

Beacon Hill Institute

**State
Competitiveness
Report
2001**



Table A
BHI State Competitiveness Indicators Index and Subindexes

	Overall index and rank in 2001		Subindexes, rank in 2001								
	Overall Index	Overall Rank	Gov. & fiscal policy	Institutions	Infra-structure	Human resources	Tech-nology	Finance	Open-ness	Domestic compe-tition	Environ-mental policy
Delaware	7.22	1	5	19	11	28	4	2	6	11	30
Massachusetts	6.78	2	47	10	36	1	1	1	13	34	41
Wyoming	6.68	3	2	7	5	20	34	18	10	2	5
Washington	6.48	4	48	24	17	24	13	29	3	1	1
Vermont	6.43	5	25	3	22	2	7	39	2	16	39
Colorado	6.41	6	21	18	3	9	5	10	37	4	15
New Hampshire	6.33	7	9	4	4	3	10	13	34	8	46
Connecticut	6.18	8	41	8	20	7	2	3	18	21	42
Minnesota	5.95	9	29	6	7	4	12	7	25	39	10
California	5.83	10	28	14	33	21	8	5	9	10	38
Utah	5.79	11	15	16	2	6	11	14	26	12	48
Idaho	5.73	12	35	1	16	38	23	47	33	3	3
Oregon	5.72	13	39	15	6	19	22	46	8	9	4
Virginia	5.62	14	6	20	23	12	20	15	27	28	18
Nebraska	5.55	15	11	23	15	5	31	12	44	32	7
Iowa	5.43	16	23	5	9	8	26	22	36	50	17
South Dakota	5.37	17	8	21	21	11	29	11	50	31	23
Wisconsin	5.32	18	14	11	24	15	25	24	31	37	6
Maine	5.31	19	31	9	13	18	33	33	29	7	37
Maryland	5.22	20	20	42	35	16	3	9	47	15	29
North Dakota	5.22	21	46	2	14	13	36	19	41	26	16
Alaska	5.20	22	1	34	1	46	48	50	1	13	50
Kansas	5.18	23	34	27	12	14	15	23	28	24	25
Missouri	5.10	24	10	38	18	17	28	26	42	25	21
Rhode Island	4.91	25	33	33	26	10	6	38	43	17	44
Michigan	4.87	26	16	31	27	31	17	31	7	48	31
Indiana	4.82	27	18	25	30	33	32	34	12	40	11
North Carolina	4.79	28	3	49	37	36	19	17	19	23	28
New Jersey	4.79	29	36	12	40	22	16	8	20	20	43
Tennessee	4.72	30	7	37	32	37	40	20	22	27	9
Montana	4.72	31	37	30	10	34	35	43	49	5	32
Ohio	4.69	32	38	17	29	26	24	16	16	49	27
Texas	4.67	33	13	47	38	35	27	25	5	36	22
New York	4.59	34	50	13	48	25	9	4	21	22	45
Georgia	4.52	35	4	46	44	40	37	28	23	18	26
Florida	4.45	36	26	40	34	29	42	27	32	14	33
Pennsylvania	4.43	37	43	22	28	32	14	21	38	42	35
Kentucky	4.37	38	24	28	31	44	44	32	11	46	2
Illinois	4.30	39	40	35	47	27	21	6	14	44	34
South Carolina	4.21	40	12	39	43	41	41	44	15	29	12
Arizona	4.17	41	27	44	25	30	30	48	17	30	40
New Mexico	3.98	42	22	48	41	43	18	49	24	19	36
Hawaii	3.94	43	45	26	8	23	43	41	39	38	47
Oklahoma	3.82	44	32	36	45	39	39	40	45	33	8
Alabama	3.82	45	17	43	42	47	38	35	30	41	13
Nevada	3.65	46	44	32	19	42	49	45	40	6	49
Arkansas	3.42	47	19	29	49	45	50	30	46	45	20
Louisiana	3.34	48	42	50	46	48	45	36	4	47	24
West Virginia	3.11	49	49	41	39	50	46	37	35	35	14
Mississippi	2.83	50	30	45	50	49	47	42	48	43	19

The Beacon Hill Institute at Suffolk University in Boston focuses on federal, state and local economic policies as they affect citizens and businesses. The institute conducts research and educational programs to provide timely, concise and readable analyses that help voters, policymakers and opinion leaders understand today's leading public policy issues.

© 2001 by the Beacon Hill Institute at Suffolk University
ISBN 1- 886320-09-8

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From the Executive Director

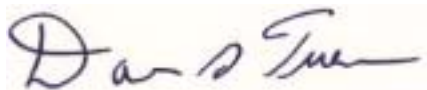
The Beacon Hill Institute at Suffolk University is pleased to release its *State Competitiveness Report 2001*. In this report we provide the first-ever report on state competitiveness. In producing the report, we create two new indexes: the *BHI State Competitiveness Indicators Index* and the *BHI State Competitiveness Opinion Index*. The first considers the question, “How competitive is my state?” To answer that question, we combine dozens of objectively measurable variables into nine subindexes that we, in turn, aggregate into the *BHI State Competitiveness Indicators Index*. We then use this index to rank all 50 states according to their actual competitiveness.

The second considers the question, for certain pre-selected states, “How competitive is my state *perceived* to be?” To answer we use the results of an opinion survey of eight states, selected to include Massachusetts plus seven other states chosen for their importance or their economic or geographic proximity to Massachusetts. We then rank the eight states according to their perceived competitiveness.

One interesting result of the study is that, for these eight states, the results of the *Opinion Index* are, in some instances, quite different from those of the *Competitiveness Indicators Index*. When it comes to interstate comparisons of competitiveness, it appears that perceptions may differ from reality. Some states need to do a better job of letting the world know that they can compete effectively for new business. Massachusetts is among them.

We wish to thank authors Jonathan Haughton and Vadym Slobodyanyuk, along with their research team, for their groundbreaking work in producing this document. Thanks are due also to Michael Porter, who has long provided the standard for works of this kind and whose methodology greatly informed this work.

It is our intention for this to be the first annual *State Competitiveness Report*, with a broader opinion survey to accompany future editions. We hope that its publication will spark what appears to be a needed debate on why some states are far more competitive than others and why some have a worse, or better, reputation than they deserve.



David G. Tuerck



Table of Contents

The BHI State Competitiveness Index 2001	5
State Profiles.....	17
How to Read Indicator Index Pages	19
California.....	20
Connecticut	22
Massachusetts.....	24
New York.....	26
North Carolina.....	28
Texas	30
Vermont.....	32
Virginia	34
Alabama	36
Alaska.....	37
Arizona.....	38
Arkansas.....	39
Colorado.....	40
Delaware	41
Florida	42
Georgia.....	43
Hawaii	44
Idaho.....	45
Illinois	46
Indiana.....	47
Iowa.....	48
Kansas	49
Kentucky	50
Louisiana	51
Maine.....	52
Maryland	53
Michigan	54
Minnesota.....	55
Mississippi.....	56
Missouri.....	57
Montana.....	58
Nebraska.....	59
Nevada	60
New Hampshire.....	61
New Jersey	62
New Mexico	63
North Dakota.....	64
Ohio.....	65
Oklahoma	66
Oregon.....	67
Pennsylvania	68
Rhode Island.....	69
South Carolina.....	70
South Dakota.....	71
Tennessee	72
Utah.....	73
Washington	74
West Virginia	75
Wisconsin.....	76
Wyoming.....	77
Data Charts	79
Indicator charts.....	80
Beacon Hill Institute 2001 State Competitiveness Questionnaire.....	100
Survey charts.....	102



The BHI State Competitiveness Index 2001

Introducing the indexes

This report emerged as the result of asking a very simple question: how competitive is Massachusetts, Virginia, Wyoming or any other state? This question quickly leads on to others: What is competitiveness? How can it be measured? What standard should be used to determine whether a state is competitive or not?

In the course of answering these questions we did two things:

- €# First, we developed an index of competitiveness for all 50 states, based on available “objective” data. This *State Competitiveness Indicators Index* (also identified below as the “overall index” of competitiveness) is designed to measure the long-run competitive position of a state.
- €# Second, we undertook a survey of business executives, public servants, academics and opinion leaders in Massachusetts and seven comparator states. Based on the survey returns, we developed the *State Competitiveness Opinion Index*, which provides a “subjective” measure of how opinion leaders evaluate the competitiveness of a state.

The *State Competitiveness Indicators Index* ranks Delaware as the most competitive state, with a score of 7.22 on a scale of 0 (utterly uncompetitive) to 10 (extremely competitive). Massachusetts and Wyoming are in second

and third place respectively, as Table 1 shows. At the bottom, Mississippi and West Virginia have indicator indexes below 3.2. By construction, the mean value of the index is 5.

Table 1 also shows the ranking of each state in 1995, based on the same set of indicators. The two sets of rankings are close, but ten states moved up or down by five or more positions. Among these, Iowa, Maine, New Jersey and Idaho became more competitive, while Alaska, Texas and Illinois saw their rankings slide significantly.

The *State Competitiveness Opinion Index* paints a different picture. Of the eight states surveyed, Virginia and Texas clearly stand out in the minds of respondents as the most competitive. Massachusetts, on the other hand, is rated seventh; the bearish perceptions of opinion leaders are out of sync with the state’s strong objective measures of competitiveness.

What is competitiveness?

In our view, *a state is competitive if it has in place the policies and conditions that ensure and sustain a high level of per capita income and its continued growth.* To achieve this, a state needs to be able to attract and incubate new businesses, and to provide an environment that is conducive to the growth of existing firms.

Table 1
BHI State Competitiveness Indicators Index

	Index	Rank, 2001	Rank, 1995
Delaware	7.22	1	2
Massachusetts	6.78	2	1
Wyoming	6.68	3	4
Washington	6.48	4	8
Vermont	6.43	5	6
Colorado	6.41	6	3
New Hampshire	6.33	7	5
Connecticut	6.18	8	7
Minnesota	5.95	9	11
California	5.83	10	15
Utah	5.79	11	9
Idaho	5.73	12	19
Oregon	5.72	13	16
Virginia	5.62	14	10
Nebraska	5.55	15	13
Iowa	5.43	16	24
South Dakota	5.37	17	14
Wisconsin	5.32	18	17
Maine	5.31	19	27
Maryland	5.22	20	23
North Dakota	5.22	21	18
Alaska	5.20	22	12
Kansas	5.18	23	20
Missouri	5.10	24	22
Rhode Island	4.91	25	21
Michigan	4.87	26	29
Indiana	4.82	27	30
North Carolina	4.79	28	25
New Jersey	4.79	29	37
Tennessee	4.72	30	34
Montana	4.72	31	28
Ohio	4.69	32	32
Texas	4.67	33	26
New York	4.59	34	39
Georgia	4.52	35	35
Florida	4.45	36	31
Pennsylvania	4.43	37	38
Kentucky	4.37	38	36
Illinois	4.30	39	33
South Carolina	4.21	40	40
Arizona	4.17	41	42
New Mexico	3.98	42	43
Hawaii	3.94	43	44
Oklahoma	3.82	44	45
Alabama	3.82	45	41
Nevada	3.65	46	49
Arkansas	3.42	47	47
Louisiana	3.34	48	46
West Virginia	3.11	49	48
Mississippi	2.83	50	50

Table 2
BHI State Competitiveness Opinion Index

	Index	Rank, 2001
Virginia	6.28	1
Texas	6.28	2
North Carolina	5.86	3
California	4.72	4
Connecticut	4.69	5
Vermont	4.22	6
Massachusetts	4.15	7
New York	3.79	8

Competitiveness may be thought of as a catchall term that covers what Michael Porter calls “the microeconomic foundations of prosperity.”¹ The states of the United States all face roughly the same macroeconomic conditions; where they differ is in their microeconomic policies. These policies matter. As Porter puts it, “wealth is actually created at the microeconomic level ... in the ability of firms to create valuable goods and services using productive methods” (p.40).

It follows that the *outcome* of competitiveness is greater affluence, measured as higher levels of real personal income per capita or real gross state product per capita.

Quantifying competitiveness

To be useful as a concept, it is essential to have an operational measure of competitiveness, a measure that aggregates the key microeconomic variables into a single index. The World Economic Forum has done this for its influential annual *Global Competitiveness Report*, but there is no equivalent at the level of the states of the United States (although some more specialized rankings of the states have been developed; we discuss these in more detail below).

In thinking about how to create an index of competitiveness, we begin with the simple economic relation:

$$Y = f(K,L,technology).$$

This says that the income (or output) of a state (Y) depends on the amount of capital (K), labor (L) and technology that is

harnessed by the state economy.² Not surprisingly, more inputs and technological progress lead to more output. But what raises input levels? And why do some states mix the ingredients more successfully than others?

To answer these questions we need to focus on the quality of the business environment. Using his celebrated “diamond,” Porter finds it helpful to group the influences into four components: the quality of available inputs, the sophistication of local demand, the nature of local suppliers and the extent to which they form clusters, and the rules and institutions that govern the market. These are still very broad categories and so, following the Porter-inspired *Global Competitiveness Report*, we actually classify our indicators into nine groups. The first two groups refer to government and related institutional and socioeconomic factors, the next four to the quality and quantity of inputs, and the last three to the nature of local demand, as influenced by the local environment, both economic and natural. The breakdown is as follows:

Government and fiscal policy. High tax rates and weak financial discipline make a state unattractive to business, and this subindex is designed to pick up these effects.

Institutions and security. A state will be more attractive to business if the legal system is sympathetic to business concerns, if public officials are trusted, if the regulatory burden is light, and if

crime is low. The institutions and security subindex addresses these dimensions of competitiveness.

Infrastructure. How easy is commuting? Do most households have phones? Internet access? Computers? Is the road structure adequate? Air travel cheap? Housing costs low? These are the measures of effectiveness that are included in the infrastructure subindex for each state.

Human resources. A high level of labor force participation, and skilled labor that is readily available and not too expensive, combined with a widespread commitment to education, training and health care, make a state attractive for business. These factors are captured in the human resources subindex.

Technology. The development and application of technology is central to economic development, and has been ever since the industrial revolution. The technology subindex measures this by taking into account research funding, patents issued, the proportion of scientists and engineers in the labor force, the extent of collaboration with universities, and the importance of high-tech companies.

Finance. A good idea is not enough; businesses also need to be able to mobilize financing for investment, both internally and from the financial system. The finance index measures these factors.

Openness. When a state is open to trade its firms are more likely to be competitive and hence more productive; the openness subindex measures how connected the firms in a state are with the rest of the world.

Domestic competition. In a vibrant economy firms both come to life and die. A high rate of business births and terminations signals a robust, competitive environment.

Environmental policy. States that are faced with environmental problems, or that have a heavy-handed policy of environmental regulation, are likely to be less attractive to businesses as well as to their workers and managers; we measure this effect with the environmental policy subindex.

We then arrive at an *overall index* of competitiveness by aggregating a number of subindexes (e.g., the nine just summarized) into a total. Each subindex, in turn, aggregates a number of individual factors or variables. A complete list of the components of each subindex, both for the *Indicators Index* and the *Opinion Index*, is given in Table 3 at the end of this section of the report. The data used to compute the indexes are presented in the end of the report.

Technical note 1: Creating the indexes

The same general technique was used to create both the *State Competitiveness Indicators Index* and the *State*

Competitiveness Opinion Index. The steps to be followed are:

1. Collect data on each variable for each state (or for 8 states, in the case of the opinion variables).
2. Normalize each variable so that it has a mean of 5, a standard deviation of 1, and a maximum range of 0 (worst) to 10 (best).
3. Create nine subindexes, formed as the simple averages of the normalized component variables.
4. Normalize the subindexes, again giving a mean of 5 and standard deviation of 1 to each. These are presented in Table A, inside the front cover.
5. Compute the overall index of state competitiveness as the simple average of the nine subindexes, again normalizing it so it has a mean of 5 and standard deviation of 1. In practice, the *State Competitiveness Indicators Index* ranged from a low of 2.83 to a high of 7.22.

A competitiveness index is simply a summary measure based on a large number of variables. The difficult, and controversial, part is choosing a weighting scheme. Our approach is the simplest and most transparent: within each subindex, each variable carries equal weight. Then each subindex is given the same weight when constructing the overall index. This has been referred to as a “democratic” weighting structure, but it is of course arbitrary (although reasonable). Most studies use weights that are essentially assigned by the researchers themselves. We did experiment with the technique of principal

components, which groups correlated variables into common “factors” that themselves might serve as indexes in their own right; this is the method used for one of the component indexes in the *Global Competitiveness Report* (p. 47). However, our factor analysis did not yield either a clearer or a simpler index, which is why we used the easier and more comprehensible “democratic” weights.

Technical note 2: Surveying opinion leaders

The *State Competitiveness Opinion Index* is based on the results of a survey of opinion leaders in eight states – California, Connecticut, Massachusetts, New York, North Carolina, Texas, Vermont and Virginia.³ We purchased a list of 1,000 names for each state from iMarket Inc. (a Dun and Bradstreet company). A quarter of the names were randomly selected from a list of leaders in public administration; the remainder were randomly selected from a list of business executives, distributed across the main SIC codes (excluding agriculture, mining, construction and non-classified establishments, and a few minor subsectors in manufacturing and transportation). We received a total of 451 responses, and the *Opinion Index* is entirely based on these answers.

Technical note 3: How well does the *State Competitiveness Indicators Index* explain economic activity?

If the *Indicators Index* is properly constructed, then it alone should go a long way towards explaining why some states are affluent and

others are not. A simple way to show the relationship is with the scatter plot in Figure 1: the vertical axis shows real personal income per capita while the *Indicators Index* is on the horizontal axis.⁴

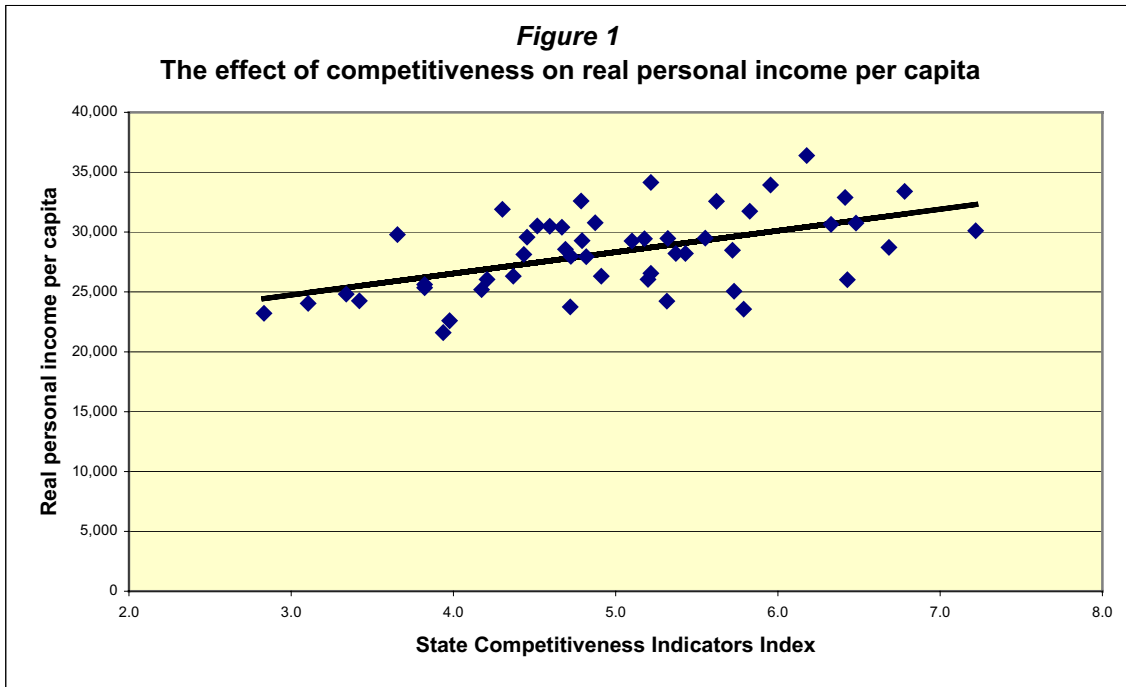
Figure 1 shows the best-fit regression line, which is given by

$$\begin{aligned} \text{Real personal income per capita} \\ = 19,390 + 1,787 \text{ Indicators Index.} \\ t = 9.2 \quad t = 4.3 \end{aligned}$$

This equation has an R^2 of 0.28, which means that more than a quarter of the variation in real personal income per capita from state to state is attributable to variations in the *State Competitiveness Indicators Index* alone. Competitiveness really does matter.

A higher index of state competitiveness is also strongly associated with a lower poverty rate ($R^2=0.30$); if the *Indicators Index* is one unit higher, the proportion of people in poverty is 1.8 percentage points lower.

The *Indicators Index* has a surprisingly strong correlation with the growth rate of personal income between 1999 and 2000 ($R^2=0.24$), with a higher index associated with a significantly faster increase in personal income. The surprise arises because growth rates are notoriously difficult to predict. In the short-run the growth of a given state is likely to be strongly influenced by local factors – a boom in the auto industry, or a drop in research spending, for instance – which obscure the more fundamental issue of competitiveness.



The *Opinion Index* reflects the perceptions of opinion leaders, as of summer 2001. By then the Massachusetts economy had begun to slow down, whereas that of Texas had not, which may explain the more downbeat nature of the Massachusetts responses. To the degree that perceptions drive the actions of investors, we expect growth in the near future to be lower in Massachusetts and New York than in Texas or Virginia. Further complicating perceptions are the terror attack of September 11 and its aftermath.

Putting the competitiveness index to work

What do we learn from this exercise? Naturally it is interesting to look at the raw rankings, but this may not be the most important use of the information. The detailed data, both in individual variables and the subindexes, allow one to identify the

determinants of competitiveness. This is of value to policy makers, who are then in a better position to identify what needs to be done in order to improve the position of their state.

The logic behind this is that a higher *Indicators Index* is associated with greater affluence. A reasonable inference is that if one were to improve competitiveness, then residents of the state would be better off. And the greatest potential is for the indicators whose performance is currently weak. For instance, a low-crime state may have trouble reducing the crime rate further, while for a high-crime state, efforts to reduce crime are likely to be an efficient way to boost competitiveness.

To illustrate, consider the case of Idaho, which ranks 12th, with an *Indicators Index* of 5.7. On the plus side, it has very low crime,

a high rate of enterprise formation, inexpensive electricity and low housing prices. However, it scores poorly on human resources, suggesting that this is an area needing further attention. And the weak fiscal policy indicators point to a lack of discipline that must be addressed. Since 1995, reductions in the crime rate, and improvements in technology and the creation of firms significantly boosted Idaho's ranking.

To make it easier to identify the strengths and weaknesses of each state, a subsequent section of this report sets out the relevant details for each state, along with brief state-specific commentaries.

Other studies

We are not the first to develop a set of statewide indexes, but we are the first to create a broad-based index of competitiveness, and to design and present it in a way that policy makers will find useful.

The Progressive Policy Institute has created a *State New Economy Index*, which aims to measure the "New Economy." The authors define the new economy as "a knowledge and idea-based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy."⁵ They identify 17 indicators, which are then aggregated using weights that vary from 0.33 to 1.0. The index is scaled to average

6.0, and ranges from 2.56 (West Virginia) to 11.48 (Massachusetts). Although we include a number of technology-related variables in our own index, we also believe that there is much more to competitiveness – and hence to achieving and maintaining affluence – than technology alone. This is why our index is based on almost three times as many variables, and so has greater breadth.

Conceived in a similar spirit is the *Index of the Massachusetts Innovation Economy*, published by the Massachusetts Technology Collaborative in November 2001.⁶ The report compares Massachusetts with six other "leading technology states" (California, Colorado, Connecticut, Minnesota, New Jersey and New York), as well as presenting a wealth of information on the state itself. Most of the emphasis is on the state's "knowledge-based innovation economy." To do this it focuses on nine key industry clusters, which together cover 25% of non-government jobs in Massachusetts. Interestingly enough, these key sectors are growing no faster than the rest of the state economy. In our view it is preferable to consider the economy as a whole – which is what our index does – rather than just a fashionable quarter of it.

