oregon	5.56	17	5.22	19	4.9	32	5.23	11	4.9	31	5.19	17	4.62	44	5.17	15	6.07	2
Florida	5.47	18	5.77	1	5.06	21	5.08	21	4.31	43	4.32	39	5.2	14	5.35	11	5.21	22
Rhode Island	5.39	19	4.89	31	5.6	6	4.87	34	5.17	23	5.84	4	4.84	34	4.94	21	4.9	30
Hawaii	5.38	20	4.67	41	5.91	3	4.83	36	5.57	9	4.67	35	4.84	35	4.97	18	5.54	15
North Carolina	5.36	21	5.29	16	4.93	29	5.19	15	4.45	39	5.15	19	5.47	5	4.7	35	4.88	31
Wisconsin	5.35	22	4.85	35	5.56	8	4.82	39	5.61	8	5.08	21	4.91	29	4.67	37	5.54	14
Maryland	5.2	23	5.41	11	4.92	30	4.63	44	5.55	12	6.66	2	4.74	42	4.85	25	4.34	42
Delaware	4.97	24	5.67	2	3.93	50	4.91	32	5.07	25	5.07	22	5.68	2	5.35	10	3.64	48
Michigan	4.9	25	4.81	37	4.92	31	4.92	31	4.61	33	5.19	18	5.22	13	4.93	23	5.18	25
Connecticut	4.88	26	4.79	39	5.76	4	4.64	43	5.43	15	5.69	8	4.21	50	5.41	8	4.77	33
Montana	4.81	27	4.58	43	4.76	37	5.19	14	5.14	24	4.77	30	5.2	15	4.18	49	5.73	10
Maine	4.56	28	4.64	42	5	25	4.57	45	5.56	11	4.21	46	5.13	20	4.51	43	6.08	1
New York	4.53	29	4.29	46	4.89	33	4.69	41	5.19	21	5.47	11	4.51	46	5.73	6	5.2	24
Georgia	4.52	30	5.43	10	4.38	43	5.21	13	4.14	45	4.64	36	5.25	10	4.82	28	4.62	35
California	4.5	31	4.27	47	5.14	18	4.56	46	4.46	37	5.78	5	4.94	27	5.99	4	4.36	41
Arizona	4.49	32	5.31	14	4.57	40	4.89	33	4.92	29	4.76	31	5.07	23	4.93	22	4.48	39
Missouri	4.43	33	5.54	6	4.36	44	5.16	17	4.96	26	4.88	27	4.8	36	4.35	47	4.86	32
Arkansas	4.37	34	5.38	12	4.98	28	4.98	28	4.32	41	3.94	49	5.22	11	4.31	48	5.27	19
Oklahoma	4.35	35	4.98	29	4.79	36	5.15	18	4.49	35	4.26	41	5.16	16	4.35	46	5.26	20
Alaska	4.28	36	2.78	50	4.62	39	5.3	6	4.9	30	4.21	45	4.52	45	7	1	5.58	13
Nevada	4.17	37	5.14	22	5	26	5.58	3	3.94	49	3.83	50	4.75	41	5.26	14	3.91	45
Tennessee	4.17	38	5.62	4	4.02	49	5.22	12	4.22	44	4.38	38	5.1	22	4.83	27	4.48	40
Pennsylvania	4.15	39	4.88	33	5.04	23	4.93	30	5.31	17	5.36	13	4.67	43	4.62	40	3.79	46
Louisiana	4.1	40	4.87	34	4.32	45	5.05	24	4	46	4.25	42	5.04	25	5.87	5	4.52	38
New Mexico	4	41	4.81	38	4.42	41	4.83	37	4.46	38	5.27	15	4.92	28	4.43	45	5.44	17
West Virginia	4	42	5.2	21	6.04	2	4.46	49	4.48	36	4.22	44	4.78	37	4.54	42	4.6	36
Indiana	3.91	43	5.53	7	4.86	35	4.83	38	4.82	32	4.68	34	4.86	33	4.95	20	3.17	50
Illinois	3.9	44	4.36	45	5.11	19	5.08	22	4.94	27	5	23	4.3	48	5.31	12	4.1	44
Ohio	3.9	45	5	26	4.68	38	5.09	20	4.93	28	4.88	26	4.78	38	4.72	32	3.65	47
Kentucky	3.87	46	4.94	30	4.88	34	5.03	26	4.44	40	4.23	43	4.87	32	4.97	19	4.23	43
South Carolina	3.8	47	5.57	5	4.18	48	4.72	40	3.98	47	4.27	40	5.13	19	4.92	24	4.91	29
New Jersey	3.73	48	4.22	48	5.5	10	4.68	42	5.29	19	4.83	29	4.42	47	5.69	7	3.37	49
Alabama	3.48	49	5.06	25	4.39	42	4.86	35	3.96	48	4.75	33	4.89	30	4.67	36	4.63	34
Mississippi	3.05	50	5.3	15	4.23	47	4.55	47	3.41	50	4.15	48	5.14	18	4.46	44	5.2	23