



The Beacon Hill Institute  
for  
Public Policy Research

# News Release

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## *Massachusetts, North Dakota again top ranked in BHI measure of economic growth and income: California is 26th*

BOSTON - (June 9, 2015) [Massachusetts again secured the top spot on the annual Beacon Hill Institute's State Competitiveness Index](#). Traditional strengths in human resources, technology, security and openness buoyed Massachusetts to the number one rank for the eighth time in nine years. North Dakota finished second. Texas is the largest state to finish in the top ten, ranking 9<sup>th</sup> in this year's tally. Mississippi ranked 50<sup>th</sup>.

The BHI competitiveness index is based on a set of 45 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, quality of life or economic freedom.

Iowa finished third followed by Colorado, Minnesota, New Hampshire, Nebraska, South Dakota, Texas and Washington. 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.

“Massachusetts continues to capitalize on its endowment of human capital,” notes Frank Conte, project manager for the BHI report. “What’s noteworthy this year is that Texas, one of the largest states in terms of population is showing comparative strength in growing its personal income. How this holds up in the future given the decline in energy prices will be interesting to watch in the next few years. The Bay State faces high labor costs but other strengths allow it to overcome this disadvantage.”

The five lowest-ranked states were Arkansas, Alabama, New Mexico, New Jersey and Mississippi. Hawaii, which ranked 49<sup>th</sup> last year from a one-time event regarding its air quality finished 23<sup>rd</sup> in the latest index.

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 (4), Texas (9) and Washington (10) are the only LTSs to finish in the top 10. Other LTS states ranked as follows: Virginia (12), North Carolina (13), New York (24), Connecticut (40), California (26), Pennsylvania (35), New Jersey (49).

“Our measure demonstrates that simple improvements in certain measures can potentially translate into higher personal incomes for states,” observed Conte. “A state in the middle of the pack can increase its personal income per capita by more than \$2,000. That’s significant and thus shows the index can point to a way to improve outcomes.”