John Byars, Robert McCormick and Bruce Yandle of Clemson University have created an *Index of Economic Freedom* for the states. They define economic freedom as "the right of individuals to pursue their own interests through voluntary exchange under a rule of law."⁷ They sift through 145

indicators, assigning them to deciles from 1 (most free) to 10 (least free). After experimenting with 47 different indexes, they choose the one that best explains state growth in income per capita, net immigration, and growth in manufacturing value added. After creating five sub-indexes, they assign weights, using the technique of principal components, and apply these weights to create the overall index. By this measure, Idaho has the greatest amount of economic freedom (an index of 3.9) while New York has the least (index of 7.9).

Their report argues that greater economic freedom should be associated with faster economic growth, and their econometric results suggest that this is probably the case, although their index may be more valuable as a summary measure of freedoms that have value in their own right, rather than as a predictor of growth or well being.⁸ The Heritage Foundation has also created an influential and widely-cited *Index of Economic Freedom*, but it is constructed for the countries of the world rather than for the states.⁹

We do agree that economic freedom is important, and our index of competitiveness includes some indicators, such as the share of state tax collections in gross state product, that measure the weight of government quite well. However, we believe that other factors are also important to competitiveness, even if they are not easy to place on a scale of economic freedom; these

include such variables as the time that is required to travel to work, the availability of venture capital, and the importance to the economy of high-tech firms.

Digging deeper

We provide detailed results in the pages that follow. We arrange the states alphabetically in two groups, first the eight states for which we conducted the opinion survey and second the remaining states. For each state, we provide one page on which we show the *Indicators Index* and related detail. For the eight opinion-survey states we provide a second page detailing the results of the survey for that state. Data charts appear at the end.

Table 3

Components of subindexes

BHI State Competitiveness Indicators Variable	Explanation	BHI State Competitiveness Opinion Variable	Explanation
Government and fiscal policy subindex			
State tax revenue/gross state product (-)	The greater the overall burden of taxes on state output, the less attractive the state is as a host for new investment or workers.	Likelihood of a recession is high. (-)	The expectation of a recession discourages workers from relocating in the state and firms from doing business there.
Workers' compensation collections/employment (-)	High workers' compensation collections per employee increase business costs.	Taxes in state are more burdensome than in most other states. (-)	A perception that taxes are unusually high makes the state less attractive as a host for new workers or for new investment.
Average benefit for first payment for unemployed (-)	High unemployment benefits increase business costs.	State government spends too much. (-)	A perception that state spending is too high encourages the perception that taxes are too high.
Bond rating (composite of S&P's and Moody's, scale 1-25) (+)	High state bond rating increases confidence in state and reduces interest burden.	State tax incentives are effective. (+)	Tax incentives are important due to their ability to attract and keep businesses in the state
Budget surplus as % of gross state product (+)	Budget surpluses indicate fiscal discipline and make tax increases unnecessary.	Management spends much time complying with regulations. (-)	Time spent complying with regulations is time taken from attending to the business of the firm.
Institutions and security subindex			
Reported crime per 100,000 inhabitants (-)	High crime rate makes it more difficult to recruit out-of-state workers and increases business costs.	Regulations put state at disadvantage. (-)	A reputation for heavily bureaucratic institutions discourages firms from locating in the state.
% change in crime index, 1998-1999 (-)	Growth in the crime rate suggests that crime, though perhaps currently low, is on the rise.	Legal system is sympathetic to business. (+)	Businesses prefer to locate where the courts favor them in disputes with government or consumers.
Murders per 100,000 inhabitants (-)	High murder rate has the same effect as a high crime rate.	Public trust in elected officials is high. (+)	A high degree of trust in public officials suggests that government can be depended upon to provide quality services at low cost.
		Lawsuits can be costly. (-)	Costly lawsuits harm business.
Infrastructure subindex			
% of households with computers (+)	Level of computerization reflects computer literacy and usage.	Quality of state's infrastructure is high. (+)	A high-quality infrastructure is important for being able to transport products and supplies, avoid wasting time in traffic, utilize airports and other transportation facilities and obtain housing at a reasonable cost.
% of households with installed phones (+)	Access to phones is a measure of the accessibility of households to each other and to business.	There are enough roads. (+)	Having enough roads is important for transportation of materials
% of households with internet access (+)	Internet access has the same effect as computerization.	Roads are sufficiently maintained. (+)	Having well maintained roads is important for transportation of materials.
Air passengers per capita (+)	High air passenger flow is a sign of a developed infrastructure and a strong business sector.	Rail system is adequate. (+)	Having an adequate rail system is important for transportation of materials.
Travel time to work (-)	Time spent in traffic is costly to business and discourages workers from locating in state.	Air transport is adequate. (+)	Having an adequate air transport system is important for transportation of people and materials.
Rental costs for 2-bedroom apartment (-)	Rental costs reflect housing costs. Higher housing costs make it more costly to recruit workers from out of state.	Port facilities are adequate. (+)	States that offer access to ports widen the transportation options available to business and make it substantially cheaper to obtain or ship materials.
		Cost of air travel is low. (+)	Air travel is an important business cost.

Human resources subindex			
% of population without health insurance (-)	A large number of uninsured suggests that health costs are being passed on to taxpayers and that the health care system is overburdened.	Labor is more expensive than elsewhere. (-) Supply of skilled labor is adequate. (+)	High labor costs discourage business from locating in the state. An adequate supply of labor is an important consideration in deciding whether to open a business.
% of population aged 25 and over that graduated from high school (+)	An educated workforce is a productive workforce.	Quality of high school education is very good. (+)	An educated workforce is a productive workforce.
% of labor force represented by unions (-)	Strong unions hinder flexibility and discourage firms from locating in the state.	Public K-12 excels in math and science. (+)	Math and science are important to high tech.
Unemployment rate (-)	A high unemployment rate suggests that there are rigidities in the labor market.	Your company spends on on-the-job training. (+)	Workers are more likely to stay with a company that keeps them well trained.
% of population enrolled in degree-granting institutions (+)	An educated workforce is a productive workforce.	Management/worker relations are good. (+)	Workers are more likely to stay with a company whose management maintains good relations with its workers.
% of adults in the labor force (+)	The more adults in the labor force, the more workers that can be employed.	Union influence is strong. (-)	Strong unions hinder flexibility and discourage firms from locating in the state.
% of population born abroad (+)	The more foreigners relative to the native-born population, the more motivated the workforce is likely to be.		
Infant mortality rate - deaths per 1,000 live births (-)	A high infant-mortality rate suggests that there are problems with health care.		
Non-federal physicians per 100,000 inhabitants (+)	The more doctors there are in the state, the stronger the health care system.		
Technology subindex			
NSF funding for R&D per capita (+)	National Science Foundation funding for research and development indicates strong universities and gives promise of high-tech startups.	Companies collaborate with local universities in R&D. (+) State tax and regulations encourage R&D. (+)	Collaborative arrangements with universities suggest the existence of a strong high-tech sector. Policies that encourage research and development promote high tech and therefore economic growth.
NIH support to institutions in the state, per capita (+)	National Institutes of Health funding indicates the existence of strong universities, hospitals and health care.		
Patents per capita (+)	A greater number of patents suggests innovative firms.		
Science and engineering graduate students per capita (+)	The greater the number of science and engineering students, the greater the availability of workers essential to high-tech firms.		
Science and engineering degrees awarded per capita (+)	The greater the number of science and engineering graduates, the greater the availability of workers essential to high-tech firms.		
Scientists and engineers as % of labor force (+)	The greater the number of scientists and engineers, the stronger the high-tech sector.		
High-tech companies as % of companies in the state (+)	The stronger the high-tech sector, the better the prospects for economic growth.		

Finance subindex			
Deposits in commercial banks and savings institutions, per capita (+)	The greater bank deposits, the greater the financial strength of persons and businesses. Also, the better developed the financial sector.	Venture capital is easy to find. (+)	Venture capital is important for startups. The more venture capital, the more sophisticated the financial environment.
Venture capital available, per capita (+)	Venture capital is important for startups. The more venture capital, the more sophisticated the financial environment.	Credit has become easier to obtain in past year. (+) Company's financial health is better than a year ago. (+)	Credit is important for business health and expansion. The better the health of companies located in a state, the more likely the state offers a hospitable investment environment.
Openness subindex			
Exports per capita (+)	A strong export sector suggests that the state is competitive with foreign countries as well as other states.	State supports companies' efforts to develop out-of-state markets. (+)	Efforts to sell out of state suggest that the state is competitive with foreign countries as well as other states.
Incoming foreign direct investment per capita (+)	The greater the inflow of foreign direct investment, the greater the capital stock and thus the greater output and worker productivity.	Competitors are mainly local. (-) Clusters are important. (+)	The narrower the geographic base in which firms compete, the less attentive they are likely to be to maintaining quality, holding down costs and innovating. Clusters, consisting of firms and cooperating universities and other institutions, provide important synergy.
Domestic competition subindex			
Employer firm births per capita (+)	The greater the turnover of firms, the more robust the competitive environment. Births increase turnover.	Administrative procedures create obstacles for starting new businesses. (-)	The more obstacles to starting new businesses, the less competitive the environment.
Employer firm terminations per capita (+)	The greater the turnover of firms, the more robust the competitive environment. Terminations increase turnover.	Businesses benefit from vibrant nonprofit sector. (+) Importance of factors in explaining why business operates in state: <ul style="list-style-type: none"> ⌘ Availability of skilled labor. (+) ⌘ Low state taxes. (+) ⌘ Good infrastructure. (+) ⌘ Inexpensive utilities. (+) ⌘ Presence of complementary firms. (+) ⌘ Founder/owner had ties with the state. (+) 	Nonprofits that provide educational services, human services and other services save taxpayer money, encourage competition in providing these services and improve the quality of life. Factors are important because : <ul style="list-style-type: none"> ⌘ High tech requires skilled labor. ⌘ Low taxes attract workers and capital. ⌘ Good infrastructure attracts firms. ⌘ Utilities are an important cost to business. ⌘ The presence of customers and suppliers reduces transportation costs. ⌘ The importance of strong ties to the state suggests the presence of collaborating institutions.
Environmental policy subindex			
Electricity prices, \$/mbtu (-)	Environmental policies that increase the price of electricity (as measured in dollars per million British Thermal Units) discourage business investment.	Pollution regulations are stringent. (-)	Stringent environmental regulations increase the cost of doing business.
Toxic release inventory, on and off-site (-)	The more toxic materials released throughout the environment, the less attractive the state as a place to live and the greater the cost of doing business.	Complying with environmental standards has been costly. (-) Environmental standards have led to improved products. (+)	A perception that the state imposes costly environmental standards decreases the attractiveness of the state as a host for investment. Environmental standards encourage the creation of firms that provide pollution control equipment and engineering and consulting services. They also sometimes lead firms to develop new products.

Note: + if positive effect on competitiveness, - if negative effect expected.

ENDNOTES

¹ Michael Porter, “The Current Competitiveness Index: Measuring the Microeconomic Foundations of Prosperity,” in World Economic Forum, *The Global Competitiveness Report 2000*, Oxford University Press, New York, 2000.

² In fact, it is necessary to divide this equation by population so that the variables are expressed in per capita terms. Real per capita personal income is a standard measure of affluence.

³ We used three criteria in choosing these states. First, our location dictated that we include Massachusetts and some neighboring states (Connecticut, New York and Vermont). Second, we wanted to include the most important other states (California and Texas). Third, we included states that are traditionally viewed as close competitors to Massachusetts (Virginia and North Carolina).

⁴ Prices vary from state to state. We deflate personal income using the state-level price indexes developed by Herman Leonard and his colleagues at the Kennedy School of Government, Harvard University.

⁵ Robert Atkinson, Randolph Court and Joseph Ward, *The State New Economy Index*, Progressive Policy Institute, July 1999, p. 3.

⁶ Patricia Flynn et al., *Index of the Massachusetts Innovation Economy 2001*, Massachusetts Technology Collaborative, Westborough, Massachusetts, November 2001.

⁷ John Byars, Robert McCormick and Bruce Yandle, *Economic Freedom in America’s 50 States: A 1999 Analysis*, Clemson University, March 1999.

⁸ However, a regression of average annual growth in personal income against the index (and some additional variables) finds that the index does not have a statistically significant effect, using conventional levels of significance.

⁹ See William Beach and Gerald O’Driscoll Jr., “Methodology: Factors of the *Index of Economic Freedom*,” in *2001 Index of Economic Freedom*, Heritage Foundation, Washington DC, 2001.

STATE PROFILES



State Profiles

The following pages present state profiles for each state. The states are organized alphabetically, divided into two groups:

1. the eight states for which the opinion survey was conducted and for which we present both the *State Competitiveness Indicators Index* and the *State Competitiveness Opinion Index*,
2. the remaining states for which we present the *State Competitiveness Indicators Index*.



How to Read Indicators Index Pages

Each state's overall rank is based on its total index from 1 (highest) to 50 (lowest)

The index value ranks from 0 to 10, with a mean of 5 and a standard deviation of 1. Each state's index is ordered to create the overall rank among the 50 states.

In this column you will find variables where the state is competitive.

In this column you will find variables where the state is not competitive

In this box on each page you will find a summary of the high and low points of the competitive indicators index information to be found in detail in the table below.

<i>STATE NAME</i>	<u>Index</u> 6.78	<u>Overall Rank</u> 2
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Competitive Advantages			Competitive Disadvantages		
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Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy	3.51	47	Government and fiscal policy subindex	3.51	47
			Bond rating: S&P's/Moody's composite	4.39	34
			Budget deficit as a % of GSP	3.37	50
<i>Institutions and security subindex</i>	5.84	10	<i>Institutions and security subindex</i>	5.84	10
Crime index, per 100,000 inhabitants	5.87	11			
Murder index, per 100,000 inhabitants	6.25	4			
<i>Infrastructure subindex</i>	4.43	36	<i>Infrastructure subindex</i>	4.43	36
% of households with internet access	5.63	12	Travel time to work	4.25	42
	4.92	20	Average rental cost, 2-bedroom apartment	3.26	47
	7.1				
insurance	5.9		<i>index</i>	7.13	1
			graduated from high	4.90	31
	9.1			9.10	1
	7.2				
capita	9.7				
	8.9			8.90	1
	5.4				
	9.8				
	5.1			5.18	13
	5.5			4.66	37
<i>Domestic competition subindex</i>	4.37	34	<i>Domestic competition subindex</i>	4.37	34
			Employer firm terminations per capita	4.34	35
<i>Environmental policy subindex</i>	4.13	41	<i>Environmental policy subindex</i>	4.13	41
Toxic release, pounds per capita	5.41	3	Electricity prices, \$ per mbtu	3.38	44

A subindex combines one or more variables that explain certain social or economic characteristics. For example, the institutions and security subindex is composed of other variables such as crime, percentage change in crime, and murders committed in the state.

Variables are the elements that make up each subindex. Variables that rank between 1 and 20 are considered advantages to a state, while variables that rank between 30 and 50 are considered disadvantages.

How to read the index pages

California enjoys a relatively high overall ranking. The primary reasons are strong technology and finance sectors. California also scores well for openness and domestic competition. The state is characterized by high costs, long commutes, and a high proportion of workers that lack basic educational qualifications.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.86	28	Government and fiscal policy subindex	4.86	28
Budget deficit as a % of GSP	5.16	16	Workers' compensation collections per employee	4.99	38
Average benefit per first payment for unemployed	5.53	19	Bond rating: S&P's/Moody's composite	3.99	41
Institutions and security subindex	5.63	14	Institutions and security subindex	5.63	14
Crime index change 1998-1999, %	6.31	2	Murder index, per 100,000 inhabitants	4.60	32
Infrastructure subindex	4.67	33	Infrastructure subindex	4.67	33
% of households with computers	5.76	11	Travel time to work	3.65	46
% of households with installed phones	5.71	11	Average rental cost, 2-bedroom apartment	3.10	48
% of households with internet access	5.81	10			
Air passengers per capita	5.03	17			
Human resources subindex	5.25	21	Human resources subindex	5.25	21
% of pop. enrolled in degree-granting institutions	5.70	15	% of population without health insurance	3.63	45
% of population born abroad	8.31	1	% of population that graduated from high school	3.92	42
Infant mortality rate, deaths per 1000 live births	6.24	6	% of labor force represented by unions	4.32	38
Nonfederal physicians per capita	5.25	13	Unemployment rate	3.95	41
Technology subindex	5.94	8	Technology subindex	5.94	8
R&D: NSF funds per capita	5.97	9			
NIH support to institutions, per capita	5.56	10			
New patents issued per capita	6.33	6			
Science and engineering grad. students per capita	5.38	15			
Science and engineering degrees awarded per capita	4.98	20			
Scientists and engineers in the labor force	5.46	17			
High tech companies as a % of companies	6.37	4			
Finance subindex	6.41	5	Finance subindex	6.41	5
Venture capital per capita	7.04	4			
Openness subindex	5.42	9	Openness subindex	5.42	9
Exports per capita	5.74	9			
Domestic competition subindex	5.91	10	Domestic competition subindex	5.91	10
Employer firm births per capita	6.61	3			
Employer firm terminations per capita	5.13	20			
Environmental policy subindex	4.42	38	Environmental policy subindex	4.42	38
Toxic release, pounds per capita	5.41	4	Electricity prices, \$ per mbtu	3.79	41

<i>CALIFORNIA</i>	<u>Opinion Index</u>	<u>Rank</u>
	4.72	4/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	4.02	8
Institutions and security	3.98	7
Infrastructure	6.44	1
Human resources	4.64	6
Technology	5.65	3
Finance	6.45	1
Openness	3.93	7
Domestic competition	3.87	7
Environmental policy	4.34	6

California achieves its rank of 4th in the Opinion Index by an unusual spread of good and bad performances in the subindexes. It performs well in infrastructure and finance as respondents feel that the state has good rail, air and port transportation facilities and that venture capital and credit are readily obtainable. However, California simultaneously performs poorly in government and fiscal policy, where it ranks 8th, and in institutions and security, openness and domestic competition, ranking 7th in all three. Most notably, government regulations are seen as hindering competitiveness.

Connecticut ranks high because it scores well for security, human resources, technology and finance. There is a strong high-tech sector, and an abundance of engineers and innovation. The major problems are environmental and government policy. Electrical prices are high, as are taxes.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.15	41	Government and fiscal policy subindex	4.15	41
			Taxes as a % of current GSP	4.02	43
			Workers' compensation collections per employee	5.27	34
			Bond rating: S&P's/Moody's composite	4.39	34
			Budget deficit as a % of GSP	4.17	41
			Average benefit per first payment for unemployed	4.90	31
Institutions and security subindex	6.19	8	Institutions and security subindex	6.19	8
Crime index, per 100,000 inhabitants	5.74	15			
Crime index change 1998-1999, %	5.85	8			
Murder index, per 100,000 inhabitants	5.73	16			
Infrastructure subindex	5.57	20	Infrastructure subindex	5.57	20
% of households with computers	6.33	7	Air passengers per capita	4.44	35
% of households with installed phones	6.01	6	Travel time to work	4.76	30
% of households with internet access	6.50	4	Average rental cost, 2-bedroom apartment	3.58	45
Human resources subindex	6.23	7	Human resources subindex	6.23	7
% of population without health insurance	6.08	6	% of labor force represented by unions	4.38	37
% of population that graduated from high school	5.69	13	% of pop. enrolled in degree-granting institutions	4.06	42
Unemployment rate	6.69	2			
% of adults in the labor force	5.56	15			
% of population born abroad	5.52	14			
Infant mortality rate, deaths per 1000 live births	5.32	16			
Nonfederal physicians per capita	7.10	4			
Technology subindex	6.56	2	Technology subindex	6.56	2
R&D: NSF funds per capita	5.60	12			
NIH support to institutions, per capita	6.23	3			
New patents issued per capita	6.53	4			
Science and engineering grad. students per capita	6.18	5			
Science and engineering degrees awarded per capita	5.17	18			
Scientists and engineers in the labor force	5.93	9			
High tech companies as a % of companies	7.71	2			
Finance subindex	7.36	3	Finance subindex	7.36	3
Bank deposits per capita	5.07	14			
Venture capital per capita	8.11	2			
Openness subindex	4.97	18	Openness subindex	4.97	18
Exports per capita	5.16	15			
Domestic competition subindex	4.89	21	Domestic competition subindex	4.89	21
Employer firm terminations per capita	5.26	18			
Environmental policy subindex	4.11	42	Environmental policy subindex	4.11	42
Toxic release, pounds per capita	5.40	6	Electricity prices, \$ per mbtu	3.36	45

<i>CONNECTICUT</i>	<u>Opinion Index</u>	<u>Rank</u>
	4.69	5/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	5.14	3
Institutions and security	4.90	4
Infrastructure	3.46	8
Human resources	5.32	3
Technology	4.84	6
Finance	5.17	4
Openness	5.08	5
Domestic competition	4.52	6
Environmental policy	4.75	4

Connecticut is perceived on average to have competitive government and fiscal policies. Its rank of 3rd in this subindex is driven by two elements; first, survey respondents did not anticipate a recession in their state in the summer of 2001, and second, respondents do not think that regulations are burdensome enough to inhibit business productivity. The rank of 8th out of 8 in the infrastructure subindex results from the perception that the state is failing to provide sufficient road, rail, and port services. Additionally, while respondents believe that the availability of air transport in the state is better than other travel and transport means, they find the cost of air travel higher than in other states.

MASSACHUSETTS

Index

6.78

Overall Rank

2

Massachusetts owes its high overall ranking to its strength in human resources, technology and finance, in each of which it ranks 1st. It misses a 1st place overall ranking because of a very poor ranking (47th) for government policy and because of infrastructure problems.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.51	47	Government and fiscal policy subindex	3.51	47
			Bond rating: S&P's/Moody's composite	4.39	34
			Budget deficit as a % of GSP	3.37	50
			Average benefit per first payment for unemployed	2.80	49
Institutions and security subindex	5.84	10	Institutions and security subindex	5.84	10
Crime index, per 100,000 inhabitants	5.87	11	Crime index change 1998-1999, %	4.51	40
Murder index, per 100,000 inhabitants	6.25	4			
Infrastructure subindex	4.43	36	Infrastructure subindex	4.43	36
% of households with internet access	5.63	12	Travel time to work	4.25	42
Air passengers per capita	4.92	20	Average rental cost, 2-bedroom apartment	3.26	47
Human resources subindex	7.13	1	Human resources subindex	7.13	1
% of population without health insurance	5.91	8	% of population that graduated from high school	4.90	31
Unemployment rate	6.38	4			
% of pop. enrolled in degree-granting institutions	6.59	3			
% of population born abroad	5.93	10			
Infant mortality rate, deaths per 1000 live births	6.78	2			
Nonfederal physicians per capita	8.02	1			
Technology subindex	9.10	1	Technology subindex	9.10	1
R&D: NSF funds per capita	7.28	2			
NIH support to institutions, per capita	9.76	1			
New patents issued per capita	6.53	5			
Science and engineering grad. students per capita	9.17	1			
Science and engineering degrees awarded per capita	7.50	2			
Scientists and engineers in the labor force	8.25	1			
High tech companies as a % of companies	8.56	1			
Finance subindex	8.90	1	Finance subindex	8.90	1
Bank deposits per capita	5.43	5			
Venture capital per capita	9.85	1			
Openness subindex	5.18	13	Openness subindex	5.18	13
Exports per capita	5.56	10	Incoming FDI per capita	4.66	37
Domestic competition subindex	4.37	34	Domestic competition subindex	4.37	34
			Employer firm terminations per capita	4.34	35
Environmental policy subindex	4.13	41	Environmental policy subindex	4.13	41
Toxic release, pounds per capita	5.41	3	Electricity prices, \$ per mbtu	3.38	44

<i>MASSACHUSETTS</i>	<u>Opinion Index</u>	<u>Rank</u>
	<i>4.15</i>	<i>7/8</i>

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	4.09	6
Institutions and security	4.19	6
Infrastructure	4.24	6
Human resources	4.24	7
Technology	4.88	5
Finance	4.45	7
Openness	4.58	6
Domestic competition	5.61	3
Environmental policy	3.65	8

Massachusetts survey respondents were rather pessimistic in their view of the state’s competitiveness. While they indicated that they perceive the state to have a high availability of skilled labor, they also see that labor as both expensive and highly unionized. On the plus side, respondents suggested that Massachusetts has good infrastructure and a presence of the complementary firms that businesses need. However, they found the state lacking in almost all other subindexes. Most notably, respondents indicated that environmental regulations are detrimental to business competitiveness in the state, ranking Massachusetts last on this subindex among the states surveyed.

