



The Beacon Hill Institute
for
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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

Massachusetts, North Dakota again top ranked in BHI measure of economic growth and income: NH rises

BOSTON - (April 10, 2014) Massachusetts secured the top spot on the 13th Annual Beacon Hill Institute's State Competitiveness Index. Traditional strengths in human resources, technology and openness buoyed Massachusetts to the number one rank for the seventh time in nine years. New Hampshire rebounded to third place.

The BHI competitiveness index is based on a set of 46 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 technology, or economic freedom.

North Dakota finished second, followed by New Hampshire, Nebraska, Minnesota, Iowa, Colorado, Utah, Texas, and Virginia. While the rankings in sub-index measures were far from uniform, states that paid attention to fostering a well-educated and healthy workforce scored well. It also helps for a state to be business-friendly with reasonable labor costs and an environment with consistent firm births and a culture of risk-taking.

As it has in the past, Massachusetts showed real strengths in its human resources (for example health care personnel and number of insured), technology (with its large base of science and engineering graduates and high-tech employment), and business incubation, where Massachusetts draws the second top ranking in terms of venture capital per capita and ranks fifth in Initial Public Offerings dollars per capita.

"Massachusetts continues to capitalize on its endowment of human capital," notes Frank Conte, project manager for the BHI report. "This year New Hampshire, long considered a competitor to the Bay State, showed strong improvement particularly in its security and business incubation rankings. Both states face high labor costs but are able to overcome that disadvantage with other strengths."

The lowest-ranked states were West Virginia (48), Hawaii (49), and Mississippi (50). Hawaii's drop may be accountable to a one-time event that caused its air quality ranking to shrink. Texas, Georgia and Maine are several states that have improved significantly over the last nine years.

Policymakers often compare a state's performance with that of "leading technology states (LTS)." However, these states do not always prove to be competitive. Massachusetts (1) Minnesota (5), Colorado (7), Texas (9) and Virginia (10) are the only LTSs to finish in the top 10. Other LTS states ranked as follows: Washington (15), North Carolina (16), New York (26), Connecticut (27), California (29), Pennsylvania (31), New Jersey (41).

"Competitiveness is far more than having low tax regimes and natural resources like oil and gas," observed Conte. "Competitiveness is a useful concept that points us to the micro-foundations – the right mix of policies and endowments – that lead to prosperity."