	Subindexes, Rank in 2014																	
	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	8.10	1	4.88	33	5.90	13	4.68	29	7.00	2	9.15	1	6.20	8	6.33	7	4.81	31
North Dakota	7.07	2	6.09	6	4.99	25	6.80	3	6.43	6	5.40	14	5.97	9	4.43	36	5.87	10
Iowa	6.71	3	5.02	31	5.96	12	7.12	2	6.75	3	5.23	19	4.92	26	4.38	37	5.59	14
Colorado	6.45	4	5.08	29	4.64	32	7.43	1	5.51	16	5.98	4	6.24	7	4.27	39	5.04	26
Minnesota	6.32	5	4.53	38	5.72	16	5.84	9	7.02	1	5.97	5	4.16	39	4.55	35	6.02	7
New Hampshire	6.28	6	5.15	25	6.64	1	3.36	48	6.62	4	5.61	12	5.11	22	5.39	14	5.81	11
Nebraska	6.17	7	5.14	27	5.89	14	5.81	10	6.10	7	4.92	28	5.67	13	4.14	40	5.70	12
South Dakota	6.13	8	5.70	10	5.45	20	5.61	15	5.74	10	4.48	35	7.18	1	3.16	49	5.95	9
Texas	6.13	9	5.66	13	4.80	29	5.66	14	4.01	42	4.71	32	5.86	12	7.15	1	5.40	18
Washington	5.88	10	4.54	36	4.59	33	5.20	22	5.25	20	5.74	9	4.29	34	6.67	3	6.25	5
Kansas	5.79	11	4.53	37	4.99	24	5.97	7	5.50	17	5.00	27	5.89	11	4.93	26	5.49	16
Virginia	5.75	12	5.75	9	5.68	17	4.54	34	5.35	18	5.30	18	5.94	10	4.80	28	4.80	33
North Carolina	5.61	13	5.40	18	4.99	26	5.15	24	4.18	37	5.32	17	6.87	2	5.07	22	4.78	34
Delaware	5.47	14	5.52	17	4.82	28	4.37	38	5.01	26	5.01	24	6.39	6	6.29	8	3.95	45
Idaho	5.33	15	5.30	22	5.68	18	4.93	26	4.83	29	4.63	34	6.41	5	3.75	45	5.43	17
Utah	5.27	16	5.54	16	5.22	22	4.60	31	5.91	8	5.92	6	6.51	3	4.65	33	2.41	50
Maine	5.19	17	4.36	41	6.02	10	4.17	40	5.65	14	3.81	47	5.58	15	4.65	32	6.30	3
Wisconsin	5.17	18	4.52	39	6.07	9	4.56	32	5.73	12	5.09	23	5.09	23	4.13	41	5.29	19
Oregon	5.11	19	5.24	24	4.85	27	5.18	23	5.12	25	5.10	22	3.94	43	4.62	34	6.26	4
Vermont	5.10	20	3.81	45	6.35	4	3.17	50	6.52	5	5.32	16	4.15	40	4.98	25	5.99	8
Florida	5.03	21	6.63	2	4.32	35	5.28	20	4.17	38	4.18	38	4.91	28	5.32	21	5.26	23
Rhode Island	5.00	22	4.40	40	6.16	7	4.32	39	5.25	21	6.31	3	3.60	46	5.68	12	4.26	40
Hawaii	4.99	23	4.17	43	5.25	21	3.58	45	5.91	9	4.16	39	4.16	38	5.48	13	7.26	1
New York	4.98	24	3.29	46	5.73	15	4.38	37	5.27	19	5.62	11	3.59	47	6.43	5	5.63	13
Georgia	4.95	25	5.81	8	4.07	43	5.74	12	3.71	46	4.70	33	5.56	16	5.36	19	4.91	28
California	4.92	26	2.64	49	5.98	11	3.24	49	4.09	41	5.90	7	6.42	4	6.60	4	4.90	29
Arizona	4.79	27	5.68	12	4.16	40	4.66	30	4.79	30	5.39	15	5.31	20	4.79	29	4.62	35
Michigan	4.77	28	5.14	26	4.18	39	5.74	11	4.55	33	5.58	13	3.63	45	5.38	16	5.13	25
Maryland	4.70	29	5.13	28	4.23	37	3.44	47	5.67	13	7.26	2	4.08	42	4.99	24	4.35	38
Ohio	4.60	30	5.02	30	5.07	23	6.21	5	5.01	27	5.01	25	4.25	37	4.71	30	3.55	46
Missouri	4.60	31	5.69	11	4.27	36	5.33	19	4.99	28	5.12	20	4.87	29	3.76	44	4.81	32
Alaska	4.59	32	6.65	1	3.49	47	4.78	28	4.54	34	3.84	46	3.39	49	5.33	20	6.79	2
Tennessee	4.58	33	6.28	5	4.11	42	5.54	17	4.01	43	4.25	37	5.08	24	5.03	23	4.50	36
Wyoming	4.54	34	4.20	42	4.64	31	5.90	8	5.74	11	3.79	48	5.48	17	3.63	48	5.29	20
Pennsylvania	4.46	35	4.05	44	5.49	19	4.92	27	5.19	22	5.70	10	4.26	36	4.87	27	3.96	44
South Carolina	4.45	36	5.84	7	3.67	46	4.42	36	3.93	44	4.07	40	5.58	14	5.88	11	5.02	27
Illinois	4.42	37	2.97	48	6.32	5	5.50	18	4.61	32	5.12	21	3.67	44	5.93	10	4.21	42
Indiana	4.42	38	6.48	3	4.78	30	4.47	35	4.76	31	4.78	30	4.83	31	5.38	17	2.83	48
Kentucky	4.37	39	4.71	34	6.08	8	5.12	25	4.09	40	3.94	43	4.64	33	5.38	15	4.23	41
Connecticut	4.34	40	2.98	47	6.31	6	4.11	41	5.59	15	5.80	8	2.91	50	6.42	6	3.97	43
Montana	4.29	41	5.31	21	4.01	44	5.58	16	5.13	24	4.28	36	4.86	30	2.67	50	6.12	6
Louisiana	4.05	42	5.29	23	2.66	50	6.04	6	3.47	48	4.01	42	5.35	19	6.11	9	4.34	39
Oklahoma	3.90	43	4.64	35	4.43	34	5.71	13	4.14	39	4.04	41	4.92	27	3.69	47	5.28	21
West Virginia	3.90	44	5.58	14	6.53	2	3.55	46	4.31	35	3.88	45	4.26	35	4.31	38	4.39	37
Nevada	3.85	45	6.35	4	3.98	45	6.63	4	3.39	49	3.42	50	4.09	41	5.36	18	3.45	47
Arkansas	3.83	46	4.94	32	4.16	41	5.23	21	3.78	45	3.68	49	5.29	21	3.96	42	5.58	15
Alabama	3.69	47	5.57	15	3.31	48	4.56	33	3.70	47	4.82	29	4.66	32	4.69	31	4.90	30
New Mexico	3.41	48	5.36	20	2.80	49	4.09	42	4.20	36	5.00	26	4.94	25	3.75	46	5.26	24
New Jersey	3.38	49	2.04	50	6.36	3	3.79	44	5.18	23	4.74	31	3.58	48	6.85	2	2.79	49
Mississippi	3.17	50	5.38	19	4.20	38	3.98	43	2.61	50	3.92	44	5.43	18	3.93	43	5.27	22