New York ranks relatively low despite a strong showing in technology and finance. The leading problem lies with government. New York ranks 50th for government policy and 49th for tax policy. Other major problems are the degree of unionization, traffic congestion, housing costs and electricity prices.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	2.71	50	Government and fiscal policy subindex	2.71	50
			Taxes as a % of current GSP	3.01	49
			Workers' compensation collections per employee	4.45	44
			Bond rating: S&P's/Moody's composite	2.79	49
			Budget deficit as a % of GSP	4.64	30
			Average benefit per first payment for unemployed	4.02	42
Institutions and security subindex	5.65	13	Institutions and security subindex	5.65	13
Crime index, per 100,000 inhabitants	5.85	12			
Infrastructure subindex	3.21	48	Infrastructure subindex	3.21	48
% of households with installed phones	5.32	17	% of households with computers	4.58	33
			% of households with internet access	4.75	31
			Travel time to work	2.37	50
			Average rental cost, 2-bedroom apartment	3.04	49
Human resources subindex	5.10	25	Human resources subindex	5.10	25
% of population born abroad	7.32	2	% of population without health insurance	4.54	35
Infant mortality rate, deaths per 1000 live births	5.86	9	% of population that graduated from high school	4.25	38
Nonfederal physicians per capita	7.52	2	% of labor force represented by unions	2.76	50
			Unemployment rate	4.27	39
			% of adults in the labor force	3.76	46
Technology subindex	5.92	9	Technology subindex	5.92	9
R&D: NSF funds per capita	5.08	15			
NIH support to institutions, per capita	5.76	8			
New patents issued per capita	5.40	14			
Science and engineering grad. students per capita	6.59	3			
Science and engineering degrees awarded per capita	5.88	9			
Scientists and engineers in the labor force	6.05	8			
High tech companies as a % of companies	5.18	19			
Finance subindex	7.04	4	Finance subindex	7.04	4
Bank deposits per capita	5.64	2			
Venture capital per capita	7.11	3			
Openness subindex	4.87	21	Openness subindex	4.87	21
Exports per capita	5.03	17			
Domestic competition subindex	4.86	22	Domestic competition subindex	4.86	22
Environmental policy subindex	3.90	45	Environmental policy subindex	3.90	45
Toxic release, pounds per capita	5.39	8	Electricity prices, \$ per mbtu	3.08	48

*NEW YORK*Opinion IndexRank

3.79

8/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	4.03	7
Institutions and security	3.77	8
Infrastructure	5.77	2
Human resources	3.22	8
Technology	3.36	8
Finance	3.13	8
Openness	3.41	8
Domestic competition	5.44	4
Environmental policy	5.65	3

New York ranks 8th out of 8 in over half of the subindexes, which places it last of the states surveyed. The human resources subindex suffers from respondents' perception of poor educational services and a high cost of labor. A lack of cooperation between universities and the business community push down the technology subindex. The finance sector suffers due to the difficulty of finding credit or venture capital. Respondents find lawsuits to be a significant cause of cost and concern to businesses and have little trust in New York's officials, which affects the institutions and securities subindex. Finally, businesses do not feel state support in developing out of state markets for their goods and services.

NORTH CAROLINA

Index

Overall Rank

4.79

28

North Carolina gets very high marks for government policy. It ranks fairly high for technology, finance and openness and ranks 1st for keeping labor problems under control. It has an abundance of engineers. Oddly, in this light, computer usage and the fraction of the population graduating from high school are both low.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.60	3	Government and fiscal policy subindex	6.60	3
Taxes as a % of current GSP	5.62	14			
Workers' compensation collections per employee	5.54	1			
Bond rating: S&P's/Moody's composite	6.38	1			
Budget deficit as a % of GSP	5.82	11			
Average benefit per first payment for unemployed	5.91	8			
Institutions and security subindex	3.46	49	Institutions and security subindex	3.46	49
			Crime index, per 100,000 inhabitants	3.92	44
			Crime index change 1998-1999, %	3.95	43
			Murder index, per 100,000 inhabitants	4.12	40
Infrastructure subindex	4.40	37	Infrastructure subindex	4.40	37
Air passengers per capita	4.93	19	% of households with computers	4.07	43
Travel time to work	5.18	20	% of households with installed phones	4.73	38
			% of households with internet access	4.06	44
Human resources subindex	4.37	36	Human resources subindex	4.37	36
% of labor force represented by unions	6.69	1	% of population without health insurance	4.77	31
Unemployment rate	5.32	18	% of population that graduated from high school	3.41	46
			% of adults in the labor force	4.21	39
			Infant mortality rate, deaths per 1000 live births	3.56	46
Technology subindex	5.23	19	Technology subindex	5.23	19
NIH support to institutions, per capita	5.69	9	High tech companies as a % of companies	4.63	30
Scientists and engineers in the labor force	6.41	4			
Finance subindex	4.90	17	Finance subindex	4.90	17
Bank deposits per capita	5.07	15			
Venture capital per capita	4.76	18			
Openness subindex	4.96	19	Openness subindex	4.96	19
Exports per capita	4.97	19			
Incoming FDI per capita	4.94	15			
Domestic competition subindex	4.85	23	Domestic competition subindex	4.85	23
Employer firm births per capita	5.06	18	Employer firm terminations per capita	4.65	30
Environmental policy subindex	5.35	28	Environmental policy subindex	5.35	28
			Electricity prices, \$ per mbtu	5.20	31
			Toxic release, pounds per capita	5.28	31

<i>NORTH CAROLINA</i>	<u>Opinion Index</u>	<u>Rank</u>
	5.86	3/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	5.12	4
Institutions and security	5.82	3
Infrastructure	4.95	5
Human resources	5.14	4
Technology	6.14	1
Finance	4.69	6
Openness	6.53	1
Domestic competition	5.88	2
Environmental policy	5.85	2

By ranking first among all 8 states both in cooperation among universities and the business community and in the presence of economic support clusters, North Carolina ranks 1st in the openness and the technology subindexes. North Carolina ranks 2nd in the domestic competition subindex due to the perception of both a vibrant nonprofit sector and the availability of inexpensive utilities. Relatively permissive environmental regulations that are not costly to comply with place the state at 2nd for environmental policy. North Carolina has a good showing in all the indexes, flagging only in the finance subindex as the high tech sector began to slow in the summer.

Texas ranks high on the fiscal policy index, and for openness to foreign trade and investment. A major problem area is security, for which it ranks 47th. It ranks 49th in health insurance and 46th in high school graduation rates. Infrastructure suffers from limitations. Computer usage is low and roads are congested.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.61	13	Government and fiscal policy subindex	5.61	13
Taxes as a % of current GSP	6.44	5	Average benefit per first payment for unemployed	3.87	44
Workers' compensation collections per employee	5.54	13			
Budget deficit as a % of GSP	5.60	12			
Institutions and security subindex	3.62	47	Institutions and security subindex	3.62	47
			Crime index, per 100,000 inhabitants	4.07	42
			Crime index change 1998-1999, %	3.65	45
			Murder index, per 100,000 inhabitants	4.59	33
Infrastructure subindex	4.35	38	Infrastructure subindex	4.35	38
Air passengers per capita	5.26	13	% of households with computers	4.46	36
			% of households with installed phones	4.55	39
			% of households with internet access	4.52	35
			Travel time to work	4.41	40
Human resources subindex	4.43	35	Human resources subindex	4.43	35
% of labor force represented by unions	6.15	7	% of population without health insurance	2.93	49
% of population born abroad	6.27	7	% of population that graduated from high school	3.41	46
Infant mortality rate, deaths per 1000 live births	5.78	11	Unemployment rate	4.69	34
			% of pop. enrolled in degree-granting institutions	4.42	34
			% of adults in the labor force	4.53	32
			Nonfederal physicians per capita	4.32	39
Technology subindex	4.76	27	Technology subindex	4.76	27
High tech companies as a % of companies	5.09	20	Science and engineering degrees awarded per capita	4.16	41
Finance subindex	4.70	25	Finance subindex	4.70	25
Venture capital per capita	4.91	12	Bank deposits per capita	4.66	38
Openness subindex	6.31	5	Openness subindex	6.31	5
Exports per capita	6.66	3			
Incoming FDI per capita	5.16	9			
Domestic competition subindex	4.33	36	Domestic competition subindex	4.33	36
			Employer firm births per capita	4.36	35
			Employer firm terminations per capita	4.37	34
Environmental policy subindex	5.46	22	Environmental policy subindex	5.46	22

<i>TEXAS</i>	<u>Opinion Index</u>	<u>Rank</u>
	6.28	2/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	6.57	1
Institutions and security	6.28	1
Infrastructure	5.67	3
Human resources	6.54	1
Technology	5.45	4
Finance	5.46	3
Openness	5.68	2
Domestic competition	6.30	1
Environmental policy	4.68	5

Texas ranks 1st in four of the 9 subindexes. It ranks 1st in four elements that comprise domestic competition: low state taxes, good infrastructure, inexpensive utilities and the presence of complementary firms. The human resources subindex benefits from the presence of inexpensive labor and low union influence. The institutions and security subindex is propelled by a legal system sympathetic to business and regulations that do not impede business. Finally, in the government and fiscal policy index, limited spending and tax incentives to attract and retain business make Texas number 1.

Vermont ranks high on security, scoring 3rd. Its overall high ranking stems also from strong human resources, a strong technology sector and openness to foreign trade and investment. It ranks 1st in science and engineering degrees and in exports. Problems include taxes, the financial sector and high electricity prices.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.05	25	Government and fiscal policy subindex	5.05	25
Workers' compensation collections per employee	5.54	1	Taxes as a % of current GSP	3.50	47
Budget deficit as a % of GSP	5.46	13			
Institutions and security subindex	6.54	3	Institutions and security subindex	6.54	3
Crime index, per 100,000 inhabitants	6.33	5			
Crime index change 1998-1999, %	5.79	11			
Murder index, per 100,000 inhabitants	5.89	13			
Infrastructure subindex	5.24	22	Infrastructure subindex	5.24	22
% of households with computers	5.33	17	Air passengers per capita	4.35	42
% of households with installed phones	5.57	14	Average rental cost, 2-bedroom apartment	3.86	42
% of households with internet access	5.81	10			
Travel time to work	5.75	10			
Human resources subindex	6.44	2	Human resources subindex	6.44	2
% of population that graduated from high school	6.14	7	% of population born abroad	4.38	33
Unemployment rate	6.06	8			
% of pop. enrolled in degree-granting institutions	5.99	10			
% of adults in the labor force	6.14	9			
Infant mortality rate, deaths per 1000 live births	5.32	16			
Nonfederal physicians per capita	6.55	6			
Technology subindex	6.11	7	Technology subindex	6.11	7
NIH support to institutions, per capita	5.92	5	R&D: NSF funds per capita	4.37	35
New patents issued per capita	6.99	2	Science and engineering grad. students per capita	4.06	45
Science and engineering degrees awarded per capita	7.54	1			
Scientists and engineers in the labor force	6.65	3			
High tech companies as a % of companies	5.41	12			
Finance subindex	4.51	39	Finance subindex	4.51	39
			Bank deposits per capita	4.76	32
			Venture capital per capita	4.54	38
Openness subindex	7.34	2	Openness subindex	7.34	2
Exports per capita	8.70	1	Incoming FDI per capita	4.57	46
Domestic competition subindex	5.54	16	Domestic competition subindex	5.54	16
Employer firm births per capita	5.02	19			
Employer firm terminations per capita	6.01	9			
Environmental policy subindex	4.32	39	Environmental policy subindex	4.32	39
Toxic release, pounds per capita	5.41	1	Electricity prices, \$ per mbtu	3.65	42

<i>VERMONT</i>	<u>Opinion Index</u>	<u>Rank</u>
	4.22	6/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	4.72	5
Institutions and security	4.84	5
Infrastructure	4.11	7
Human resources	5.10	5
Technology	3.77	7
Finance	4.80	5
Openness	5.25	4
Domestic competition	3.43	8
Environmental policy	4.34	7

Vermont ranks below the mean in eight of the nine subindexes. It places last in domestic competition by placing last in all of the following elements that make up that subindex: a vibrant non profit sector, availability of labor, high state tax rates, infrastructure, price of utilities and presence of complementary support firms for business. Vermont also ranks poorly in infrastructure, due to its lack of air transportation and port facilities, in technology due to poor cooperation between universities and the business community and in the environmental policy subindex due to stringent regulation.

Virginia shows a strong performance in government and human resources. It ranks 1st for its bond rating and unemployment rate variables. It suffers from commuting problems (45th for travel time to work). Although it scores well for most technology variables, it gives a relatively poor showing for new patents.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.37	6	Government and fiscal policy subindex	6.37	6
Taxes as a % of current GSP	5.61	15			
Workers' compensation collections per employee	5.54	15			
Bond rating: S&P's/Moody's composite	6.38	1			
Average benefit per first payment for unemployed	6.15	5			
Institutions and security subindex	5.35	20	Institutions and security subindex	5.35	20
Crime index, per 100,000 inhabitants	5.76	14	Murder index, per 100,000 inhabitants	4.74	30
Infrastructure subindex	5.21	23	Infrastructure subindex	5.21	23
% of households with computers	5.36	16	Travel time to work	3.84	45
% of households with installed phones	5.47	16			
% of households with internet access	5.44	13			
Air passengers per capita	5.18	14			
Human resources subindex	5.70	12	Human resources subindex	5.70	12
% of labor force represented by unions	6.21	5	Infant mortality rate, deaths per 1000 live births	4.79	32
Unemployment rate	6.80	1			
% of population born abroad	5.21	16			
Nonfederal physicians per capita	5.07	19			
Technology subindex	5.22	20	Technology subindex	5.22	20
R&D: NSF funds per capita	5.03	18	New patents issued per capita	4.38	34
Science and engineering grad. students per capita	5.56	11			
Science and engineering degrees awarded per capita	5.69	12			
Scientists and engineers in the labor force	5.56	16			
High tech companies as a % of companies	5.26	17			
Finance subindex	4.94	15	Finance subindex	4.94	15
Venture capital per capita	5.06	10			
Openness subindex	4.70	27	Openness subindex	4.70	27
Domestic competition subindex	4.66	28	Domestic competition subindex	4.66	28
			Employer firm terminations per capita	4.55	32
Environmental policy subindex	5.50	18	Environmental policy subindex	5.50	18
Toxic release, pounds per capita	5.34	18			

<i>VIRGINIA</i>	<u>Opinion Index</u>	<u>Rank</u>
	6.28	1/8

Opinion Index		
SubIndex	Index Out of 10	Rank Out of 8
Government and fiscal policy	6.31	2
Institutions and security	6.21	2
Infrastructure	5.37	4
Human resources	5.80	2
Technology	5.91	2
Finance	5.85	2
Openness	5.53	3
Domestic competition	4.95	5
Environmental policy	6.73	1

Virginia ranks 1st overall in the Opinion Index. While it only ranks 1st in the environmental policy subindex, it's rank of 2nd in 5 of the remaining 8 subindexes propels it to the front of the Opinion Index. Virginia performs well in the government and fiscal policy and the technology subindexes by having taxes and regulations that do not burden business and encourage R&D. The state's high rank in finance is driven by the perception that companies' financial health has been improving this year. Virginia's strong showing in the human resources index results from a strong educational system.

Alabama suffers from a low overall ranking because of low security, infrastructure and human resources subindexes. It also has a low percentage of high-school graduates, low computer usage, high infant mortality and weak fiscal discipline. Its main advantages are low cost of living and modest fiscal burden.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.43	17	Government and fiscal policy subindex	5.43	17
Taxes as a % of current GSP	6.07	7	Bond rating: S&P's/Moody's composite	4.39	34
Workers' compensation collections per employee	5.54	1	Budget deficit as a % of GSP	3.41	49
Average benefit per first payment for unemployed	6.75	1			
Institutions and security subindex	3.87	43	Institutions and security subindex	3.87	43
			Crime index, per 100,000 inhabitants	4.70	30
			Crime index change 1998-1999, %	4.26	42
			Murder index, per 100,000 inhabitants	3.85	44
Infrastructure subindex	3.98	42	Infrastructure subindex	3.98	42
Average rental cost, 2-bedroom apartment	6.33	3	% of households with computers	3.90	44
			% of households with installed phones	3.71	44
			% of households with internet access	4.09	43
			Air passengers per capita	4.30	45
			Travel time to work	4.73	31
Human resources subindex	3.35	47	Human resources subindex	3.35	47
% of labor force represented by unions	5.60	20	% of population that graduated from high school	2.98	49
			Unemployment rate	4.27	39
			% of pop. enrolled in degree-granting institutions	4.41	35
			% of adults in the labor force	4.17	41
			% of population born abroad	4.16	42
			Infant mortality rate, deaths per 1000 live births	2.87	50
			Nonfederal physicians per capita	4.24	41
Technology subindex	4.36	38	Technology subindex	4.36	38
NIH support to institutions, per capita	5.06	19	New patents issued per capita	3.98	47
			Science and engineering degrees awarded per capita	4.58	32
			Scientists and engineers in the labor force	4.33	37
			High tech companies as a % of companies	4.26	37
Finance subindex	4.55	35	Finance subindex	4.55	35
			Venture capital per capita	4.55	35
Openness subindex	4.67	30	Openness subindex	4.67	30
Incoming FDI per capita	4.95	14	Exports per capita	4.55	35
Domestic competition subindex	4.11	41	Domestic competition subindex	4.11	41
			Employer firm births per capita	4.07	46
			Employer firm terminations per capita	4.24	38
Environmental policy subindex	5.66	13	Environmental policy subindex	5.66	13
Electricity prices, \$ per mbtu	5.70	13	Toxic release, pounds per capita	5.21	38

ALASKA

Index

5.20

Overall Rank

22

Alaska's key competitive advantages are a computer-literate population, a modest tax burden, an open economy, and a high rate of enterprise formation. The state lags in higher education, has few scientists, engineers and high-tech companies and also ranks poorly in finance.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.91	1	Government and fiscal policy subindex	6.91	1
Taxes as a % of current GSP	6.95	1			
Budget deficit as a % of GSP	7.30	2			
Average benefit per first payment for unemployed	5.57	18			
Institutions and security subindex	4.34	34	Institutions and security subindex	4.34	34
Crime index change 1998-1999, %	5.40	19	Murder index, per 100,000 inhabitants	3.58	46
Infrastructure subindex	7.14	1	Infrastructure subindex	7.14	1
% of households with computers	6.99	2	% of households with installed phones	4.94	33
% of households with internet access	7.18	2	Average rental cost, 2-bedroom apartment	3.81	43
Air passengers per capita	7.06	3			
Travel time to work	6.16	7			
Human resources subindex	3.50	46	Human resources subindex	3.50	46
% of population that graduated from high school	6.24	5	% of population without health insurance	3.91	42
Infant mortality rate, deaths per 1000 live births	6.17	7	% of labor force represented by unions	3.06	48
			Unemployment rate	2.15	50
			% of pop. enrolled in degree-granting institutions	3.83	46
			% of adults in the labor force	4.58	30
			Nonfederal physicians per capita	3.74	48
Technology subindex	3.65	48	Technology subindex	3.65	48
			R&D: NSF funds per capita	3.91	50
			NIH support to institutions, per capita	4.10	49
			New patents issued per capita	4.08	44
			Science and engineering grad. students per capita	4.08	44
			Science and engineering degrees awarded per capita	3.51	49
			Scientists and engineers in the labor force	3.88	42
			High tech companies as a % of companies	4.15	41
Finance subindex	4.05	50	Finance subindex	4.05	50
			Bank deposits per capita	4.14	50
			Venture capital per capita	4.54	38
Openness subindex	9.73	1	Openness subindex	9.73	1
Exports per capita	6.66	4			
Incoming FDI per capita	10.00	1			
Domestic competition subindex	5.61	13	Domestic competition subindex	5.61	13
Employer firm births per capita	5.52	16			
Employer firm terminations per capita	5.64	11			
Environmental policy subindex	0.92	50	Environmental policy subindex	0.92	50
			Electricity prices, \$ per mbtu	3.56	43
			Toxic release, pounds per capita	0.78	50

Arizona suffers from a low overall ranking largely because of poor security, a lack of health insurance, and low scores on the finance and environmental policy subindexes. Brighter spots are the lack of strong unions, a high rate of college attendance and a robust immigrant population. It also has a strong export sector.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.90	27	Government and fiscal policy subindex	4.90	27
Average benefit per first payment for unemployed	5.84	10	Workers' compensation collections per employee	4.70	41
			Budget deficit as a % of GSP	4.32	38
Institutions and security subindex	3.86	44	Institutions and security subindex	3.86	44
Crime index change 1998-1999, %	5.80	10	Crime index, per 100,000 inhabitants	3.18	48
			Murder index, per 100,000 inhabitants	3.79	45
Infrastructure subindex	5.10	25	Infrastructure subindex	5.10	25
% of households with computers	5.30	20	% of households with installed phones	4.75	36
Air passengers per capita	5.60	7	Travel time to work	4.60	34
			Average rental cost, 2-bedroom apartment	4.88	31
Human resources subindex	4.99	30	Human resources subindex	4.99	30
% of labor force represented by unions	6.17	6	% of population without health insurance	3.42	47
% of pop. enrolled in degree-granting institutions	6.24	7	% of population that graduated from high school	4.90	31
% of population born abroad	6.12	8	% of adults in the labor force	3.56	47
			Nonfederal physicians per capita	4.62	31
Technology subindex	4.66	30	Technology subindex	4.66	30
High tech companies as a % of companies	5.19	18	NIH support to institutions, per capita	4.47	33
			Science and engineering degrees awarded per capita	4.26	39
Finance subindex	4.21	48	Finance subindex	4.21	48
			Bank deposits per capita	4.34	48
			Venture capital per capita	4.55	32
Openness subindex	5.02	17	Openness subindex	5.02	17
Exports per capita	5.37	11	Incoming FDI per capita	4.62	39
Domestic competition subindex	4.55	30	Domestic competition subindex	4.55	30
			Employer firm births per capita	4.42	30
Environmental policy subindex	4.19	40	Environmental policy subindex	4.19	40
			Electricity prices, \$ per mbtu	4.79	37
			Toxic release, pounds per capita	4.08	47

ARKANSAS

Index
3.42

Overall Rank
47

Arkansas falls near the bottom of the overall ranking, showing a very poor performance for infrastructure, human resources, openness and domestic competition. It comes in dead last for technology. It does well only for fiscal discipline, maintaining uncongested roads, keeping housing costs low and avoiding labor problems.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.33	19	Government and fiscal policy subindex	5.33	19
Budget deficit as a % of GSP	6.29	6	Taxes as a % of current GSP	4.49	36
			Bond rating: S&P's/Moody's composite	4.39	34
Institutions and security subindex	4.74	29	Institutions and security subindex	4.74	29
			Crime index change 1998-1999, %	4.65	37
Infrastructure subindex	2.82	49	Infrastructure subindex	2.82	49
Travel time to work	5.43	13	% of households with computers	2.87	49
Average rental cost, 2-bedroom apartment	6.32	4	% of households with installed phones	2.07	50
			% of households with internet access	2.71	49
			Air passengers per capita	4.34	44
Human resources subindex	3.77	45	Human resources subindex	3.77	45
% of labor force represented by unions	6.28	3	% of population without health insurance	4.94	30
			% of population that graduated from high school	4.04	40
			Unemployment rate	4.48	37
			% of pop. enrolled in degree-granting institutions	3.81	47
			% of adults in the labor force	3.81	45
			% of population born abroad	4.17	40
			Infant mortality rate, deaths per 1000 live births	3.86	43
			Nonfederal physicians per capita	4.19	42
Technology subindex	3.50	50	Technology subindex	3.50	50
			R&D: NSF funds per capita	4.08	48
			NIH support to institutions, per capita	4.31	40
			New patents issued per capita	3.93	48
			Science and engineering grad. students per capita	3.83	47
			Science and engineering degrees awarded per capita	3.57	48
			Scientists and engineers in the labor force	3.24	50
			High tech companies as a % of companies	3.92	47
Finance subindex	4.60	30	Finance subindex	4.60	30
			Venture capital per capita	4.55	33
Openness subindex	4.08	46	Openness subindex	4.08	46
			Exports per capita	4.12	44
			Incoming FDI per capita	4.55	47
Domestic competition subindex	3.98	45	Domestic competition subindex	3.98	45
			Employer firm births per capita	3.85	48
			Employer firm terminations per capita	4.20	39
Environmental policy subindex	5.46	20	Environmental policy subindex	5.46	20