	Subindexes, Rank in 2013																	
	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	7.57	1	6.65	3	4.49	36	7.10	1	9.00	1	5.67	11	6.20	8	4.00	42	4.00	42
North Dakota	7.06	2	5.39	19	7.65	1	6.34	6	5.21	19	6.77	4	4.55	36	5.80	14	5.80	14
New Hampshire	6.85	3	7.24	1	4.33	39	6.52	5	5.83	9	5.58	13	5.45	14	6.00	9	6.00	9
Nebraska	6.51	4	6.03	8	6.18	7	6.24	7	4.98	25	5.50	15	4.18	40	6.13	4	6.13	4
Minnesota	6.48	5	5.74	13	6.04	8	6.95	2	6.04	4	4.79	27	4.59	35	6.07	7	6.07	7
Iowa	6.25	6	6.49	5	5.67	13	6.70	4	5.31	18	4.79	28	4.36	38	5.44	21	5.44	21
Colorado	6.06	7	4.80	27	6.44	5	5.56	15	5.92	6	5.01	22	4.34	39	5.89	12	5.89	12
Utah	6.01	8	5.52	18	5.41	16	5.91	8	5.57	12	6.52	6	4.91	26	3.59	46	3.59	46
Texas	5.91	9	5.28	20	5.36	18	4.02	42	4.70	30	5.89	9	7.11	1	5.25	24	5.25	24
Virginia	5.88	10	6.25	7	4.39	37	5.45	17	5.36	15	5.32	17	4.77	29	4.95	30	4.95	30
South Dakota	5.83	11	3.72	45	6.67	3	5.55	16	4.39	36	7.31	1	3.04	49	6.40	1	6.40	1
Vermont	5.78	12	5.70	14	4.60	35	6.91	3	5.91	7	4.14	43	5.05	21	6.30	2	6.30	2
Idaho	5.73	13	6.00	9	5.40	17	4.60	33	4.70	31	6.35	7	3.99	42	5.73	16	5.73	16
Kansas	5.72	14	4.70	33	6.24	6	5.69	11	5.01	24	5.65	12	4.89	27	5.56	19	5.56	19
Washington	5.70	15	4.79	30	5.94	10	5.30	19	5.79	10	3.25	49	6.63	4	6.08	5	6.08	5
North Carolina	5.68	16	4.92	24	5.11	22	4.18	37	5.33	16	6.97	3	5.05	22	5.38	23	5.38	23
Rhode Island	5.43	17	6.51	4	5.17	21	4.87	30	6.17	3	4.17	41	5.74	11	4.39	39	4.39	39
Georgia	5.42	18	4.79	29	4.81	26	3.94	43	4.51	34	6.70	5	5.36	17	5.20	25	5.20	25
Oregon	5.37	19	4.88	25	5.76	11	5.02	25	5.14	20	4.15	42	4.67	33	5.98	10	5.98	10
Delaware	5.33	20	3.90	43	4.63	33	4.88	29	4.97	26	7.09	2	6.24	7	3.34	47	3.34	47
Maryland	5.26	21	4.76	31	3.41	48	5.73	9	7.47	2	4.22	40	5.00	24	4.68	33	4.68	33
Wisconsin	5.15	22	5.22	21	4.65	31	5.72	10	5.09	22	4.98	23	4.14	41	5.78	15	5.78	15
Arizona	5.00	23	4.24	37	4.38	38	5.02	26	5.33	17	5.44	16	4.78	28	4.82	31	4.82	31
Maine	4.95	24	5.74	12	4.64	32	5.60	14	3.77	48	5.13	19	4.66	34	6.08	6	6.08	6
Wyoming	4.85	25	4.80	28	6.58	4	5.44	18	4.07	41	5.96	8	3.56	47	6.22	3	6.22	3
New York	4.80	26	5.69	15	3.05	50	5.17	20	5.68	11	4.26	38	6.45	6	5.58	18	5.58	18
Connecticut	4.77	27	5.61	17	4.74	28	5.68	12	5.84	8	3.15	50	6.54	5	4.47	36	4.47	36
Missouri	4.74	28	4.04	39	5.50	14	5.01	28	4.92	28	4.50	33	3.79	44	4.99	28	4.99	28
California	4.62	29	4.72	32	3.68	46	3.89	45	6.01	5	5.82	10	6.72	3	4.73	32	4.73	32
Florida	4.59	30	4.81	26	4.06	41	4.08	41	4.17	39	5.07	20	5.42	16	4.46	37	4.46	37
Pennsylvania	4.55	31	5.64	16	5.10	23	5.16	21	5.53	13	4.04	44	4.74	30	3.85	43	3.85	43
Michigan	4.41	32	3.55	47	5.04	24	4.59	34	5.52	14	3.55	47	5.03	23	5.62	17	5.62	17
Ohio	4.39	33	5.00	23	5.36	19	5.02	27	4.93	27	4.04	45	4.69	32	3.70	45	3.70	45
Nevada	4.37	34	3.96	42	6.96	2	3.31	49	3.37	50	4.52	32	5.61	13	4.31	40	4.31	40
Kentucky	4.27	35	6.26	6	4.87	25	4.17	38	4.00	43	4.37	36	5.22	20	4.41	38	4.41	38
Montana	4.25	36	3.33	49	5.99	9	5.04	24	4.41	35	4.91	26	2.91	50	5.96	11	5.96	11
Indiana	4.23	37	5.21	22	3.82	43	4.84	31	4.68	32	4.59	31	5.27	18	2.71	49	2.71	49
South Carolina	4.19	38	3.34	48	4.31	40	3.52	48	4.05	42	5.29	18	5.73	12	5.03	26	5.03	26
Louisiana	4.15	39	3.80	44	5.72	12	3.55	47	3.96	45	5.02	21	6.17	9	3.76	44	3.76	44
Alaska	4.12	40	4.68	34	5.44	15	5.08	23	3.80	47	3.75	46	5.43	15	4.99	29	4.99	29
New Jersey	4.02	41	6.79	2	3.65	47	5.13	22	4.70	29	4.45	35	6.91	2	2.35	50	2.35	50
Arkansas	4.02	42	4.39	36	4.71	29	3.93	44	3.62	49	5.54	14	3.89	43	5.81	13	5.81	13
Tennessee	3.97	43	3.98	40	3.75	44	4.16	39	4.17	38	4.94	25	4.96	25	4.57	35	4.57	35
New Mexico	3.88	44	3.62	46	4.01	42	4.15	40	5.07	23	4.63	30	3.61	46	6.03	8	6.03	8
Illinois	3.85	45	5.78	11	4.68	30	4.71	32	5.11	21	3.40	48	5.92	10	4.12	41	4.12	41
Alabama	3.71	46	3.25	50	4.61	34	3.59	46	4.67	33	4.48	34	4.72	31	5.03	27	5.03	27
Oklahoma	3.70	47	3.97	41	5.22	20	4.34	35	4.09	40	4.74	29	3.50	48	5.39	22	5.39	22
West Virginia	3.57	48	4.42	35	3.73	45	4.27	36	3.84	46	4.37	37	4.55	37	4.62	34	4.62	34
Hawaii	3.55	49	5.91	10	3.33	49	5.64	13	4.33	37	4.24	39	5.25	19	2.92	48	2.92	48
Mississippi	3.51	50	4.20	38	4.75	27	2.73	50	3.97	44	4.97	24	3.72	45	5.52	20	5.52	20