A quality infrastructure, strong technology, robust finances, solid human resources and vibrant domestic competition explain Colorado's high ranking. It has a highly educated, scientifically trained workforce and registers a high level of computer usage. Problem areas include housing costs and lack of health insurance.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.26	21	Government and fiscal policy subindex	5.26	21
Taxes as a % of current GSP	5.60	16	Budget deficit as a % of GSP	4.42	36
Workers' compensation collections per employee	5.54	1	Average benefit per first payment for unemployed	4.56	37
Bond rating: S&P's/Moody's composite	5.58	11			
Institutions and security subindex	5.43	18	Institutions and security subindex	5.43	18
Crime index change 1998-1999, %	5.59	16			
Infrastructure subindex	6.42	3	Infrastructure subindex	6.42	3
% of households with computers	6.66	4	Average rental cost, 2-bedroom apartment	4.05	40
% of households with installed phones	5.92	7			
% of households with internet access	6.60	3			
Air passengers per capita	5.95	5			
Human resources subindex	6.06	9	Human resources subindex	6.06	9
% of population that graduated from high school	6.07	9	% of population without health insurance	4.45	37
% of labor force represented by unions	5.69	16			
Unemployment rate	6.27	6			
% of pop. enrolled in degree-granting institutions	6.25	6			
% of population born abroad	5.31	15			
Infant mortality rate, deaths per 1000 live births	5.55	14			
Nonfederal physicians per capita	5.15	14			
Technology subindex	6.20	5	Technology subindex	6.20	5
R&D: NSF funds per capita	5.66	10			
NIH support to institutions, per capita	5.32	13			
New patents issued per capita	5.77	10			
Science and engineering grad. students per capita	6.22	4			
Science and engineering degrees awarded per capita	6.35	5			
Scientists and engineers in the labor force	6.84	2			
High tech companies as a % of companies	5.26	16			
Finance subindex	5.12	10	Finance subindex	5.12	10
Venture capital per capita	5.48	6	Bank deposits per capita	4.66	37
Openness subindex	4.50	37	Openness subindex	4.50	37
			Exports per capita	4.59	33
			Incoming FDI per capita	4.67	35
Domestic competition subindex	6.43	4	Domestic competition subindex	6.43	4
Employer firm births per capita	6.97	2			
Employer firm terminations per capita	5.77	10			
Environmental policy subindex	5.58	15	Environmental policy subindex	5.58	15
Toxic release, pounds per capita	5.38	12			

DELAWARE

Index

7.22

Overall Rank

1

Delaware ranks 1st for overall competitiveness. Important for this success are a business-friendly government policy, a quality infrastructure, and very high rankings for technology (4th), finance (2nd), openness to foreign trade and investment and domestic competition. The state scores low for crime, infant mortality and air travel.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.40	5	Government and fiscal policy subindex	6.40	5
Taxes as a % of current GSP	6.74	3			
Bond rating: S&P's/Moody's composite	5.98	10			
Average benefit per first payment for unemployed	5.63	13			
Institutions and security subindex	5.37	19	Institutions and security subindex	5.37	19
Crime index change 1998-1999, %	5.69	13	Crime index, per 100,000 inhabitants	4.27	37
Murder index, per 100,000 inhabitants	5.76	15			
Infrastructure subindex	5.80	11	Infrastructure subindex	5.80	11
% of households with computers	6.06	8	Air passengers per capita	4.09	50
% of households with installed phones	5.92	7	Average rental cost, 2-bedroom apartment	4.69	34
% of households with internet access	6.43	6			
Human resources subindex	5.03	28	Human resources subindex	5.03	28
% of population without health insurance	5.70	15	Infant mortality rate, deaths per 1000 live births	3.33	47
% of pop. enrolled in degree-granting institutions	5.92	11			
% of adults in the labor force	5.52	16			
% of population born abroad	4.75	20			
Technology subindex	6.42	4	Technology subindex	6.42	4
R&D: NSF funds per capita	9.18	1	NIH support to institutions, per capita	4.42	36
New patents issued per capita	6.01	8			
Science and engineering grad. students per capita	5.90	8			
Science and engineering degrees awarded per capita	6.03	8			
Scientists and engineers in the labor force	6.29	5			
Finance subindex	8.55	2	Finance subindex	8.55	2
Bank deposits per capita	10.00	1			
Venture capital per capita	4.81	16			
Openness subindex	5.90	6	Openness subindex	5.90	6
Exports per capita	5.81	8			
Incoming FDI per capita	5.44	5			
Domestic competition subindex	5.78	11	Domestic competition subindex	5.78	11
Employer firm births per capita	6.22	8			
Employer firm terminations per capita	5.27	17			
Environmental policy subindex	5.20	30	Environmental policy subindex	5.20	30
			Electricity prices, \$ per mbtu	4.96	34

Florida's rank is pulled down by a lack of security and a weak technology sector. There are problems with health insurance coverage, a lack of scientists and engineers and cost of living. Domestic competition is, nevertheless, relatively robust and the state benefits from immigrant workers and an abundance of physicians.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex			Government and fiscal policy subindex		
Workers' compensation collections per employee	4.93	26	Taxes as a % of current GSP	4.93	26
	5.54	14	Average benefit per first payment for unemployed	4.66	33
				4.54	38
Institutions and security subindex			Institutions and security subindex		
Crime index change 1998-1999, %	4.13	40	Crime index, per 100,000 inhabitants	4.13	40
	5.70	12		2.87	50
Infrastructure subindex			Infrastructure subindex		
% of households with internet access	4.54	34	% of households with installed phones	4.54	34
Air passengers per capita	5.28	17	Travel time to work	4.54	37
	5.49	9	Average rental cost, 2-bedroom apartment	4.77	33
Human resources subindex			Human resources subindex		
% of labor force represented by unions	5.03	29	% of population without health insurance	5.03	29
Unemployment rate	5.92	11	% of population that graduated from high school	3.89	44
% of population born abroad	5.32	18	% of pop. enrolled in degree-granting institutions	4.63	34
Nonfederal physicians per capita	6.75	4	% of adults in the labor force	3.76	48
	5.41	10		4.28	37
Technology subindex			Technology subindex		
	4.05	42	R&D: NSF funds per capita	4.05	42
			NIH support to institutions, per capita	4.40	33
			Science and engineering grad. students per capita	4.30	41
			Science and engineering degrees awarded per capita	4.26	41
			Scientists and engineers in the labor force	3.64	47
				4.05	41
Finance subindex			Finance subindex		
Bank deposits per capita	4.69	27		4.69	27
	4.91	20			
Openness subindex			Openness subindex		
	4.57	32	Exports per capita	4.57	32
			Incoming FDI per capita	4.69	31
				4.67	36
Domestic competition subindex			Domestic competition subindex		
Employer firm births per capita	5.57	14		5.57	14
Employer firm terminations per capita	5.74	12			
	5.35	15			
Environmental policy subindex			Environmental policy subindex		
Toxic release, pounds per capita	5.17	33	Electricity prices, \$ per mbtu	5.17	33
	5.35	15		4.88	36

GEORGIA

Index

Overall Rank

4.52

35

Georgia suffers from a relatively low ranking despite strong showings for government policy and some individual variables, notably, air travel and unionization. The biggest problems lie with security and infrastructure. The technology subindex is pulled down by a paucity of science and engineering degrees.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.51	4	Government and fiscal policy subindex	6.51	4
Taxes as a % of current GSP	5.75	12			
Workers' compensation collections per employee	5.54	1			
Bond rating: S&P's/Moody's composite	6.38	1			
Budget deficit as a % of GSP	5.04	20			
Average benefit per first payment for unemployed	6.31	4			
Institutions and security subindex	3.79	46	Institutions and security subindex	3.79	46
			Crime index, per 100,000 inhabitants	3.95	43
			Crime index change 1998-1999, %	4.68	35
			Murder index, per 100,000 inhabitants	4.01	41
Infrastructure subindex	3.83	44	Infrastructure subindex	3.83	44
Air passengers per capita	5.98	4	% of households with computers	4.34	40
			% of households with installed phones	3.33	48
			% of households with internet access	4.52	35
			Travel time to work	4.25	42
			Average rental cost, 2-bedroom apartment	4.22	38
Human resources subindex	4.15	40	Human resources subindex	4.15	40
% of labor force represented by unions	6.15	7	% of population without health insurance	4.61	33
			% of population that graduated from high school	4.27	37
			% of pop. enrolled in degree-granting institutions	3.20	50
			% of adults in the labor force	4.52	33
			Infant mortality rate, deaths per 1000 live births	4.25	38
			Nonfederal physicians per capita	4.46	36
Technology subindex	4.38	37	Technology subindex	4.38	37
			R&D: NSF funds per capita	4.41	32
			New patents issued per capita	4.39	32
			Science and engineering grad. students per capita	4.43	35
			Science and engineering degrees awarded per capita	4.01	44
Finance subindex	4.68	28	Finance subindex	4.68	28
Venture capital per capita	4.72	19			
Openness subindex	4.83	23	Openness subindex	4.83	23
Incoming FDI per capita	4.90	16			
Domestic competition subindex	5.37	18	Domestic competition subindex	5.37	18
Employer firm births per capita	5.58	14			
Environmental policy subindex	5.40	26	Environmental policy subindex	5.40	26
			Electricity prices, \$ per mbtu	5.24	30

Hawaii's low ranking stems from anticompetitive government policies and the absence of a strong technology or finance sector. It ranks high for the presence of a large number of immigrants and large inflows of foreign direct investment and scores high for infrastructure, mainly by ranking 1st for air travel.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.63	45	Government and fiscal policy subindex	3.63	45
Workers' compensation collections per employee	5.54	1	Taxes as a % of current GSP	4.47	37
			Bond rating: S&P's/Moody's composite	3.19	48
			Budget deficit as a % of GSP	3.90	45
			Average benefit per first payment for unemployed	4.24	41
Institutions and security subindex	5.18	26	Institutions and security subindex	5.18	26
Crime index change 1998-1999, %	5.55	17	Crime index, per 100,000 inhabitants	4.26	38
Infrastructure subindex	5.88	8	Infrastructure subindex	5.88	8
% of households with internet access	5.24	18	Travel time to work	3.90	44
Air passengers per capita	9.66	1	Average rental cost, 2-bedroom apartment	3.44	46
Human resources subindex	5.12	23	Human resources subindex	5.12	23
% of population without health insurance	5.77	13	% of labor force represented by unions	2.85	49
% of population that graduated from high school	5.48	17	Unemployment rate	4.58	36
% of population born abroad	6.71	5	% of adults in the labor force	4.39	36
Infant mortality rate, deaths per 1000 live births	5.40	15			
Nonfederal physicians per capita	5.67	9			
Technology subindex	4.02	43	Technology subindex	4.02	43
			R&D: NSF funds per capita	4.23	39
			New patents issued per capita	3.88	49
			Science and engineering grad. students per capita	4.66	31
			Science and engineering degrees awarded per capita	4.57	33
			Scientists and engineers in the labor force	3.82	43
			High tech companies as a % of companies	3.89	50
Finance subindex	4.45	41	Finance subindex	4.45	41
			Bank deposits per capita	4.68	36
			Venture capital per capita	4.54	38
Openness subindex	4.45	39	Openness subindex	4.45	39
Incoming FDI per capita	5.56	4	Exports per capita	3.63	50
Domestic competition subindex	4.29	38	Domestic competition subindex	4.29	38
			Employer firm terminations per capita	4.18	40
Environmental policy subindex	3.45	47	Environmental policy subindex	3.45	47
Toxic release, pounds per capita	5.41	5	Electricity prices, \$ per mbtu	2.45	50

Idaho can claim 1st place for security and 3rd place for environmental policy and domestic competition. It earns its relatively high overall ranking also as a result of high scores for commuting time, housing costs, labor issues and surprisingly, patents per capita. Health care stands out as a weak spot.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.55	35	Government and fiscal policy subindex	4.55	35
Budget deficit as a % of GSP	5.14	17	Taxes as a % of current GSP	4.60	34
Average benefit per first payment for unemployed	5.58	14	Workers' compensation collections per employee	4.49	43
			Bond rating: S&P's/Moody's composite	3.99	41
Institutions and security subindex	7.17	1	Institutions and security subindex	7.17	1
Crime index, per 100,000 inhabitants	5.99	9			
Crime index change 1998-1999, %	7.01	1			
Murder index, per 100,000 inhabitants	6.24	5			
Infrastructure subindex	5.67	16	Infrastructure subindex	5.67	16
% of households with computers	5.45	14	% of households with installed phones	4.75	36
Travel time to work	5.97	9			
Average rental cost, 2-bedroom apartment	6.02	8			
Human resources subindex	4.28	38	Human resources subindex	4.28	38
% of labor force represented by unions	5.87	12	% of population without health insurance	3.91	42
			Unemployment rate	3.95	41
			% of pop. enrolled in degree-granting institutions	4.60	30
			Nonfederal physicians per capita	3.64	50
Technology subindex	5.00	23	Technology subindex	5.00	23
R&D: NSF funds per capita	5.31	13	NIH support to institutions, per capita	4.04	50
New patents issued per capita	8.98	1	Science and engineering grad. students per capita	4.36	36
			Science and engineering degrees awarded per capita	4.39	38
			Scientists and engineers in the labor force	3.78	47
			High tech companies as a % of companies	4.09	42
Finance subindex	4.21	47	Finance subindex	4.21	47
			Bank deposits per capita	4.36	47
			Venture capital per capita	4.54	38
Openness subindex	4.57	33	Openness subindex	4.57	33
			Incoming FDI per capita	4.54	48
Domestic competition subindex	6.68	3	Domestic competition subindex	6.68	3
Employer firm births per capita	6.33	7			
Employer firm terminations per capita	6.86	3			
Environmental policy subindex	5.98	3	Environmental policy subindex	5.98	3
Electricity prices, \$ per mbtu	6.39	1	Toxic release, pounds per capita	4.96	44

Ranking 39th, Illinois has plenty of room for improvement. Its most glaring weaknesses occur in infrastructure and domestic competitiveness. The infrastructure index is low in large part because of high housing costs and traffic congestion. Bright spots for Illinois are the openness and finance subindexes.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.18	40	Government and fiscal policy subindex	4.18	40
Taxes as a % of current GSP	5.30	18	Budget deficit as a % of GSP	4.12	43
Workers' compensation collections per employee	5.53	17	Average benefit per first payment for unemployed	3.09	46
Institutions and security subindex	4.30	35	Institutions and security subindex	4.30	35
			Crime index, per 100,000 inhabitants	4.60	32
			Murder index, per 100,000 inhabitants	3.92	43
Infrastructure subindex	3.51	47	Infrastructure subindex	3.51	47
Air passengers per capita	5.36	10	% of households with installed phones	3.54	45
			Travel time to work	3.49	47
			Average rental cost, 2-bedroom apartment	3.73	44
Human resources subindex	5.05	27	Human resources subindex	5.05	27
% of pop. enrolled in degree-granting institutions	5.71	14	% of labor force represented by unions	4.00	44
% of adults in the labor force	5.36	19	Unemployment rate	4.48	37
% of population born abroad	5.97	9	Infant mortality rate, deaths per 1000 live births	4.25	38
Nonfederal physicians per capita	5.36	11			
Technology subindex	5.19	21	Technology subindex	5.19	21
R&D: NSF funds per capita	5.04	17	Science and engineering degrees awarded per capita	4.61	30
New patents issued per capita	5.29	17			
Science and engineering grad. students per capita	5.96	7			
High tech companies as a % of companies	5.40	13			
Finance subindex	5.66	6	Finance subindex	5.66	6
Bank deposits per capita	5.50	3			
Venture capital per capita	5.38	8			
Openness subindex	5.17	14	Openness subindex	5.17	14
Exports per capita	5.33	12			
Incoming FDI per capita	4.88	19			
Domestic competition subindex	3.98	44	Domestic competition subindex	3.98	44
			Employer firm births per capita	4.13	45
			Employer firm terminations per capita	3.93	45
Environmental policy subindex	4.97	34	Environmental policy subindex	4.97	34
Toxic release, pounds per capita	5.33	19	Electricity prices, \$ per mbtu	4.63	38

Indiana scores well for openness and environmental policy. It scores 1st for keeping workers' compensation costs down and performs well for its bond rating, housing costs, health insurance and the unemployment rate. A lack of domestic competition and a lack of immigrants represent disadvantages.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.36	18	Government and fiscal policy subindex	5.36	18
Taxes as a % of current GSP	5.38	17	Budget deficit as a % of GSP	3.89	46
Workers' compensation collections per employee	5.54	1			
Bond rating: S&P's/Moody's composite	5.58	11			
Average benefit per first payment for unemployed	5.57	16			
Institutions and security subindex	5.20	25	Institutions and security subindex	5.20	25
Crime index, per 100,000 inhabitants	5.36	20	Murder index, per 100,000 inhabitants	4.38	35
Crime index change 1998-1999, %	5.65	14			
Infrastructure subindex	4.80	30	Infrastructure subindex	4.80	30
Average rental cost, 2-bedroom apartment	5.75	15	% of households with computers	4.59	31
			% of households with installed phones	5.02	31
			% of households with internet access	4.69	32
			Air passengers per capita	4.38	40
Human resources subindex	4.68	33	Human resources subindex	4.68	33
% of population without health insurance	5.84	9	% of population that graduated from high school	4.78	33
Unemployment rate	5.74	12	% of labor force represented by unions	4.43	33
			% of pop. enrolled in degree-granting institutions	4.53	31
			% of population born abroad	4.03	48
			Infant mortality rate, deaths per 1000 live births	4.86	31
			Nonfederal physicians per capita	4.27	40
Technology subindex	4.64	32	Technology subindex	4.64	32
			NIH support to institutions, per capita	4.52	31
			Scientists and engineers in the labor force	4.54	33
			High tech companies as a % of companies	4.57	32
Finance subindex	4.55	34	Finance subindex	4.55	34
			Bank deposits per capita	4.73	34
Openness subindex	5.22	12	Openness subindex	5.22	12
Exports per capita	5.14	16			
Incoming FDI per capita	5.14	10			
Domestic competition subindex	4.12	40	Domestic competition subindex	4.12	40
			Employer firm births per capita	4.16	41
			Employer firm terminations per capita	4.16	41
Environmental policy subindex	5.67	11	Environmental policy subindex	5.67	11
Electricity prices, \$ per mbtu	5.74	11	Toxic release, pounds per capita	5.20	39

IOWA

Index

5.43

Overall Rank

16

Ranking in the top ten in the security, infrastructure and human resources subindexes, Iowa comes in with an overall ranking of 16th. Interestingly it scores at or near the bottom for both measures of openness and domestic competition. It also registers low scores for number of physicians and for air travel.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.23	23	Government and fiscal policy subindex	5.23	23
Workers' compensation collections per employee	5.54	16	Budget deficit as a % of GSP	4.43	34
Bond rating: S&P's/Moody's composite	5.58	11			
Institutions and security subindex	6.31	5	Institutions and security subindex	6.31	5
Crime index, per 100,000 inhabitants	5.91	10			
Murder index, per 100,000 inhabitants	6.44	2			
Infrastructure subindex	5.86	9	Infrastructure subindex	5.86	9
% of households with computers	5.31	19	% of households with internet access	4.63	33
% of households with installed phones	5.89	9	Air passengers per capita	4.28	46
Travel time to work	6.32	6			
Average rental cost, 2-bedroom apartment	6.04	7			
Human resources subindex	6.16	8	Human resources subindex	6.16	8
% of population without health insurance	6.43	3	% of labor force represented by unions	4.43	33
% of population that graduated from high school	6.07	9	% of population born abroad	4.35	35
Unemployment rate	6.38	4	Nonfederal physicians per capita	3.97	44
% of pop. enrolled in degree-granting institutions	6.10	8			
% of adults in the labor force	6.74	2			
Infant mortality rate, deaths per 1000 live births	5.63	13			
Technology subindex	4.77	26	Technology subindex	4.77	26
NIH support to institutions, per capita	5.08	17	R&D: NSF funds per capita	4.48	30
Science and engineering grad. students per capita	5.35	16	Scientists and engineers in the labor force	4.42	35
Science and engineering degrees awarded per capita	5.42	15	High tech companies as a % of companies	4.42	35
Finance subindex	4.81	22	Finance subindex	4.81	22
Bank deposits per capita	5.10	12			
Openness subindex	4.50	36	Openness subindex	4.50	36
			Exports per capita	4.56	34
			Incoming FDI per capita	4.70	33
Domestic competition subindex	3.65	50	Domestic competition subindex	3.65	50
			Employer firm births per capita	3.65	50
			Employer firm terminations per capita	3.78	46
Environmental policy subindex	5.53	17	Environmental policy subindex	5.53	17
Electricity prices, \$ per mbtu	5.43	20			

KANSAS

Index

5.18

Overall Rank

23

Kansas performs well in both the technology and human resources subindexes. It owes these rankings to the large percentage of its population enrolled in degree-granting institutions, particularly in science and engineering graduate programs. Kansas can improve its overall ranking by exercising more fiscal responsibility.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.58	34	Government and fiscal policy subindex	4.58	34
Workers' compensation collections per employee	5.51	19	Taxes as a % of current GSP	4.81	31
Bond rating: S&P's/Moody's composite	5.58	11	Budget deficit as a % of GSP	4.11	44
			Average benefit per first payment for unemployed	3.88	43
Institutions and security subindex	4.83	27	Institutions and security subindex	4.83	27
Crime index change 1998-1999, %	5.39	20	Crime index, per 100,000 inhabitants	4.67	31
			Murder index, per 100,000 inhabitants	4.60	31
Infrastructure subindex	5.77	12	Infrastructure subindex	5.77	12
% of households with computers	5.64	12	Air passengers per capita	4.17	48
% of households with internet access	5.38	15			
Travel time to work	6.01	8			
Average rental cost, 2-bedroom apartment	5.82	13			
Human resources subindex	5.65	14	Human resources subindex	5.65	14
% of population that graduated from high school	5.66	14	% of labor force represented by unions	4.61	30
% of pop. enrolled in degree-granting institutions	6.55	4	% of population born abroad	4.31	37
% of adults in the labor force	6.14	8	Nonfederal physicians per capita	4.49	34
Infant mortality rate, deaths per 1000 live births	5.32	16			
Technology subindex	5.30	15	Technology subindex	5.30	15
Science and engineering grad. students per capita	6.65	2	NIH support to institutions, per capita	4.44	35
Science and engineering degrees awarded per capita	5.30	17			
Scientists and engineers in the labor force	5.61	15			
High tech companies as a % of companies	5.32	15			
Finance subindex	4.75	23	Finance subindex	4.75	23
Bank deposits per capita	5.08	13	Venture capital per capita	4.55	34
Openness subindex	4.69	28	Openness subindex	4.69	28
			Incoming FDI per capita	4.72	32
Domestic competition subindex	4.76	24	Domestic competition subindex	4.76	24
Environmental policy subindex	5.42	25	Environmental policy subindex	5.42	25

Kentucky could improve its 38th overall ranking by improving the educational level of its workforce, particularly in the areas of science and engineering. Kentucky's low electricity prices and subsequent rank of 2nd in the environmental policy subindex prevented its overall ranking from being even lower.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.07	24	Government and fiscal policy subindex	5.07	24
Budget deficit as a % of GSP	5.17	15	Workers' compensation collections per employee	4.95	39
Institutions and security subindex	4.75	28	Institutions and security subindex	4.75	28
Crime index, per 100,000 inhabitants	6.26	7	Crime index change 1998-1999, %	3.37	46
Infrastructure subindex	4.76	31	Infrastructure subindex	4.76	31
Air passengers per capita	5.34	12	% of households with computers	4.20	41
Average rental cost, 2-bedroom apartment	6.17	5	% of households with installed phones	4.45	40
			% of households with internet access	4.26	40
Human resources subindex	3.83	44	Human resources subindex	3.83	44
			% of population that graduated from high school	3.29	48
			Unemployment rate	4.79	30
			% of pop. enrolled in degree-granting institutions	3.95	44
			% of adults in the labor force	4.22	38
			% of population born abroad	4.15	43
			Nonfederal physicians per capita	4.48	35
Technology subindex	4.00	44	Technology subindex	4.00	44
			R&D: NSF funds per capita	4.16	42
			NIH support to institutions, per capita	4.46	34
			New patents issued per capita	4.07	45
			Science and engineering grad. students per capita	4.15	42
			Science and engineering degrees awarded per capita	3.88	45
			Scientists and engineers in the labor force	3.79	46
Finance subindex	4.56	32	Finance subindex	4.56	32
			Venture capital per capita	4.54	38
Openness subindex	5.33	11	Openness subindex	5.33	11
Exports per capita	5.19	13			
Incoming FDI per capita	5.25	7			
Domestic competition subindex	3.90	46	Domestic competition subindex	3.90	46
			Employer firm births per capita	4.15	42
			Employer firm terminations per capita	3.75	48
Environmental policy subindex	6.12	2	Environmental policy subindex	6.12	2
Electricity prices, \$ per mbtu	6.31	2	Toxic release, pounds per capita	5.24	35

LOUISIANA

Index

Overall Rank

3.34

48

Louisiana's 48th overall ranking suggests many problems. Among the glaring deficiencies are: a poor bond rating, a high crime rate, ranking 50th for security, weak infrastructure and low adult participation in the workforce. Bright spots include tax policy, housing costs, and an ability to attract foreign direct investment.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.13	42	Government and fiscal policy subindex	4.13	42
Taxes as a % of current GSP	5.76	11	Bond rating: S&P's/Moody's composite	1.99	50
			Budget deficit as a % of GSP	4.56	32
			Average benefit per first payment for unemployed	4.95	30
Institutions and security subindex	2.81	50	Institutions and security subindex	2.81	50
			Crime index, per 100,000 inhabitants	3.34	47
			Crime index change 1998-1999, %	4.69	34
			Murder index, per 100,000 inhabitants	2.71	50
Infrastructure subindex	3.65	46	Infrastructure subindex	3.65	46
Average rental cost, 2-bedroom apartment	6.35	2	% of households with computers	3.45	48
			% of households with installed phones	4.08	42
			% of households with internet access	3.28	48
			Air passengers per capita	4.59	30
			Travel time to work	4.38	41
Human resources subindex	3.16	48	Human resources subindex	3.16	48
% of labor force represented by unions	5.87	12	% of population without health insurance	3.12	48
Nonfederal physicians per capita	5.09	17	% of population that graduated from high school	3.82	43
			Unemployment rate	3.32	47
			% of pop. enrolled in degree-granting institutions	4.53	32
			% of adults in the labor force	3.28	49
			% of population born abroad	4.17	41
			Infant mortality rate, deaths per 1000 live births	3.71	44
Technology subindex	3.97	45	Technology subindex	3.97	45
			R&D: NSF funds per capita	4.10	47
			NIH support to institutions, per capita	4.38	37
			New patents issued per capita	4.16	43
			Science and engineering degrees awarded per capita	4.21	40
			Scientists and engineers in the labor force	3.77	48
			High tech companies as a % of companies	3.93	46
Finance subindex	4.53	36	Finance subindex	4.53	36
			Bank deposits per capita	4.63	40
Openness subindex	6.36	4	Openness subindex	6.36	4
Exports per capita	6.26	5			
Incoming FDI per capita	5.64	3			
Domestic competition subindex	3.89	47	Domestic competition subindex	3.89	47
			Employer firm births per capita	4.14	43
			Employer firm terminations per capita	3.75	47
Environmental policy subindex	5.43	24	Environmental policy subindex	5.43	24
			Toxic release, pounds per capita	5.19	40

A relatively low crime rate, a well-wired population and an ability to foster company creation along with a strong presence of high-tech companies, enabled Maine to rank 19th. A lower tax burden and a concerted effort to attract more government research funds and scientific personnel could push Maine's ranking higher.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.74	31	Government and fiscal policy subindex	4.74	31
Budget deficit as a % of GSP	6.37	4	Taxes as a % of current GSP	2.01	50
Institutions and security subindex	6.05	9	Institutions and security subindex	6.05	9
Crime index, per 100,000 inhabitants	6.27	6	Crime index change 1998-1999, %	4.61	38
Murder index, per 100,000 inhabitants	6.18	7			
Infrastructure subindex	5.77	13	Infrastructure subindex	5.77	13
% of households with computers	5.48	13	Air passengers per capita	4.40	36
% of households with installed phones	6.73	1			
% of households with internet access	5.18	20			
Travel time to work	5.43	13			
Human resources subindex	5.39	18	Human resources subindex	5.39	18
% of population without health insurance	5.59	20	% of labor force represented by unions	4.52	31
% of population that graduated from high school	5.96	12	% of pop. enrolled in degree-granting institutions	3.92	45
Unemployment rate	5.43	15	% of population born abroad	4.31	38
% of adults in the labor force	6.09	10			
Infant mortality rate, deaths per 1000 live births	5.86	9			
Nonfederal physicians per capita	5.05	20			
Technology subindex	4.49	33	Technology subindex	4.49	33
Scientists and engineers in the labor force	5.72	11	R&D: NSF funds per capita	4.11	46
High tech companies as a % of companies	5.88	6	New patents issued per capita	4.17	42
			Science and engineering grad. students per capita	2.96	50
			Science and engineering degrees awarded per capita	4.56	34
Finance subindex	4.56	33	Finance subindex	4.56	33
Venture capital per capita	4.84	15	Bank deposits per capita	4.52	43
Openness subindex	4.67	29	Openness subindex	4.67	29
Domestic competition subindex	6.25	7	Domestic competition subindex	6.25	7
Employer firm births per capita	5.87	11			
Employer firm terminations per capita	6.51	4			
Environmental policy subindex	4.42	37	Environmental policy subindex	4.42	37
Toxic release, pounds per capita	5.38	11	Electricity prices, \$ per mbtu	3.82	40

MARYLAND

Index

5.22

Overall Rank

20

Maryland's principal strengths are in finance and technology. It has a large medical research sector and a high concentration of physicians, scientists and engineers. Its bond rating is also among the highest in the country. Problem areas are a low ranking for security, traffic congestion and high energy costs.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.30	20	Government and fiscal policy subindex	5.30	20
Bond rating: S&P's/Moody's composite	6.38	1	Taxes as a % of current GSP	4.30	40
			Workers' compensation collections per employee	5.23	35
			Average benefit per first payment for unemployed	4.86	32
Institutions and security subindex	3.92	42	Institutions and security subindex	3.92	42
			Crime index, per 100,000 inhabitants	4.18	39
			Murder index, per 100,000 inhabitants	3.40	47
Infrastructure subindex	4.49	35	Infrastructure subindex	4.49	35
% of households with computers	5.33	17	Travel time to work	2.88	49
% of households with installed phones	5.30	18			
% of households with internet access	5.37	16			
Human resources subindex	5.51	16	Human resources subindex	5.51	16
% of population without health insurance	5.61	17	% of labor force represented by unions	4.50	32
% of adults in the labor force	5.40	18	Infant mortality rate, deaths per 1000 live births	4.09	41
% of population born abroad	5.56	13			
Nonfederal physicians per capita	7.36	3			
Technology subindex	6.43	3	Technology subindex	6.43	3
R&D: NSF funds per capita	6.32	5			
NIH support to institutions, per capita	7.90	2			
Science and engineering grad. students per capita	6.00	6			
Science and engineering degrees awarded per capita	5.49	14			
Scientists and engineers in the labor force	6.19	6			
High tech companies as a % of companies	5.87	7			
Finance subindex	5.40	9	Finance subindex	5.40	9
Venture capital per capita	5.77	5	Bank deposits per capita	4.75	33
Openness subindex	4.08	47	Openness subindex	4.08	47
			Exports per capita	4.06	46
			Incoming FDI per capita	4.61	42
Domestic competition subindex	5.55	15	Domestic competition subindex	5.55	15
Employer firm births per capita	5.54	15			
Employer firm terminations per capita	5.52	14			
Environmental policy subindex	5.24	29	Environmental policy subindex	5.24	29
Toxic release, pounds per capita	5.36	14	Electricity prices, \$ per mbtu	4.97	33

Michigan has a vigorous science and engineering sector and the state is in good budgetary health. It also benefits from international trade and foreign investment. Weaknesses lie in the strength of its unions, a stultifying domestic competitive environment, high taxes and a high murder rate.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.48	16	Government and fiscal policy subindex	5.48	16
Workers' compensation collections per employee	5.51	18	Taxes as a % of current GSP	4.14	41
Bond rating: S&P's/Moody's composite	5.58	11			
Budget deficit as a % of GSP	5.99	9			
Institutions and security subindex	4.55	31	Institutions and security subindex	4.55	31
			Murder index, per 100,000 inhabitants	4.19	38
Infrastructure subindex	4.94	27	Infrastructure subindex	4.94	27
% of households with installed phones	5.27	19	Travel time to work	4.73	31
Human resources subindex	4.91	31	Human resources subindex	4.91	31
% of population without health insurance	5.75	14	% of labor force represented by unions	3.59	46
Unemployment rate	5.32	18	Infant mortality rate, deaths per 1000 live births	4.40	36
% of pop. enrolled in degree-granting institutions	5.26	20			
% of adults in the labor force	5.63	14			
Technology subindex	5.27	17	Technology subindex	5.27	17
R&D: NSF funds per capita	6.06	8			
New patents issued per capita	5.51	12			
Science and engineering grad. students per capita	5.20	18			
Scientists and engineers in the labor force	5.09	20			
Finance subindex	4.59	31	Finance subindex	4.59	31
			Bank deposits per capita	4.77	30
Openness subindex	5.67	7	Openness subindex	5.67	7
Exports per capita	5.90	7			
Incoming FDI per capita	5.02	11			
Domestic competition subindex	3.87	48	Domestic competition subindex	3.87	48
			Employer firm births per capita	4.40	31
			Employer firm terminations per capita	3.44	50
Environmental policy subindex	5.19	31	Environmental policy subindex	5.19	31
Toxic release, pounds per capita	5.32	20	Electricity prices, \$ per mbtu	4.94	35

MINNESOTA

Index

5.95

Overall Rank

9

BHI

A strong finance sector, solid human resources and sound infrastructure and security subindexes carry Minnesota into the top 10 overall index. Problems arise from the need for increased domestic competition, reduced union strength and lower taxes and unemployment benefits.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.80	29	Government and fiscal policy subindex	4.80	29
Bond rating: S&P's/Moody's composite	6.38	1	Taxes as a % of current GSP	3.86	45
Budget deficit as a % of GSP	5.84	10	Workers' compensation collections per employee	5.33	33
			Average benefit per first payment for unemployed	3.06	47
Institutions and security subindex	6.25	6	Institutions and security subindex	6.25	6
Crime index, per 100,000 inhabitants	5.53	19			
Crime index change 1998-1999, %	6.00	6			
Murder index, per 100,000 inhabitants	5.91	12			
Infrastructure subindex	6.00	7	Infrastructure subindex	6.00	7
% of households with computers	5.82	10	Average rental cost, 2-bedroom apartment	4.54	36
% of households with installed phones	6.51	3			
% of households with internet access	5.24	18			
Air passengers per capita	5.35	11			
Travel time to work	5.40	15			
Human resources subindex	6.37	4	Human resources subindex	6.37	4
% of population without health insurance	6.50	2	% of labor force represented by unions	4.13	41
% of population that graduated from high school	6.34	3			
Unemployment rate	5.64	14			
% of pop. enrolled in degree-granting institutions	5.54	17			
% of adults in the labor force	6.70	3			
Infant mortality rate, deaths per 1000 live births	6.17	7			
Nonfederal physicians per capita	5.28	12			
Technology subindex	5.64	12	Technology subindex	5.64	12
R&D: NSF funds per capita	5.15	14			
NIH support to institutions, per capita	5.34	12			
New patents issued per capita	6.58	3			
Science and engineering grad. students per capita	5.17	19			
Scientists and engineers in the labor force	5.69	13			
High tech companies as a % of companies	5.51	10			
Finance subindex	5.41	7	Finance subindex	5.41	7
Bank deposits per capita	5.07	16			
Venture capital per capita	5.46	7			
Openness subindex	4.76	25	Openness subindex	4.76	25
Exports per capita	4.98	18	Incoming FDI per capita	4.66	38
Domestic competition subindex	4.13	39	Domestic competition subindex	4.13	39
			Employer firm births per capita	4.33	37
			Employer firm terminations per capita	4.02	44
Environmental policy subindex	5.70	10	Environmental policy subindex	5.70	10
Electricity prices, \$ per mbtu	5.59	16			
Toxic release, pounds per capita	5.38	13			

Indicators Index

Ranking 49th or 50th in 8 of 38 variables pushes Mississippi into last place in the overall rankings. Human resources and infrastructure are two subindexes leaving much room for improvement. The few bright spots include low housing costs and weak unions.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.75	30	Government and fiscal policy subindex	4.75	30
Workers' compensation collections per employee	5.54	1	Taxes as a % of current GSP	4.45	38
Average benefit per first payment for unemployed	5.77	11	Bond rating: S&P's/Moody's composite	4.39	34
			Budget deficit as a % of GSP	4.19	39
Institutions and security subindex	3.81	45	Institutions and security subindex	3.81	45
			Crime index change 1998-1999, %	3.91	44
			Murder index, per 100,000 inhabitants	3.93	42
Infrastructure subindex	2.57	50	Infrastructure subindex	2.57	50
Average rental cost, 2-bedroom apartment	5.97	9	% of households with computers	2.85	50
			% of households with installed phones	2.37	49
			% of households with internet access	2.68	50
			Air passengers per capita	4.23	47
Human resources subindex	2.94	49	Human resources subindex	2.94	49
% of labor force represented by unions	5.82	15	% of population without health insurance	4.49	36
			% of population that graduated from high school	3.69	44
			Unemployment rate	3.10	49
			% of pop. enrolled in degree-granting institutions	4.22	39
			% of adults in the labor force	4.04	43
			% of population born abroad	3.97	49
			Infant mortality rate, deaths per 1000 live births	2.94	49
			Nonfederal physicians per capita	3.65	49
Technology subindex	3.70	47	Technology subindex	3.70	47
			R&D: NSF funds per capita	4.12	45
			NIH support to institutions, per capita	4.17	45
			New patents issued per capita	3.87	50
			Science and engineering grad. students per capita	3.87	46
			Science and engineering degrees awarded per capita	3.82	46
			Scientists and engineers in the labor force	4.24	40
			High tech companies as a % of companies	3.90	48
Finance subindex	4.42	42	Finance subindex	4.42	42
			Bank deposits per capita	4.64	39
			Venture capital per capita	4.55	36
Openness subindex	4.07	48	Openness subindex	4.07	48
			Exports per capita	4.08	45
			Incoming FDI per capita	4.58	45
Domestic competition subindex	4.02	43	Domestic competition subindex	4.02	43
			Employer firm births per capita	3.98	47
			Employer firm terminations per capita	4.15	42
Environmental policy subindex	5.49	19	Environmental policy subindex	5.49	19
Electricity prices, \$ per mbtu	5.44	19	Toxic release, pounds per capita	5.24	37

MISSOURI

Index

Overall Rank

5.10

24

Missouri is among the nine states tied for 1st in bond ratings, which places it in good standing for government policy. It also excels in infrastructure and human resources. A poor export ranking and poor performance on security pull down its overall ranking to 24th.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.09	10	Government and fiscal policy subindex	6.09	10
Taxes as a % of current GSP	5.63	13			
Bond rating: S&P's/Moody's composite	6.38	1			
Budget deficit as a % of GSP	5.06	19			
Institutions and security subindex	4.20	38	Institutions and security subindex	4.20	38
			Crime index, per 100,000 inhabitants	4.53	33
			Crime index change 1998-1999, %	4.53	39
			Murder index, per 100,000 inhabitants	4.39	34
Infrastructure subindex	5.65	18	Infrastructure subindex	5.65	18
% of households with installed phones	5.67	13	Travel time to work	4.60	34
Air passengers per capita	5.54	8			
Average rental cost, 2-bedroom apartment	5.71	17			
Human resources subindex	5.49	17	Human resources subindex	5.49	17
% of population without health insurance	6.36	4	% of population born abroad	4.33	36
Unemployment rate	5.43	15	Infant mortality rate, deaths per 1000 live births	4.79	32
% of pop. enrolled in degree-granting institutions	5.33	18			
% of adults in the labor force	5.94	12			
Technology subindex	4.75	28	Technology subindex	4.75	28
NIH support to institutions, per capita	5.54	11	R&D: NSF funds per capita	4.44	31
			New patents issued per capita	4.36	36
			Science and engineering grad. students per capita	4.59	34
Finance subindex	4.69	26	Finance subindex	4.69	26
Bank deposits per capita	4.99	19	Venture capital per capita	4.56	31
Openness subindex	4.36	42	Openness subindex	4.36	42
			Exports per capita	4.31	39
Domestic competition subindex	4.74	25	Domestic competition subindex	4.74	25
Employer firm terminations per capita	5.15	19	Employer firm births per capita	4.37	34
Environmental policy subindex	5.46	21	Environmental policy subindex	5.46	21
			Toxic release, pounds per capita	5.26	33

Despite healthy domestic competition and a good quality of life created by low rental costs and short commutes to work, Montana ranks only 31st overall. In order to climb out of the bottom 20 it should strive to improve openness, increase financial innovation, and cut the tax burden.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.42	37	Government and fiscal policy subindex	4.42	37
Average benefit per first payment for unemployed	5.74	12	Taxes as a % of current GSP	4.13	42
			Workers' compensation collections per employee	4.62	42
			Bond rating: S&P's/Moody's composite	3.99	41
Institutions and security subindex	4.65	30	Institutions and security subindex	4.65	30
Murder index, per 100,000 inhabitants	5.99	10	Crime index change 1998-1999, %	3.28	47
Infrastructure subindex	5.85	10	Infrastructure subindex	5.85	10
Travel time to work	6.77	3			
Average rental cost, 2-bedroom apartment	6.11	6			
Human resources subindex	4.45	34	Human resources subindex	4.45	34
% of population that graduated from high school	6.04	11	% of population without health insurance	4.03	41
% of adults in the labor force	5.95	11	Unemployment rate	3.95	41
			% of pop. enrolled in degree-granting institutions	4.47	33
			% of population born abroad	4.05	47
			Nonfederal physicians per capita	4.41	37
Technology subindex	4.45	35	Technology subindex	4.45	35
Science and engineering degrees awarded per capita	5.73	11	R&D: NSF funds per capita	4.25	38
			NIH support to institutions, per capita	4.34	38
			New patents issued per capita	4.42	31
			Science and engineering grad. students per capita	4.66	32
			Scientists and engineers in the labor force	4.66	30
			High tech companies as a % of companies	3.98	44
Finance subindex	4.39	43	Finance subindex	4.39	43
			Bank deposits per capita	4.60	41
			Venture capital per capita	4.54	38
Openness subindex	4.01	49	Openness subindex	4.01	49
			Exports per capita	3.83	49
			Incoming FDI per capita	4.74	31
Domestic competition subindex	6.41	5	Domestic competition subindex	6.41	5
Employer firm births per capita	6.19	9			
Employer firm terminations per capita	6.50	5			
Environmental policy subindex	5.17	32	Environmental policy subindex	5.17	32
Electricity prices, \$ per mbtu	5.77	8	Toxic release, pounds per capita	4.46	45

NEBRASKA

Index

Overall Rank

5.55

15

Ranked 15th overall, Nebraska has competitive advantages in government policy, infrastructure, human resources, finance and environmental policy. Its weaknesses lie mainly in a lack of openness and direct foreign investment. The high tech sector is comparatively weak.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.89	11	Government and fiscal policy subindex	5.89	11
Taxes as a % of current GSP	5.29	19			
Workers' compensation collections per employee	5.54	11			
Bond rating: S&P's/Moody's composite	5.58	11			
Average benefit per first payment for unemployed	6.08	6			
Institutions and security subindex	5.27	23	Institutions and security subindex	5.27	23
Murder index, per 100,000 inhabitants	5.59	20	Crime index change 1998-1999, %	4.93	32
Infrastructure subindex	5.68	15	Infrastructure subindex	5.68	15
% of households with installed phones	6.46	4	% of households with computers	4.55	34
Travel time to work	6.45	5	% of households with internet access	4.32	39
Average rental cost, 2-bedroom apartment	5.60	18	Air passengers per capita	4.56	31
Human resources subindex	6.36	5	Human resources subindex	6.36	5
% of population without health insurance	5.84	9			
% of population that graduated from high school	6.24	5			
Unemployment rate	5.95	9			
% of pop. enrolled in degree-granting institutions	6.50	5			
% of adults in the labor force	6.62	4			
Technology subindex	4.64	31	Technology subindex	4.64	31
Scientists and engineers in the labor force	5.67	14	R&D: NSF funds per capita	4.21	40
			NIH support to institutions, per capita	4.54	30
			New patents issued per capita	4.32	38
			High tech companies as a % of companies	4.24	38
Finance subindex	5.02	12	Finance subindex	5.02	12
Bank deposits per capita	5.28	7			
Venture capital per capita	4.72	20			
Openness subindex	4.27	44	Openness subindex	4.27	44
			Exports per capita	4.43	37
			Incoming FDI per capita	4.51	49
Domestic competition subindex	4.47	32	Domestic competition subindex	4.47	32
			Employer firm births per capita	4.22	38
Environmental policy subindex	5.76	7	Environmental policy subindex	5.76	7
Electricity prices, \$ per mbtu	5.74	10			

Though Nevada has vibrant domestic competition and low taxes, it is pushed down to 46th in overall rank by disadvantages in 7 of the 9 subindexes. High pollution, a lack of science and engineering degree holders and high crime and murder rates are some of the problems in this state.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.91	44	Government and fiscal policy subindex	3.91	44
Taxes as a % of current GSP	5.91	8	Workers' compensation collections per employee	2.34	48
			Budget deficit as a % of GSP	4.43	35
			Average benefit per first payment for unemployed	4.63	36
Institutions and security subindex	4.48	32	Institutions and security subindex	4.48	32
Crime index change 1998-1999, %	6.18	3	Crime index, per 100,000 inhabitants	4.45	34
			Murder index, per 100,000 inhabitants	3.35	48
Infrastructure subindex	5.61	19	Infrastructure subindex	5.61	19
Air passengers per capita	8.11	2	% of households with computers	4.59	31
Travel time to work	5.18	20	% of households with installed phones	4.77	35
			Average rental cost, 2-bedroom apartment	4.16	39
Human resources subindex	3.97	42	Human resources subindex	3.97	42
% of population born abroad	6.42	6	% of population without health insurance	3.54	46
Infant mortality rate, deaths per 1000 live births	5.32	16	% of population that graduated from high school	4.32	36
			% of labor force represented by unions	4.13	41
			Unemployment rate	4.79	30
			% of pop. enrolled in degree-granting institutions	4.16	40
			% of adults in the labor force	3.84	44
			Nonfederal physicians per capita	3.97	45
Technology subindex	3.60	49	Technology subindex	3.60	49
			R&D: NSF funds per capita	4.40	34
			NIH support to institutions, per capita	4.15	47
			New patents issued per capita	4.43	30
			Science and engineering grad. students per capita	3.47	49
			Science and engineering degrees awarded per capita	2.94	50
			Scientists and engineers in the labor force	3.44	49
			High tech companies as a % of companies	4.61	31
Finance subindex	4.32	45	Finance subindex	4.32	45
			Bank deposits per capita	4.42	45
Openness subindex	4.39	40	Openness subindex	4.39	40
Incoming FDI per capita	5.20	8	Exports per capita	3.91	48
Domestic competition subindex	6.36	6	Domestic competition subindex	6.36	6
Employer firm births per capita	6.54	4			
Employer firm terminations per capita	6.05	7			
Environmental policy subindex	2.64	49	Environmental policy subindex	2.64	49
Electricity prices, \$ per mbtu	5.59	17	Toxic release, pounds per capita	1.13	49

NEW HAMPSHIRE

Index
6.33

Overall Rank
7

This high-tech state, with the highest fraction of households connected to the information highway, ranks 7th in the overall index. Good security and a strong government sector led by low taxes add to New Hampshire's competitiveness. It could improve its ranking by decreasing electricity rates and increasing foreign investment.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.17	9	Government and fiscal policy subindex	6.17	9
Taxes as a % of current GSP	6.52	4	Budget deficit as a % of GSP	4.43	33
Average benefit per first payment for unemployed	6.59	2			
Institutions and security subindex	6.53	4	Institutions and security subindex	6.53	4
Crime index, per 100,000 inhabitants	6.87	1	Crime index change 1998-1999, %	4.67	36
Murder index, per 100,000 inhabitants	6.44	1			
Infrastructure subindex	6.29	4	Infrastructure subindex	6.29	4
% of households with computers	6.83	3	Air passengers per capita	4.52	32
% of households with installed phones	6.63	2	Travel time to work	4.51	38
% of households with internet access	7.24	1	Average rental cost, 2-bedroom apartment	3.97	41
Human resources subindex	6.38	3	Human resources subindex	6.38	3
% of population without health insurance	5.98	7			
% of population that graduated from high school	5.66	14			
Unemployment rate	6.17	7			
% of adults in the labor force	6.26	7			
Infant mortality rate, deaths per 1000 live births	7.32	1			
Nonfederal physicians per capita	5.13	15			
Technology subindex	5.91	10	Technology subindex	5.91	10
R&D: NSF funds per capita	5.64	11	Science and engineering grad. students per capita	4.35	37
NIH support to institutions, per capita	5.07	18			
New patents issued per capita	5.95	9			
Science and engineering degrees awarded per capita	6.27	6			
High tech companies as a % of companies	7.64	3			
Finance subindex	5.01	13	Finance subindex	5.01	13
Bank deposits per capita	5.45	4	Venture capital per capita	4.54	38
Openness subindex	4.54	34	Openness subindex	4.54	34
			Exports per capita	4.70	30
			Incoming FDI per capita	4.62	40
Domestic competition subindex	6.10	8	Domestic competition subindex	6.10	8
Employer firm births per capita	6.06	10			
Employer firm terminations per capita	6.04	8			
Environmental policy subindex	3.72	46	Environmental policy subindex	3.72	46
Toxic release, pounds per capita	5.39	9	Electricity prices, \$ per mbtu	2.84	49

With the highest rental cost for a 2-bedroom apartment and the longest travel time to work, New Jersey has a disadvantage in attracting workers and businesses. It is also hindered by high electricity and tax rates. Strong technology and finance are among its strengths.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.49	36	Government and fiscal policy subindex	4.49	36
Bond rating: S&P's/Moody's composite	5.58	11	Taxes as a % of current GSP	4.39	39
Budget deficit as a % of GSP	5.44	14	Workers' compensation collections per employee	5.39	30
			Average benefit per first payment for unemployed	2.85	48
Institutions and security subindex	5.68	12	Institutions and security subindex	5.68	12
Crime index, per 100,000 inhabitants	5.73	16	Crime index change 1998-1999, %	4.98	30
Murder index, per 100,000 inhabitants	5.62	18			
Infrastructure subindex	4.13	40	Infrastructure subindex	4.13	40
% of households with computers	5.42	15	Travel time to work	3.42	48
% of households with internet access	5.98	9	Average rental cost, 2-bedroom apartment	2.70	50
Human resources subindex	5.20	22	Human resources subindex	5.20	22
% of population that graduated from high school	5.46	18	% of labor force represented by unions	3.59	46
% of population born abroad	6.89	3	% of pop. enrolled in degree-granting institutions	3.26	49
Infant mortality rate, deaths per 1000 live births	5.78	11	% of adults in the labor force	4.56	31
Nonfederal physicians per capita	5.99	7			
Technology subindex	5.29	16	Technology subindex	5.29	16
R&D: NSF funds per capita	6.08	7	NIH support to institutions, per capita	4.49	32
New patents issued per capita	6.04	7	Science and engineering grad. students per capita	4.72	30
Scientists and engineers in the labor force	5.09	19	Science and engineering degrees awarded per capita	4.42	37
High tech companies as a % of companies	5.69	8			
Finance subindex	5.41	8	Finance subindex	5.41	8
Bank deposits per capita	5.18	11			
Venture capital per capita	5.34	9			
Openness subindex	4.89	20	Openness subindex	4.89	20
Exports per capita	4.92	20			
Incoming FDI per capita	4.89	18			
Domestic competition subindex	4.92	20	Domestic competition subindex	4.92	20
Employer firm births per capita	4.96	20			
Environmental policy subindex	4.09	43	Environmental policy subindex	4.09	43
Toxic release, pounds per capita	5.39	7	Electricity prices, \$ per mbtu	3.34	46

NEW MEXICO

Index

Overall Rank

3.98

42

Although New Mexico scores in the top 20 in both technology and domestic competition, it ranks in the bottom 20 for the security, infrastructure, human resources, environmental policy and finance subindexes. Particular problems are a lack of health insurance, high unemployment rate and low labor-force participation.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.25	22	Government and fiscal policy subindex	5.25	22
Workers' compensation collections per employee	5.54	1	Budget deficit as a % of GSP	4.41	37
Bond rating: S&P's/Moody's composite	5.58	11			
Institutions and security subindex	3.58	48	Institutions and security subindex	3.58	48
Crime index change 1998-1999, %	6.04	5	Crime index, per 100,000 inhabitants	3.12	49
			Murder index, per 100,000 inhabitants	3.09	49
Infrastructure subindex	4.09	41	Infrastructure subindex	4.09	41
Travel time to work	5.40	15	% of households with computers	4.41	38
			% of households with installed phones	3.38	46
			% of households with internet access	4.12	42
Human resources subindex	3.96	43	Human resources subindex	3.96	43
% of labor force represented by unions	5.67	19	% of population without health insurance	2.35	50
% of pop. enrolled in degree-granting institutions	6.01	9	% of population that graduated from high school	4.17	39
% of population born abroad	5.10	17	Unemployment rate	3.95	41
			% of adults in the labor force	3.35	48
			Nonfederal physicians per capita	4.66	30
Technology subindex	5.27	18	Technology subindex	5.27	18
R&D: NSF funds per capita	6.62	3	Science and engineering degrees awarded per capita	4.48	35
Science and engineering grad. students per capita	5.84	9	High tech companies as a % of companies	4.46	34
Scientists and engineers in the labor force	5.71	12			
Finance subindex	4.16	49	Finance subindex	4.16	49
			Bank deposits per capita	4.29	49
			Venture capital per capita	4.54	38
Openness subindex	4.77	24	Openness subindex	4.77	24
Domestic competition subindex	4.96	19	Domestic competition subindex	4.96	19
Employer firm terminations per capita	5.58	12	Employer firm births per capita	4.34	36
Environmental policy subindex	4.60	36	Environmental policy subindex	4.60	36
			Electricity prices, \$ per mbtu	5.03	32
			Toxic release, pounds per capita	4.42	46

Among North Dakota's advantages are security, human resources and infrastructure. It boasts the shortest travel time to work of all states and the second lowest crime rate. It could increase its overall rank by making improvements in state fiscal policy, technology and exports.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.51	46	Government and fiscal policy subindex	3.51	46
			Taxes as a % of current GSP	4.55	35
			Workers' compensation collections per employee	3.26	46
			Bond rating: S&P's/Moody's composite	3.99	41
			Average benefit per first payment for unemployed	4.42	40
Institutions and security subindex	7.09	2	Institutions and security subindex	7.09	2
Crime index, per 100,000 inhabitants	6.76	2			
Crime index change 1998-1999, %	5.91	7			
Murder index, per 100,000 inhabitants	6.41	3			
Infrastructure subindex	5.72	14	Infrastructure subindex	5.72	14
% of households with installed phones	5.69	12	% of households with computers	4.40	39
Travel time to work	7.34	1	% of households with internet access	4.43	38
Average rental cost, 2-bedroom apartment	5.81	14	Air passengers per capita	4.39	38
Human resources subindex	5.67	13	Human resources subindex	5.67	13
% of population without health insurance	5.61	17	% of population born abroad	4.13	44
% of labor force represented by unions	6.08	9	Infant mortality rate, deaths per 1000 live births	4.09	41
Unemployment rate	5.95	9			
% of pop. enrolled in degree-granting institutions	5.88	13			
% of adults in the labor force	6.49	6			
Technology subindex	4.45	36	Technology subindex	4.45	36
Science and engineering grad. students per capita	5.55	13	R&D: NSF funds per capita	4.20	41
Science and engineering degrees awarded per capita	5.62	13	NIH support to institutions, per capita	4.16	46
			New patents issued per capita	4.17	41
			Scientists and engineers in the labor force	4.27	39
			High tech companies as a % of companies	4.05	43
Finance subindex	4.87	19	Finance subindex	4.87	19
Bank deposits per capita	5.26	10	Venture capital per capita	4.54	38
Openness subindex	4.36	41	Openness subindex	4.36	41
			Exports per capita	4.31	40
Domestic competition subindex	4.71	26	Domestic competition subindex	4.71	26
Employer firm terminations per capita	5.31	16	Employer firm births per capita	4.13	44
Environmental policy subindex	5.54	16	Environmental policy subindex	5.54	16
Electricity prices, \$ per mbtu	5.57	18	Toxic release, pounds per capita	5.17	41

Falling into the third quartile of the ranking, this state places 49th in domestic competition with a low level in both firm births and firm deaths. The state performs moderately well on both the finance and openness subindexes.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.40	38	Government and fiscal policy subindex	4.40	38
Bond rating: S&P's/Moody's composite	5.58	11	Workers' compensation collections per employee	1.94	49
Budget deficit as a % of GSP	6.22	7	Average benefit per first payment for unemployed	4.70	34
Institutions and security subindex	5.46	17	Institutions and security subindex	5.46	17
Murder index, per 100,000 inhabitants	5.62	19			
Infrastructure subindex	4.88	29	Infrastructure subindex	4.88	29
Average rental cost, 2-bedroom apartment	5.54	19	% of households with computers	4.70	30
			Air passengers per capita	4.45	34
Human resources subindex	5.09	26	Human resources subindex	5.09	26
% of population without health insurance	5.80	11	Unemployment rate	4.79	30
% of population that graduated from high school	5.38	19	% of pop. enrolled in degree-granting institutions	4.23	38
% of labor force represented by unions	6.08	9	% of population born abroad	4.30	39
% of adults in the labor force	5.31	20	Infant mortality rate, deaths per 1000 live births	4.55	34
Technology subindex	4.89	24	Technology subindex	4.89	24
R&D: NSF funds per capita	4.87	20	Science and engineering degrees awarded per capita	4.60	31
New patents issued per capita	5.31	16	Scientists and engineers in the labor force	4.61	31
Finance subindex	4.90	16	Finance subindex	4.90	16
Bank deposits per capita	5.02	17			
Venture capital per capita	4.81	17			
Openness subindex	5.03	16	Openness subindex	5.03	16
Exports per capita	5.17	14			
Incoming FDI per capita	4.84	20			
Domestic competition subindex	3.65	49	Domestic competition subindex	3.65	49
			Employer firm births per capita	3.82	49
			Employer firm terminations per capita	3.61	49
Environmental policy subindex	5.38	27	Environmental policy subindex	5.38	27
			Toxic release, pounds per capita	5.24	36

Ranking 44th overall, Oklahoma's disadvantages are plentiful: lack of infrastructure, high crime and murder rates, poor human resources, lagging technology, and little domestic competition or trade. The bright spots are low housing costs, a low unemployment rate and a high ranking for environmental policy.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.68	32	Government and fiscal policy subindex	4.68	32
Budget deficit as a % of GSP	5.11	18	Workers' compensation collections per employee	5.02	37
			Bond rating: S&P's/Moody's composite	4.39	34
			Average benefit per first payment for unemployed	4.71	33
Institutions and security subindex	4.24	36	Institutions and security subindex	4.24	36
			Crime index, per 100,000 inhabitants	4.42	35
			Crime index change 1998-1999, %	4.84	33
			Murder index, per 100,000 inhabitants	4.26	37
Infrastructure subindex	3.77	45	Infrastructure subindex	3.77	45
Travel time to work	5.34	18	% of households with computers	3.50	47
Average rental cost, 2-bedroom apartment	5.90	12	% of households with installed phones	3.36	47
			% of households with internet access	3.91	45
			Air passengers per capita	4.47	33
Human resources subindex	4.16	39	Human resources subindex	4.16	39
Unemployment rate	5.95	9	% of population without health insurance	4.28	39
			% of labor force represented by unions	4.41	35
			% of adults in the labor force	4.21	40
			% of population born abroad	4.48	31
			Infant mortality rate, deaths per 1000 live births	4.17	40
			Nonfederal physicians per capita	3.77	47
Technology subindex	4.33	39	Technology subindex	4.33	39
			R&D: NSF funds per capita	4.15	43
			NIH support to institutions, per capita	4.27	42
			New patents issued per capita	4.38	33
			Science and engineering grad. students per capita	4.34	38
			High tech companies as a % of companies	4.53	33
Finance subindex	4.48	40	Finance subindex	4.48	40
			Bank deposits per capita	4.69	35
			Venture capital per capita	4.57	30
Openness subindex	4.13	45	Openness subindex	4.13	45
			Exports per capita	4.14	43
			Incoming FDI per capita	4.60	43
Domestic competition subindex	4.46	33	Domestic competition subindex	4.46	33
			Employer firm terminations per capita	4.32	36
Environmental policy subindex	5.74	8	Environmental policy subindex	5.74	8
Electricity prices, \$ per mbtu	5.68	14			
Toxic release, pounds per capita	5.35	16			

Well-wired homes and businesses and low electricity rates help to place Oregon in the top 20. It could improve its performance by promoting its financial sector, exercising a higher level of fiscal responsibility, and addressing the problem of its high crime rate.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.29	39	Government and fiscal policy subindex	4.29	39
Taxes as a % of current GSP	5.90	10	Workers' compensation collections per employee	3.56	45
			Budget deficit as a % of GSP	4.19	40
			Average benefit per first payment for unemployed	4.67	35
Institutions and security subindex	5.59	15	Institutions and security subindex	5.59	15
Crime index change 1998-1999, %	6.07	4	Crime index, per 100,000 inhabitants	4.10	41
Murder index, per 100,000 inhabitants	5.97	11			
Infrastructure subindex	6.01	6	Infrastructure subindex	6.01	6
% of households with computers	6.44	5	Average rental cost, 2-bedroom apartment	4.67	35
% of households with internet access	6.44	5			
Air passengers per capita	4.93	18			
Travel time to work	5.24	19			
Human resources subindex	5.34	19	Human resources subindex	5.34	19
% of population that graduated from high school	5.66	14	% of labor force represented by unions	4.41	35
% of adults in the labor force	5.41	17	Unemployment rate	4.69	34
% of population born abroad	5.07	18			
Infant mortality rate, deaths per 1000 live births	6.55	3			
Technology subindex	5.11	22	Technology subindex	5.11	22
NIH support to institutions, per capita	5.27	14	Science and engineering grad. students per capita	4.30	39
New patents issued per capita	5.62	11			
Scientists and engineers in the labor force	5.44	18			
High tech companies as a % of companies	5.34	14			
Finance subindex	4.23	46	Finance subindex	4.23	46
			Bank deposits per capita	4.39	46
			Venture capital per capita	4.54	38
Openness subindex	5.48	8	Openness subindex	5.48	8
Exports per capita	5.90	6	Incoming FDI per capita	4.74	30
Domestic competition subindex	6.05	9	Domestic competition subindex	6.05	9
Employer firm births per capita	5.67	13			
Employer firm terminations per capita	6.33	6			
Environmental policy subindex	5.96	4	Environmental policy subindex	5.96	4
Electricity prices, \$ per mbtu	6.05	5	Toxic release, pounds per capita	5.28	30

Ranked 37th overall, Pennsylvania's only clear competitive advantage lies in its technology sector, driven by a strong showing by high-tech firms and by NIH grants. Problem areas include government policy, a lackluster competitive environment, high electricity prices and high unemployment rate.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.96	43	Government and fiscal policy subindex	3.96	43
			Taxes as a % of current GSP	4.68	32
			Workers' compensation collections per employee	5.36	32
			Bond rating: S&P's/Moody's composite	4.39	34
			Budget deficit as a % of GSP	4.16	42
			Average benefit per first payment for unemployed	3.65	45
Institutions and security subindex	5.27	22	Institutions and security subindex	5.27	22
Crime index, per 100,000 inhabitants	6.02	8	Crime index change 1998-1999, %	4.47	41
Infrastructure subindex	4.90	28	Infrastructure subindex	4.90	28
% of households with installed phones	6.09	5	% of households with computers	4.53	35
			Travel time to work	4.60	34
			Average rental cost, 2-bedroom apartment	4.89	30
Human resources subindex	4.86	32	Human resources subindex	4.86	32
% of population without health insurance	6.17	5	% of labor force represented by unions	4.27	39
Nonfederal physicians per capita	5.90	8	Unemployment rate	3.95	41
			% of pop. enrolled in degree-granting institutions	4.40	36
Technology subindex	5.34	14	Technology subindex	5.34	14
R&D: NSF funds per capita	5.05	16	Scientists and engineers in the labor force	4.57	32
NIH support to institutions, per capita	5.81	6			
New patents issued per capita	5.14	20			
Science and engineering grad. students per capita	5.39	14			
Science and engineering degrees awarded per capita	5.34	16			
High tech companies as a % of companies	5.54	9			
Finance subindex	4.85	21	Finance subindex	4.85	21
Venture capital per capita	4.87	14			
Openness subindex	4.45	38	Openness subindex	4.45	38
			Exports per capita	4.50	36
			Incoming FDI per capita	4.69	34
Domestic competition subindex	4.09	42	Domestic competition subindex	4.09	42
			Employer firm births per capita	4.19	39
			Employer firm terminations per capita	4.08	43
Environmental policy subindex	4.85	35	Environmental policy subindex	4.85	35
			Electricity prices, \$ per mbtu	4.50	39

RHODE ISLAND

Index

4.91

Overall Rank

25

Strong technology, human resources and domestic competition help offset poor environmental policy, openness, finance, security and government subindexes in Rhode Island. These offsetting factors put the state at 25th in the overall ranking.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	4.67	33	Government and fiscal policy subindex	4.67	33
Budget deficit as a % of GSP	6.35	5	Taxes as a % of current GSP	3.94	44
			Bond rating: S&P's/Moody's composite	3.99	41
			Average benefit per first payment for unemployed	4.43	39
Institutions and security subindex	4.46	33	Institutions and security subindex	4.46	33
Crime index, per 100,000 inhabitants	5.55	18	Crime index change 1998-1999, %	2.82	49
Infrastructure subindex	4.97	26	Infrastructure subindex	4.97	26
% of households with installed phones	5.24	20	% of households with computers	4.46	36
Air passengers per capita	5.05	16	% of households with internet access	4.60	34
Travel time to work	5.37	17			
Human resources subindex	6.03	10	Human resources subindex	6.03	10
% of population without health insurance	6.75	1	% of population that graduated from high school	3.94	41
% of pop. enrolled in degree-granting institutions	7.47	1	% of labor force represented by unions	4.13	41
% of population born abroad	5.92	11	Unemployment rate	4.79	30
Infant mortality rate, deaths per 1000 live births	5.32	16	% of adults in the labor force	4.50	35
Nonfederal physicians per capita	6.69	5			
Technology subindex	6.15	6	Technology subindex	6.15	6
R&D: NSF funds per capita	6.54	4			
NIH support to institutions, per capita	5.78	7			
New patents issued per capita	5.44	13			
Science and engineering grad. students per capita	5.55	12			
Science and engineering degrees awarded per capita	6.70	4			
High tech companies as a % of companies	6.27	5			
Finance subindex	4.51	38	Finance subindex	4.51	38
			Bank deposits per capita	4.77	31
			Venture capital per capita	4.54	38
Openness subindex	4.27	43	Openness subindex	4.27	43
			Exports per capita	4.33	38
			Incoming FDI per capita	4.61	41
Domestic competition subindex	5.50	17	Domestic competition subindex	5.50	17
Employer firm births per capita	5.39	17			
Employer firm terminations per capita	5.56	13			
Environmental policy subindex	4.05	44	Environmental policy subindex	4.05	44
Toxic release, pounds per capita	5.41	2	Electricity prices, \$ per mbtu	3.28	47

Ranked 40th, South Carolina suffers from a lack of infrastructure and poor performance on the human resources, technology and finance subindexes. Bright spots are openness to foreign trade and investment and a low cost of living.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.61	12	Government and fiscal policy subindex	5.61	12
Taxes as a % of current GSP	5.28	20	Workers' compensation collections per employee	5.36	31
Bond rating: S&P's/Moody's composite	6.38	1	Budget deficit as a % of GSP	3.63	47
Average benefit per first payment for unemployed	5.98	7			
Institutions and security subindex	4.14	39	Institutions and security subindex	4.14	39
			Crime index, per 100,000 inhabitants	3.77	46
			Murder index, per 100,000 inhabitants	4.36	36
Infrastructure subindex	3.93	43	Infrastructure subindex	3.93	43
Average rental cost, 2-bedroom apartment	5.94	10	% of households with computers	3.77	45
			% of households with installed phones	4.37	41
			% of households with internet access	3.55	47
			Air passengers per capita	4.35	41
Human resources subindex	4.10	41	Human resources subindex	4.10	41
% of labor force represented by unions	6.56	2	% of population without health insurance	4.26	40
			% of population that graduated from high school	4.37	35
			% of pop. enrolled in degree-granting institutions	4.11	41
			% of adults in the labor force	4.51	34
			% of population born abroad	4.35	34
			Infant mortality rate, deaths per 1000 live births	3.33	47
			Nonfederal physicians per capita	4.52	33
Technology subindex	4.06	41	Technology subindex	4.06	41
			R&D: NSF funds per capita	4.31	36
			NIH support to institutions, per capita	4.34	39
			New patents issued per capita	4.36	35
			Science and engineering grad. students per capita	3.78	48
			Science and engineering degrees awarded per capita	4.45	36
			Scientists and engineers in the labor force	4.48	34
			High tech companies as a % of companies	4.22	39
Finance subindex	4.35	44	Finance subindex	4.35	44
			Bank deposits per capita	4.54	42
			Venture capital per capita	4.54	37
Openness subindex	5.15	15	Openness subindex	5.15	15
Incoming FDI per capita	5.29	6			
Domestic competition subindex	4.63	29	Domestic competition subindex	4.63	29
			Employer firm terminations per capita	4.53	33
Environmental policy subindex	5.66	12	Environmental policy subindex	5.66	12
Electricity prices, \$ per mbtu	5.65	15	Toxic release, pounds per capita	5.28	32

SOUTH DAKOTA

Index

Overall Rank

5.37

17

Driven by its number 1 ranking in both high school graduation rates and in work force participation, South Dakota ranks 11th in human resources. It places well for government policy and for having a strong financial sector. On the other hand, it comes in dead last for openness to foreign trade and investment.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.18	8	Government and fiscal policy subindex	6.18	8
Taxes as a % of current GSP	6.19	6	Bond rating: S&P's/Moody's composite	3.99	41
Workers' compensation collections per employee	5.50	20			
Budget deficit as a % of GSP	6.09	8			
Average benefit per first payment for unemployed	6.36	3			
Institutions and security subindex	5.32	21	Institutions and security subindex	5.32	21
Crime index, per 100,000 inhabitants	6.50	3	Crime index change 1998-1999, %	3.08	48
Murder index, per 100,000 inhabitants	6.05	9			
Infrastructure subindex	5.40	21	Infrastructure subindex	5.40	21
Travel time to work	7.09	2	% of households with installed phones	4.95	32
			% of households with internet access	4.46	37
			Air passengers per capita	4.39	39
Human resources subindex	5.98	11	Human resources subindex	5.98	11
% of population without health insurance	5.61	17	% of population born abroad	4.09	46
% of population that graduated from high school	6.60	1	Infant mortality rate, deaths per 1000 live births	3.71	44
% of labor force represented by unions	6.28	3	Nonfederal physicians per capita	4.16	43
Unemployment rate	6.69	2			
% of pop. enrolled in degree-granting institutions	5.28	19			
% of adults in the labor force	6.92	1			
Technology subindex	4.71	29	Technology subindex	4.71	29
Science and engineering degrees awarded per capita	6.20	7	R&D: NSF funds per capita	4.04	49
Scientists and engineers in the labor force	5.91	10	NIH support to institutions, per capita	4.22	43
			New patents issued per capita	4.24	40
			Science and engineering grad. students per capita	4.59	33
			High tech companies as a % of companies	4.19	40
Finance subindex	5.09	11	Finance subindex	5.09	11
Bank deposits per capita	5.42	6			
Openness subindex	3.91	50	Openness subindex	3.91	50
			Exports per capita	3.98	47
			Incoming FDI per capita	4.45	50
Domestic competition subindex	4.53	31	Domestic competition subindex	4.53	31
			Employer firm births per capita	4.39	33
Environmental policy subindex	5.45	23	Environmental policy subindex	5.45	23

Tennessee shares a number 1 bond rating and ranks high for its ability to keep down workers compensation rates and claims, both of which explain why it ranks 7th for government policy. However, its poor ranking in security, infrastructure, human resources and technology places it in the bottom half of the states.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.19	7	Government and fiscal policy subindex	6.19	7
Taxes as a % of current GSP	6.76	2	Budget deficit as a % of GSP	3.61	48
Workers' compensation collections per employee	5.54	1			
Bond rating: S&P's/Moody's composite	6.38	1			
Average benefit per first payment for unemployed	5.87	9			
Institutions and security subindex	4.23	37	Institutions and security subindex	4.23	37
			Crime index, per 100,000 inhabitants	4.41	36
			Crime index change 1998-1999, %	4.93	31
			Murder index, per 100,000 inhabitants	4.16	39
Infrastructure subindex	4.74	32	Infrastructure subindex	4.74	32
% of households with installed phones	5.54	15	% of households with computers	4.13	42
Average rental cost, 2-bedroom apartment	5.91	11	% of households with internet access	4.21	41
			Travel time to work	4.63	33
Human resources subindex	4.31	37	Human resources subindex	4.31	37
% of population without health insurance	5.68	16	% of population that graduated from high school	3.59	45
% of labor force represented by unions	5.69	16	% of pop. enrolled in degree-granting institutions	3.99	43
Nonfederal physicians per capita	5.08	18	% of adults in the labor force	4.14	42
			% of population born abroad	4.40	32
			Infant mortality rate, deaths per 1000 live births	4.40	36
Technology subindex	4.26	40	Technology subindex	4.26	40
NIH support to institutions, per capita	4.93	20	New patents issued per capita	4.36	37
			Science and engineering grad. students per capita	4.28	40
			Science and engineering degrees awarded per capita	4.13	42
			Scientists and engineers in the labor force	4.32	38
			High tech companies as a % of companies	4.34	36
Finance subindex	4.86	20	Finance subindex	4.86	20
Venture capital per capita	4.88	13			
Openness subindex	4.85	22	Openness subindex	4.85	22
Incoming FDI per capita	4.90	17			
Domestic competition subindex	4.70	27	Domestic competition subindex	4.70	27
Environmental policy subindex	5.70	9	Environmental policy subindex	5.70	9
Electricity prices, \$ per mbtu	5.73	12	Toxic release, pounds per capita	5.24	34

Along with its number 2 ranking in infrastructure, this state boasts strong human resources rooted in a high frequency of both high school and higher-degree holders. More attention to environmental policy and to increasing exports could push this state from number 11 into the top 10.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.50	15	Government and fiscal policy subindex	5.50	15
Bond rating: S&P's/Moody's composite	6.38	1	Workers' compensation collections per employee	4.75	40
Average benefit per first payment for unemployed	5.57	17	Budget deficit as a % of GSP	4.61	31
Institutions and security subindex	5.50	16	Institutions and security subindex	5.50	16
Crime index change 1998-1999, %	5.63	15	Crime index, per 100,000 inhabitants	4.12	40
Murder index, per 100,000 inhabitants	6.21	6			
Infrastructure subindex	6.77	2	Infrastructure subindex	6.77	2
% of households with computers	7.19	1	Average rental cost, 2-bedroom apartment	4.84	32
% of households with installed phones	5.76	10			
% of households with internet access	6.07	8			
Air passengers per capita	5.76	6			
Travel time to work	5.46	12			
Human resources subindex	6.24	6	Human resources subindex	6.24	6
% of population that graduated from high school	6.32	4	Nonfederal physicians per capita	4.37	38
% of labor force represented by unions	5.87	12			
Unemployment rate	5.74	12			
% of pop. enrolled in degree-granting institutions	7.12	2			
% of population born abroad	4.86	19			
Infant mortality rate, deaths per 1000 live births	6.40	4			
Technology subindex	5.68	11	Technology subindex	5.68	11
R&D: NSF funds per capita	5.00	19			
NIH support to institutions, per capita	5.19	15			
New patents issued per capita	5.20	18			
Science and engineering grad. students per capita	5.82	10			
Science and engineering degrees awarded per capita	7.03	3			
High tech companies as a % of companies	5.46	11			
Finance subindex	4.97	14	Finance subindex	4.97	14
Bank deposits per capita	5.27	8			
Openness subindex	4.74	26	Openness subindex	4.74	26
Incoming FDI per capita	5.00	13	Exports per capita	4.59	32
Domestic competition subindex	5.71	12	Domestic competition subindex	5.71	12
Employer firm births per capita	6.37	6			
Environmental policy subindex	3.25	48	Environmental policy subindex	3.25	48
Electricity prices, \$ per mbtu	5.78	7	Toxic release, pounds per capita	1.80	48

Ranking 1st in both firm births and deaths and in the environmental policy subindex, Washington ranks 4th according to the overall index. It could cross the threshold to the top 3 by decreasing the number of uninsured, the strength of its unions and its unemployment rate.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	3.46	48	Government and fiscal policy subindex	3.46	48
Bond rating: S&P's/Moody's composite	5.58	11	Taxes as a % of current GSP	4.85	30
			Workers' compensation collections per employee	2.92	47
			Average benefit per first payment for unemployed	2.63	50
Institutions and security subindex	5.26	24	Institutions and security subindex	5.26	24
Crime index change 1998-1999, %	5.83	9	Crime index, per 100,000 inhabitants	3.84	45
Murder index, per 100,000 inhabitants	5.84	14			
Infrastructure subindex	5.65	17	Infrastructure subindex	5.65	17
% of households with computers	6.38	6	Travel time to work	4.48	39
% of households with installed phones	5.24	20	Average rental cost, 2-bedroom apartment	4.40	37
% of households with internet access	6.27	7			
Air passengers per capita	5.11	15			
Human resources subindex	5.11	24	Human resources subindex	5.11	24
% of population that graduated from high school	6.60	1	% of population without health insurance	4.68	32
% of population born abroad	5.58	12	% of labor force represented by unions	3.93	45
Infant mortality rate, deaths per 1000 live births	6.32	5	Unemployment rate	3.63	46
Nonfederal physicians per capita	5.13	16			
Technology subindex	5.47	13	Technology subindex	5.47	13
R&D: NSF funds per capita	6.20	6	Science and engineering grad. students per capita	4.11	43
NIH support to institutions, per capita	6.12	4			
New patents issued per capita	5.18	19			
Scientists and engineers in the labor force	6.12	7			
Finance subindex	4.61	29	Finance subindex	4.61	29
Venture capital per capita	4.93	11	Bank deposits per capita	4.51	44
Openness subindex	7.25	3	Openness subindex	7.25	3
Exports per capita	8.40	2			
Domestic competition subindex	8.26	1	Domestic competition subindex	8.26	1
Employer firm births per capita	8.34	1			
Employer firm terminations per capita	7.87	1			
Environmental policy subindex	6.22	1	Environmental policy subindex	6.22	1
Electricity prices, \$ per mbtu	6.30	3			
Toxic release, pounds per capita	5.39	10			

WEST VIRGINIA

Index

3.11

Overall Rank

49

BHI

Ranking 49th according to the overall index, West Virginia ranks last in the proportion of high school graduates, the labor-force participation rate and the human resources subindex. It ranks 49th for attracting high-tech companies. Bright spots are a low crime rate, low housing costs and low electricity rates.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	2.76	49	Government and fiscal policy subindex	2.76	49
			Taxes as a % of current GSP	3.62	46
			Workers' compensation collections per employee	1.25	50
			Bond rating: S&P's/Moody's composite	3.99	41
Institutions and security subindex	4.13	41	Institutions and security subindex	4.13	41
Crime index, per 100,000 inhabitants	6.42	4	Crime index change 1998-1999, %	1.60	50
Infrastructure subindex	4.26	39	Infrastructure subindex	4.26	39
Average rental cost, 2-bedroom apartment	6.55	1	% of households with computers	3.69	46
			% of households with installed phones	4.78	34
			% of households with internet access	3.91	45
			Air passengers per capita	4.16	49
Human resources subindex	2.88	50	Human resources subindex	2.88	50
			% of population without health insurance	4.38	38
			% of population that graduated from high school	2.88	50
			Unemployment rate	3.32	47
			% of pop. enrolled in degree-granting institutions	4.28	37
			% of adults in the labor force	3.02	50
			% of population born abroad	3.93	50
			Infant mortality rate, deaths per 1000 live births	4.55	34
			Nonfederal physicians per capita	4.60	32
Technology subindex	3.87	46	Technology subindex	3.87	46
			R&D: NSF funds per capita	4.27	37
			NIH support to institutions, per capita	4.10	48
			New patents issued per capita	3.99	46
			Science and engineering degrees awarded per capita	4.02	43
			Scientists and engineers in the labor force	3.81	45
			High tech companies as a % of companies	3.89	49
Finance subindex	4.52	37	Finance subindex	4.52	37
			Venture capital per capita	4.54	38
Openness subindex	4.51	35	Openness subindex	4.51	35
Incoming FDI per capita	5.02	12	Exports per capita	4.27	41
Domestic competition subindex	4.35	35	Domestic competition subindex	4.35	35
			Employer firm births per capita	4.18	40
			Employer firm terminations per capita	4.57	31
Environmental policy subindex	5.66	14	Environmental policy subindex	5.66	14
Electricity prices, \$ per mbtu	5.86	6	Toxic release, pounds per capita	5.05	43

Indicators Index

Low electricity rates and pollution bring Wisconsin to 6th in environmental policy. It also has competitive advantages in the government and human resources subindexes. Interestingly, while this state awards a large number of science and engineering degrees, it has problems keeping these degree recipients in the state.

Competitive Advantages

Competitive Disadvantages

Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	5.57	14	Government and fiscal policy subindex	5.57	14
Workers' compensation collections per employee	5.54	12	Taxes as a % of current GSP	3.49	48
Budget deficit as a % of GSP	7.25	3			
Average benefit per first payment for unemployed	5.45	20			
Institutions and security subindex	5.76	11	Institutions and security subindex	5.76	11
Crime index, per 100,000 inhabitants	5.84	13			
Murder index, per 100,000 inhabitants	5.67	17			
Infrastructure subindex	5.18	24	Infrastructure subindex	5.18	24
Travel time to work	5.65	11	Air passengers per capita	4.40	37
Average rental cost, 2-bedroom apartment	5.50	20			
Human resources subindex	5.53	15	Human resources subindex	5.53	15
% of population without health insurance	5.80	11	% of labor force represented by unions	4.15	40
% of population that graduated from high school	5.31	20	% of population born abroad	4.48	30
Unemployment rate	5.43	15			
% of pop. enrolled in degree-granting institutions	5.57	16			
% of adults in the labor force	6.56	5			
Technology subindex	4.81	25	Technology subindex	4.81	25
NIH support to institutions, per capita	5.10	16	Scientists and engineers in the labor force	3.82	44
New patents issued per capita	5.37	15			
Science and engineering grad. students per capita	5.13	20			
Science and engineering degrees awarded per capita	5.05	19			
Finance subindex	4.74	24	Finance subindex	4.74	24
Bank deposits per capita	5.01	18			
Openness subindex	4.65	31	Openness subindex	4.65	31
			Incoming FDI per capita	4.60	44
Domestic competition subindex	4.32	37	Domestic competition subindex	4.32	37
			Employer firm births per capita	4.39	32
			Employer firm terminations per capita	4.31	37
Environmental policy subindex	5.80	6	Environmental policy subindex	5.80	6
Electricity prices, \$ per mbtu	5.77	9			
Toxic release, pounds per capita	5.35	17			

WYOMING

Index

Overall Rank

6.68

3

Wyoming comes in with a strong showing in the government, security, infrastructure, human resources, domestic competition, openness, finance and environmental policy subindexes. Weaknesses are in high tech, export promotion and pollution.

Competitive Advantages			Competitive Disadvantages		
Subindex/Variable	Index	Rank	Subindex/Variable	Index	Rank
Government and fiscal policy subindex	6.64	2	Government and fiscal policy subindex	6.64	2
Taxes as a % of current GSP	5.91	9	Workers' compensation collections per employee	5.10	36
Budget deficit as a % of GSP	8.00	1			
Average benefit per first payment for unemployed	5.58	15			
Institutions and security subindex	6.20	7	Institutions and security subindex	6.20	7
Crime index, per 100,000 inhabitants	5.68	17			
Crime index change 1998-1999, %	5.55	18			
Murder index, per 100,000 inhabitants	6.12	8			
Infrastructure subindex	6.13	5	Infrastructure subindex	6.13	5
% of households with computers	6.00	9	Air passengers per capita	4.35	43
% of households with internet access	5.41	14			
Travel time to work	6.58	4			
Average rental cost, 2-bedroom apartment	5.75	16			
Human resources subindex	5.32	20	Human resources subindex	5.32	20
% of population that graduated from high school	6.14	7	% of population without health insurance	4.61	33
% of labor force represented by unions	5.69	16	% of population born abroad	4.13	45
% of pop. enrolled in degree-granting institutions	5.89	12	Nonfederal physicians per capita	3.94	46
% of adults in the labor force	5.83	13			
Technology subindex	4.46	34	Technology subindex	4.46	34
Science and engineering grad. students per capita	5.30	17	R&D: NSF funds per capita	4.12	44
Science and engineering degrees awarded per capita	5.81	10	NIH support to institutions, per capita	4.19	44
			New patents issued per capita	4.29	39
			Scientists and engineers in the labor force	4.40	36
			High tech companies as a % of companies	3.98	45
Finance subindex	4.87	18	Finance subindex	4.87	18
Bank deposits per capita	5.26	9	Venture capital per capita	4.54	38
Openness subindex	5.41	10	Openness subindex	5.41	10
Incoming FDI per capita	6.35	2	Exports per capita	4.19	42
Domestic competition subindex	7.18	2	Domestic competition subindex	7.18	2
Employer firm births per capita	6.43	5			
Employer firm terminations per capita	7.73	2			
Environmental policy subindex	5.95	5	Environmental policy subindex	5.95	5
Electricity prices, \$ per mbtu	6.17	4	Toxic release, pounds per capita	5.15	42



Data Charts



Real GDP, \$ per capita, 1999

Rank	State	\$
1	Delaware	44,410
2	Connecticut	41,144
3	Georgia	38,648
4	Nevada	38,538
5	Minnesota	38,412
6	Colorado	38,206
7	Wyoming	38,015
8	Massachusetts	37,594
9	Texas	37,432
10	Alaska	37,315
11	Virginia	36,826
12	Illinois	36,746
13	North Carolina	36,699
14	New York	36,601
15	California	36,427
16	Washington	35,745
17	New York	35,682
18	Nebraska	34,318
19	Maryland	34,227
20	New Hampshire	34,064
21	Oregon	33,927
22	Missouri	33,484
23	Tennessee	33,388
24	Wisconsin	33,202
25	Michigan	33,041
26	Ohio	32,847
27	Kansas	32,648
28	South Dakota	31,966
29	Indiana	31,837
30	Iowa	31,739
31	Louisiana	31,716
32	Kentucky	31,294
33	Florida	30,982
34	Pennsylvania	30,381
35	New Mexico	30,142
36	Arizona	30,100
37	South Carolina	29,811
38	Rhode Island	29,619
39	Utah	29,470
40	North Dakota	28,739
41	Idaho	28,644
42	Alabama	28,376
43	Arkansas	27,960
44	Vermont	27,904
45	Oklahoma	27,870
46	Hawaii	26,733
47	Maine	25,915
48	Mississippi	25,771
49	West Virginia	24,852
50	Montana	24,555

Source: Bureau of Economic Analysis, adjusted for cost of living index published by the Taubman Center at Harvard University.

Real personal income, \$ per capita, 2000

Rank	State	\$
1	Connecticut	36,392
2	Maryland	34,147
3	Minnesota	33,936
4	Massachusetts	33,386
5	Colorado	32,894
6	New Jersey	32,590
7	Virginia	32,563
8	Illinois	31,905
9	California	31,750
10	Michigan	30,780
11	Washington	30,742
12	New Hampshire	30,644
13	Georgia	30,497
14	New York	30,492
15	Texas	30,405
16	Delaware	30,107
17	Nevada	29,786
18	Florida	29,566
19	Nebraska	29,481
20	Wisconsin	29,453
21	Kansas	29,434
22	North Carolina	29,273
23	Missouri	29,263
24	Wyoming	28,727
25	Ohio	28,545
26	Oregon	28,478
27	South Dakota	28,216
28	Iowa	28,215
29	Pennsylvania	28,123
30	Tennessee	27,955
31	Indiana	27,931
32	North Dakota	26,562
33	Kentucky	26,320
34	Rhode Island	26,320
35	Alaska	26,041
36	South Carolina	26,035
37	Vermont	26,018
38	Oklahoma	25,606
39	Alabama	25,338
40	Arizona	25,194
41	Idaho	25,049
42	Louisiana	24,809
43	Arkansas	24,241
44	Maine	24,235
45	West Virginia	24,030
46	Montana	23,745
47	Utah	23,544
48	Mississippi	23,202
49	New Mexico	22,584
50	Hawaii	21,594

Source: Bureau of Economic Analysis, adjusted for cost of living index published by the Taubman Center at Harvard University.

State and local tax revenue as % of current GSP, 1999

Rank	State	%
1	Alaska	7.04
2	Tennessee	7.26
3	Delaware	7.29
4	New Hampshire	7.54
5	Texas	7.63
6	South Dakota	7.91
7	Alabama	8.05
8	Nevada	8.23
9	Wyoming	8.24
10	Oregon	8.24
11	Louisiana	8.41
12	Georgia	8.42
13	Missouri	8.56
14	North Carolina	8.57
15	Virginia	8.58
16	Colorado	8.59
17	Indiana	8.85
18	Illinois	8.94
19	Nebraska	8.94
20	South Carolina	8.96
21	Kentucky	9.07
22	New Mexico	9.08
23	Arizona	9.17
24	Iowa	9.23
25	Massachusetts	9.24
26	Utah	9.27
27	Ohio	9.31
28	California	9.33
29	Oklahoma	9.36
30	Washington	9.44
31	Kansas	9.50
32	Pennsylvania	9.64
33	Florida	9.66
34	Idaho	9.73
35	North Dakota	9.80
36	Arkansas	9.86
37	Hawaii	9.88
38	Mississippi	9.91
39	New Jersey	9.98
40	Maryland	10.08
41	Michigan	10.26
42	Montana	10.27
43	Connecticut	10.40
44	Rhode Island	10.49
45	Minnesota	10.58
46	West Virginia	10.85
47	Vermont	10.99
48	Wisconsin	11.00
49	New York	11.56
50	Maine	12.70

Source: Calculated based on data from Census of Governments and Bureau of Economic Analysis.

Workers' compensation collections, \$ per employee, 1999

Rank	State	\$
1	Alabama	0.00
2	Colorado	0.00
3	Georgia	0.00
4	Hawaii	0.00
5	Indiana	0.00
6	Mississippi	0.00
7	New Mexico	0.00
8	North Carolina	0.00
9	Tennessee	0.00
10	Vermont	0.00
11	Nebraska	0.07
12	Wisconsin	0.16
13	Texas	0.36
14	Florida	0.37
15	Virginia	0.72
16	Iowa	0.99
17	Illinois	1.50
18	Michigan	5.55
19	Kansas	6.12
20	South Dakota	8.62
21	Alaska	9.67
22	Maine	11.20
23	Missouri	12.24
24	Delaware	12.40
25	Massachusetts	15.78
26	Louisiana	20.65
27	Arkansas	21.95
28	Rhode Island	24.29
29	New Hampshire	29.83
30	New Jersey	30.02
31	South Carolina	34.71
32	Pennsylvania	35.07
33	Minnesota	40.37
34	Connecticut	53.47
35	Maryland	60.55
36	Wyoming	85.45
37	Oklahoma	101.75
38	California	107.29
39	Kentucky	115.14
40	Utah	152.78
41	Arizona	163.92
42	Montana	179.12
43	Idaho	203.11
44	New York	211.95
45	Oregon	384.56
46	North Dakota	443.02
47	Washington	507.58
48	Nevada	621.98
49	Ohio	698.03
50	West Virginia	833.00

Source: Calculated based on data from Census of Governments and Bureau of Labor Statistics.

BHI

Indicators Index Data

Bond rating: Composite of S&P's and Moody's, 1999

Rank	State	Index
1	Georgia	25.0
2	Maryland	25.0
3	Minnesota	25.0
4	Missouri	25.0
5	North Carolina	25.0
6	South Carolina	25.0
7	Tennessee	25.0
8	Utah	25.0
9	Virginia	25.0
10	Delaware	24.5
11	Colorado	24.0
12	Indiana	24.0
13	Iowa	24.0
14	Kansas	24.0
15	Michigan	24.0
16	Nebraska	24.0
17	New Jersey	24.0
18	New Mexico	24.0
19	Ohio	24.0
20	Washington	24.0
21	Florida	23.5
22	Maine	23.5
23	New Hampshire	23.5
24	Texas	23.5
25	Vermont	23.5
26	Alaska	23.0
27	Arizona	23.0
28	Illinois	23.0
29	Kentucky	23.0
30	Nevada	23.0
31	Oregon	23.0
32	Wisconsin	23.0
33	Wyoming	23.0
34	Alabama	22.5
35	Arkansas	22.5
36	Connecticut	22.5
37	Massachusetts	22.5
38	Mississippi	22.5
39	Oklahoma	22.5
40	Pennsylvania	22.5
41	California	22.0
42	Idaho	22.0
43	Montana	22.0
44	North Dakota	22.0
45	Rhode Island	22.0
46	South Dakota	22.0
47	West Virginia	22.0
48	Hawaii	21.0
49	New York	20.5
50	Louisiana	19.5

Source: Calculated based on data from Statistical Abstract of the United States. Bond ratings were scaled from 1 to 25.

Budget surplus as a % of GSP, 1999

Rank	State	%
1	Wyoming	5.34
2	Alaska	4.56
3	Wisconsin	4.50
4	Maine	3.53
5	Rhode Island	3.50
6	Arkansas	3.43
7	Ohio	3.35
8	South Dakota	3.21
9	Michigan	3.09
10	Minnesota	2.93
11	North Carolina	2.91
12	Texas	2.66
13	Vermont	2.51
14	New Jersey	2.48
15	Kentucky	2.18
16	California	2.18
17	Idaho	2.15
18	Oklahoma	2.12
19	Missouri	2.06
20	Georgia	2.04
21	Maryland	2.02
22	Montana	1.99
23	Virginia	1.94
24	West Virginia	1.94
25	Washington	1.91
26	Delaware	1.88
27	Nebraska	1.86
28	Florida	1.86
29	North Dakota	1.81
30	New York	1.60
31	Utah	1.56
32	Louisiana	1.51
33	New Hampshire	1.37
34	Iowa	1.36
35	Nevada	1.36
36	Colorado	1.35
37	New Mexico	1.34
38	Arizona	1.24
39	Mississippi	1.10
40	Oregon	1.09
41	Connecticut	1.07
42	Pennsylvania	1.06
43	Illinois	1.02
44	Kansas	1.01
45	Hawaii	0.77
46	Indiana	0.77
47	South Carolina	0.48
48	Tennessee	0.45
49	Alabama	0.22
50	Massachusetts	0.18

Source: Calculated based on data from Census of Governments and Bureau of Economic Analysis.

Real average dollar benefit per first payment for unemployed, 2000

Rank	State	\$
1	Alabama	1,679
2	New Hampshire	1,774
3	South Dakota	1,921
4	Georgia	1,950
5	Virginia	2,048
6	Nebraska	2,092
7	South Carolina	2,157
8	North Carolina	2,202
9	Tennessee	2,226
10	Arizona	2,243
11	Mississippi	2,290
12	Montana	2,307
13	Delaware	2,376
14	Idaho	2,405
15	Wyoming	2,407
16	Indiana	2,410
17	Utah	2,413
18	Alaska	2,414
19	California	2,436
20	Wisconsin	2,485
21	Vermont	2,493
22	Missouri	2,546
23	Arkansas	2,589
24	Maine	2,605
25	West Virginia	2,625
26	Kentucky	2,702
27	Michigan	2,740
28	Iowa	2,754
29	New Mexico	2,789
30	Louisiana	2,801
31	Connecticut	2,834
32	Maryland	2,853
33	Oklahoma	2,948
34	Ohio	2,958
35	Oregon	2,972
36	Nevada	3,001
37	Colorado	3,044
38	Florida	3,053
39	Rhode Island	3,124
40	North Dakota	3,128
41	Hawaii	3,240
42	New York	3,379
43	Kansas	3,470
44	Texas	3,476
45	Pennsylvania	3,608
46	Illinois	3,963
47	Minnesota	3,977
48	New Jersey	4,111
49	Massachusetts	4,144
50	Washington	4,246

Source: Calculated based on data from Employment and Training Administration, adjusted for cost of living index published by the Taubman Center at Harvard University.

Crime index per 100,000 inhabitants, 1999

Rank	State	#
1	New Hampshire	2,282
2	North Dakota	2,393
3	South Dakota	2,645
4	West Virginia	2,721
5	Vermont	2,817
6	Maine	2,875
7	Kentucky	2,878
8	Pennsylvania	3,114
9	Idaho	3,149
10	Iowa	3,224
11	Massachusetts	3,263
12	New York	3,279
13	Wisconsin	3,296
14	Virginia	3,374
15	Connecticut	3,389
16	New Jersey	3,400
17	Wyoming	3,455
18	Rhode Island	3,582
19	Minnesota	3,597
20	Indiana	3,766
21	California	3,805
22	Ohio	3,996
23	Arkansas	4,043
24	Colorado	4,063
25	Montana	4,070
26	Nebraska	4,108
27	Mississippi	4,270
28	Michigan	4,325
29	Alaska	4,363
30	Alabama	4,412
31	Kansas	4,439
32	Illinois	4,507
33	Missouri	4,579
34	Nevada	4,654
35	Oklahoma	4,684
36	Tennessee	4,694
37	Delaware	4,835
38	Hawaii	4,837
39	Maryland	4,919
40	Utah	4,976
41	Oregon	5,002
42	Texas	5,032
43	Georgia	5,149
44	North Carolina	5,175
45	Washington	5,256
46	South Carolina	5,324
47	Louisiana	5,747
48	Arizona	5,897
49	New Mexico	5,962
50	Florida	6,206

Source: Federal Bureau of Investigation.

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Indicators Index Data

**Crime Index change,
1998-1999, %**

Rank	State	%
1	Idaho	-15.22
2	California	-12.38
3	Nevada	-11.87
4	Oregon	-11.42
5	New Mexico	-11.27
6	Minnesota	-11.10
7	North Dakota	-10.74
8	Connecticut	-10.49
9	Washington	-10.43
10	Arizona	-10.32
11	Vermont	-10.25
12	Florida	-9.88
13	Delaware	-9.85
14	Indiana	-9.68
15	Utah	-9.62
16	Colorado	-9.45
17	Hawaii	-9.29
18	Wyoming	-9.27
19	Alaska	-8.66
20	Kansas	-8.65
21	New York	-8.61
22	Maryland	-8.32
23	Iowa	-7.90
24	South Carolina	-7.83
25	Virginia	-7.83
26	Ohio	-7.65
27	Michigan	-7.65
28	Illinois	-7.51
29	Wisconsin	-6.96
30	New Jersey	-6.95
31	Tennessee	-6.76
32	Nebraska	-6.74
33	Oklahoma	-6.39
34	Louisiana	-5.76
35	Georgia	-5.76
36	New Hampshire	-5.70
37	Arkansas	-5.62
38	Maine	-5.45
39	Missouri	-5.13
40	Massachusetts	-5.05
41	Pennsylvania	-4.87
42	Alabama	-4.02
43	North Carolina	-2.76
44	Mississippi	-2.60
45	Texas	-1.56
46	Kentucky	-0.39
47	Montana	-0.02
48	South Dakota	0.79
49	Rhode Island	1.82
50	West Virginia	6.81

Source: Calculated based on data from Federal Bureau of Investigation.

**Murder Index per
100,000 inhabitants 1999**

Rank	State	#
1	New Hampshire	1.50
2	Iowa	1.50
3	North Dakota	1.58
4	Massachusetts	1.98
5	Idaho	2.00
6	Utah	2.07
7	Maine	2.15
8	Wyoming	2.29
9	South Dakota	2.46
10	Montana	2.60
11	Oregon	2.65
12	Minnesota	2.81
13	Vermont	2.86
14	Washington	2.97
15	Delaware	3.18
16	Connecticut	3.26
17	Wisconsin	3.41
18	New Jersey	3.52
19	Ohio	3.53
20	Nebraska	3.60
21	Rhode Island	3.63
22	Hawaii	3.71
23	West Virginia	4.37
24	Colorado	4.56
25	Pennsylvania	4.94
26	New York	4.96
27	Kentucky	5.35
28	Arkansas	5.61
29	Florida	5.68
30	Virginia	5.70
31	Kansas	6.03
32	California	6.05
33	Texas	6.07
34	Missouri	6.57
35	Indiana	6.58
36	South Carolina	6.64
37	Oklahoma	6.88
38	Michigan	7.05
39	Tennessee	7.13
40	North Carolina	7.21
41	Georgia	7.49
42	Mississippi	7.69
43	Illinois	7.73
44	Alabama	7.89
45	Arizona	8.04
46	Alaska	8.56
47	Maryland	8.99
48	Nevada	9.12
49	New Mexico	9.77
50	Louisiana	10.70

Source: Federal Bureau of Investigation.

% of households with computers, 2000

Rank	State	%
1	Utah	66.1
2	Alaska	64.8
3	New Hampshire	63.7
4	Colorado	62.6
5	Oregon	61.1
6	Washington	60.7
7	Connecticut	60.4
8	Delaware	58.6
9	Wyoming	58.2
10	Minnesota	57.0
11	California	56.6
12	Kansas	55.8
13	Maine	54.7
14	Idaho	54.5
15	New Jersey	54.3
16	Virginia	53.9
17	Maryland	53.7
18	Vermont	53.7
19	Iowa	53.6
20	Arizona	53.5
21	Massachusetts	53.0
22	Missouri	52.6
23	Hawaii	52.4
24	Michigan	51.5
25	Montana	51.5
26	Wisconsin	50.9
27	South Dakota	50.4
28	Illinois	50.2
29	Florida	50.1
30	Ohio	49.5
31	Indiana	48.8
32	Nevada	48.8
33	New York	48.7
34	Nebraska	48.5
35	Pennsylvania	48.4
36	Rhode Island	47.9
37	Texas	47.9
38	New Mexico	47.6
39	North Dakota	47.5
40	Georgia	47.1
41	Kentucky	46.2
42	Tennessee	45.7
43	North Carolina	45.3
44	Alabama	44.2
45	South Carolina	43.3
46	West Virginia	42.8
47	Oklahoma	41.5
48	Louisiana	41.2
49	Arkansas	37.3
50	Mississippi	37.2

Source: National Telecommunications and Information Administration.

% of households with installed phones, 2000

Rank	State	%
1	Maine	97.87
2	New Hampshire	97.67
3	Minnesota	97.43
4	Nebraska	97.33
5	Pennsylvania	96.60
6	Connecticut	96.43
7	Colorado	96.27
8	Delaware	96.27
9	Iowa	96.20
10	Utah	95.93
11	California	95.83
12	North Dakota	95.80
13	Missouri	95.77
14	Vermont	95.57
15	Tennessee	95.50
16	Virginia	95.37
17	New York	95.07
18	Maryland	95.03
19	Michigan	94.97
20	Rhode Island	94.90
21	Washington	94.90
22	Ohio	94.83
23	Kansas	94.80
24	Oregon	94.80
25	Wisconsin	94.80
26	Hawaii	94.73
27	Wyoming	94.73
28	Massachusetts	94.60
29	Montana	94.60
30	New Jersey	94.60
31	Indiana	94.47
32	South Dakota	94.33
33	Alaska	94.30
34	West Virginia	94.00
35	Nevada	93.97
36	Arizona	93.93
37	Idaho	93.93
38	North Carolina	93.90
39	Texas	93.53
40	Kentucky	93.33
41	South Carolina	93.17
42	Louisiana	92.60
43	Florida	92.10
44	Alabama	91.87
45	Illinois	91.53
46	New Mexico	91.20
47	Oklahoma	91.17
48	Georgia	91.10
49	Mississippi	89.20
50	Arkansas	88.60

Source: Federal Communications Commission.

BHI

Indicators Index Data

% of households with Internet access, 2000

Rank	State	%
1	New Hampshire	56.0
2	Alaska	55.6
3	Colorado	51.8
4	Connecticut	51.2
5	Oregon	50.8
6	Delaware	50.7
7	Washington	49.7
8	Utah	48.4
9	New Jersey	47.8
10	California	46.7
11	Vermont	46.7
12	Massachusetts	45.5
13	Virginia	44.3
14	Wyoming	44.1
15	Kansas	43.9
16	Maryland	43.8
17	Florida	43.2
18	Hawaii	43.0
19	Minnesota	43.0
20	Maine	42.6
21	Arizona	42.5
22	Missouri	42.5
23	Idaho	42.3
24	Michigan	42.1
25	Nevada	41.0
26	Ohio	40.7
27	Montana	40.6
28	Wisconsin	40.6
29	Illinois	40.1
30	Pennsylvania	40.1
31	New York	39.8
32	Indiana	39.4
33	Iowa	39.0
34	Rhode Island	38.8
35	Georgia	38.3
36	Texas	38.3
37	South Dakota	37.9
38	North Dakota	37.7
39	Nebraska	37.0
40	Kentucky	36.6
41	Tennessee	36.3
42	New Mexico	35.7
43	Alabama	35.5
44	North Carolina	35.3
45	Oklahoma	34.3
46	West Virginia	34.3
47	South Carolina	32.0
48	Louisiana	30.2
49	Arkansas	26.5
50	Mississippi	26.3

Source: National Telecommunications and Information Administration.

Air passengers per capita, 1999

Rank	State	#
1	Hawaii	14.79
2	Nevada	10.70
3	Alaska	7.92
4	Georgia	5.06
5	Colorado	4.97
6	Utah	4.47
7	Arizona	4.06
8	Missouri	3.89
9	Florida	3.76
10	Illinois	3.41
11	Minnesota	3.37
12	Kentucky	3.37
13	Texas	3.14
14	Virginia	2.94
15	Washington	2.74
16	Rhode Island	2.60
17	California	2.55
18	Oregon	2.28
19	North Carolina	2.27
20	Massachusetts	2.24
21	New Jersey	2.15
22	Michigan	2.01
23	Tennessee	1.98
24	Pennsylvania	1.92
25	New York	1.91
26	New Mexico	1.88
27	Maryland	1.70
28	Idaho	1.41
29	Montana	1.39
30	Louisiana	1.38
31	Nebraska	1.30
32	New Hampshire	1.18
33	Oklahoma	1.05
34	Ohio	1.00
35	Connecticut	0.98
36	Maine	0.88
37	Wisconsin	0.87
38	North Dakota	0.84
39	South Dakota	0.84
40	Indiana	0.82
41	South Carolina	0.74
42	Vermont	0.74
43	Wyoming	0.73
44	Arkansas	0.70
45	Alabama	0.62
46	Iowa	0.55
47	Mississippi	0.43
48	Kansas	0.26
49	West Virginia	0.23
50	Delaware	0.06

Source: Calculated based on data from Federal Aviation Administration and Census Bureau.

Average travel time to work, minutes per day, 1990

Rank	State	mins
1	North Dakota	13.0
2	South Dakota	13.8
3	Montana	14.8
4	Wyoming	15.4
5	Nebraska	15.8
6	Iowa	16.2
7	Alaska	16.7
8	Kansas	17.2
9	Idaho	17.3
10	Vermont	18.0
11	Wisconsin	18.3
12	Utah	18.9
13	Arkansas	19.0
14	Maine	19.0
15	Minnesota	19.1
16	New Mexico	19.1
17	Rhode Island	19.2
18	Oklahoma	19.3
19	Oregon	19.6
20	Nevada	19.8
21	North Carolina	19.8
22	Delaware	20.0
23	Indiana	20.4
24	South Carolina	20.5
25	Mississippi	20.6
26	Colorado	20.7
27	Kentucky	20.7
28	Ohio	20.7
29	West Virginia	21.0
30	Connecticut	21.1
31	Alabama	21.2
32	Michigan	21.2
33	Tennessee	21.5
34	Arizona	21.6
35	Missouri	21.6
36	Pennsylvania	21.6
37	Florida	21.8
38	New Hampshire	21.9
39	Washington	22.0
40	Texas	22.2
41	Louisiana	22.3
42	Georgia	22.7
43	Massachusetts	22.7
44	Hawaii	23.8
45	Virginia	24.0
46	California	24.6
47	Illinois	25.1
48	New Jersey	25.3
49	Maryland	27.0
50	New York	28.6

Source: Census Bureau.

Average rental cost, 2-bedroom apartment, \$/month

Rank	State	\$
1	West Virginia	465.55
2	Louisiana	489.28
3	Alabama	491.64
4	Arkansas	493.23
5	Kentucky	511.17
6	Montana	518.25
7	Iowa	526.05
8	Idaho	528.61
9	Mississippi	534.49
10	South Carolina	538.34
11	Tennessee	542.24
12	Oklahoma	543.77
13	Kansas	552.91
14	North Dakota	554.66
15	Indiana	561.12
16	Wyoming	561.42
17	Missouri	566.72
18	Nebraska	579.04
19	Ohio	587.05
20	Wisconsin	591.29
21	South Dakota	600.05
22	North Carolina	614.80
23	Virginia	615.82
24	New Mexico	616.17
25	Rhode Island	628.00
26	Maine	653.72
27	Maryland	656.80
28	Texas	657.53
29	Michigan	664.37
30	Pennsylvania	664.76
31	Arizona	666.21
32	Utah	670.78
33	Florida	679.71
34	Delaware	688.72
35	Oregon	691.37
36	Minnesota	706.96
37	Washington	723.65
38	Georgia	744.71
39	Nevada	752.49
40	Colorado	765.47
41	New Hampshire	775.23
42	Vermont	788.00
43	Alaska	794.00
44	Illinois	803.95
45	Connecticut	822.05
46	Hawaii	839.00
47	Massachusetts	860.87
48	California	879.71
49	New York	887.34
50	New Jersey	927.18

Source: Calculated based on data from Department of Housing and Urban Development and Census Bureau.

% of population without health insurance, 1999

Rank	State	%
1	Rhode Island	6.9
2	Minnesota	8.0
3	Iowa	8.3
4	Missouri	8.6
5	Pennsylvania	9.4
6	Connecticut	9.8
7	New Hampshire	10.2
8	Massachusetts	10.5
9	Indiana	10.8
10	Nebraska	10.8
11	Ohio	11.0
12	Wisconsin	11.0
13	Hawaii	11.1
14	Michigan	11.2
15	Delaware	11.4
16	Tennessee	11.5
17	Maryland	11.8
18	North Dakota	11.8
19	South Dakota	11.8
20	Maine	11.9
21	Kansas	12.1
22	Vermont	12.3
23	New Jersey	13.4
24	Illinois	14.1
25	Virginia	14.1
26	Utah	14.2
27	Alabama	14.3
28	Kentucky	14.5
29	Oregon	14.6
30	Arkansas	14.7
31	North Carolina	15.4
32	Washington	15.8
33	Georgia	16.1
34	Wyoming	16.1
35	New York	16.4
36	Mississippi	16.6
37	Colorado	16.8
38	West Virginia	17.1
39	Oklahoma	17.5
40	South Carolina	17.6
41	Montana	18.6
42	Alaska	19.1
43	Idaho	19.1
44	Florida	19.2
45	California	20.3
46	Nevada	20.7
47	Arizona	21.2
48	Louisiana	22.5
49	Texas	23.3
50	New Mexico	25.8

Source: Census Bureau.

% of population aged 25 and over that graduated from high school, 2000

Rank	State	%
1	South Dakota	91.8
2	Washington	91.8
3	Minnesota	90.8
4	Utah	90.7
5	Alaska	90.4
6	Nebraska	90.4
7	Vermont	90.0
8	Wyoming	90.0
9	Colorado	89.7
10	Iowa	89.7
11	Montana	89.6
12	Maine	89.3
13	Connecticut	88.2
14	Kansas	88.1
15	New Hampshire	88.1
16	Oregon	88.1
17	Hawaii	87.4
18	New Jersey	87.3
19	Ohio	87.0
20	Wisconsin	86.7
21	Missouri	86.6
22	Virginia	86.6
23	Idaho	86.2
24	Michigan	86.2
25	Delaware	86.1
26	Oklahoma	86.1
27	Maryland	85.7
28	Pennsylvania	85.7
29	Illinois	85.5
30	North Dakota	85.5
31	Arizona	85.1
32	Massachusetts	85.1
33	Indiana	84.6
34	Florida	84.0
35	South Carolina	83.0
36	Nevada	82.8
37	Georgia	82.6
38	New York	82.5
39	New Mexico	82.2
40	Arkansas	81.7
41	Rhode Island	81.3
42	California	81.2
43	Louisiana	80.8
44	Mississippi	80.3
45	Tennessee	79.9
46	North Carolina	79.2
47	Texas	79.2
48	Kentucky	78.7
49	Alabama	77.5
50	West Virginia	77.1

Source: Census Bureau.

% of labor force represented by unions, 2000

Rank	State	%
1	North Carolina	4.4
2	South Carolina	5.1
3	Arkansas	6.7
4	South Dakota	6.7
5	Virginia	7.1
6	Arizona	7.3
7	Georgia	7.4
8	Texas	7.4
9	North Dakota	7.8
10	Ohio	7.8
11	Florida	8.7
12	Idaho	9.0
13	Louisiana	9.0
14	Utah	9.0
15	Mississippi	9.3
16	Colorado	10.0
17	Tennessee	10.0
18	Wyoming	10.0
19	New Mexico	10.1
20	Alabama	10.5
21	Nebraska	11.5
22	New Hampshire	11.6
23	Vermont	12.4
24	Kentucky	13.6
25	Missouri	14.2
26	Delaware	14.6
27	West Virginia	15.5
28	Massachusetts	15.7
29	Montana	15.7
30	Kansas	16.1
31	Maine	16.6
32	Maryland	16.7
33	Indiana	17.1
34	Iowa	17.1
35	Oklahoma	17.2
36	Oregon	17.2
37	Connecticut	17.4
38	California	17.7
39	Pennsylvania	18.0
40	Wisconsin	18.7
41	Minnesota	18.8
42	Nevada	18.8
43	Rhode Island	18.8
44	Illinois	19.5
45	Washington	19.9
46	Michigan	21.8
47	New Jersey	21.8
48	Alaska	24.8
49	Hawaii	26.0
50	New York	26.5

Source: Bureau of Labor Statistics.

Unemployment rate, 2000

Rank	State	%
1	Virginia	2.2
2	Connecticut	2.3
3	South Dakota	2.3
4	Iowa	2.6
5	Massachusetts	2.6
6	Colorado	2.7
7	New Hampshire	2.8
8	Vermont	2.9
9	Nebraska	3.0
10	North Dakota	3.0
11	Oklahoma	3.0
12	Indiana	3.2
13	Utah	3.2
14	Minnesota	3.3
15	Maine	3.5
16	Missouri	3.5
17	Wisconsin	3.5
18	Florida	3.6
19	Michigan	3.6
20	North Carolina	3.6
21	Georgia	3.7
22	Kansas	3.7
23	New Jersey	3.8
24	Arizona	3.9
25	Maryland	3.9
26	South Carolina	3.9
27	Tennessee	3.9
28	Wyoming	3.9
29	Delaware	4.0
30	Kentucky	4.1
31	Nevada	4.1
32	Ohio	4.1
33	Rhode Island	4.1
34	Oregon	4.2
35	Texas	4.2
36	Hawaii	4.3
37	Arkansas	4.4
38	Illinois	4.4
39	Alabama	4.6
40	New York	4.6
41	California	4.9
42	Idaho	4.9
43	Montana	4.9
44	New Mexico	4.9
45	Pennsylvania	4.9
46	Washington	5.2
47	Louisiana	5.5
48	West Virginia	5.5
49	Mississippi	5.7
50	Alaska	6.6

Source: Bureau of Labor Statistics.

BHI

Indicators Index Data

Number of students enrolled in degree-granting institutions, per 1000 inhabitants

Rank	State	/1000
1	Rhode Island	74.89
2	Utah	72.00
3	Massachusetts	67.64
4	Kansas	67.32
5	Nebraska	66.91
6	Colorado	64.81
7	Arizona	64.73
8	Iowa	63.59
9	New Mexico	62.88
10	Vermont	62.74
11	Delaware	62.17
12	Wyoming	61.88
13	North Dakota	61.84
14	Illinois	60.42
15	California	60.29
16	Wisconsin	59.24
17	Minnesota	59.03
18	Missouri	57.27
19	South Dakota	56.85
20	Michigan	56.72
21	New York	55.85
22	Virginia	54.52
23	Oklahoma	53.49
24	Washington	52.56
25	Oregon	52.15
26	Hawaii	51.81
27	Maryland	51.69
28	North Carolina	51.34
29	New Hampshire	51.26
30	Idaho	51.25
31	Indiana	50.71
32	Louisiana	50.68
33	Montana	50.20
34	Texas	49.83
35	Alabama	49.70
36	Pennsylvania	49.64
37	West Virginia	48.63
38	Ohio	48.25
39	Mississippi	48.14
40	Nevada	47.69
41	South Carolina	47.23
42	Connecticut	46.86
43	Tennessee	46.28
44	Kentucky	45.90
45	Maine	45.68
46	Alaska	44.95
47	Arkansas	44.82
48	Florida	44.36
49	New Jersey	40.26
50	Georgia	39.77

Source: Calculated based on data from Department of Education and Census Bureau.

% of adults in the labor force, 2000

Rank	State	%
1	South Dakota	90.42
2	Iowa	89.59
3	Minnesota	89.44
4	Nebraska	89.06
5	Wisconsin	88.79
6	North Dakota	88.47
7	New Hampshire	87.43
8	Kansas	86.88
9	Vermont	86.85
10	Maine	86.65
11	Montana	85.98
12	Missouri	85.96
13	Wyoming	85.44
14	Michigan	84.51
15	Connecticut	84.18
16	Delaware	84.04
17	Oregon	83.53
18	Maryland	83.47
19	Illinois	83.28
20	Ohio	83.04
21	Massachusetts	82.34
22	Indiana	82.03
23	Colorado	81.34
24	Idaho	81.20
25	Pennsylvania	81.20
26	Washington	80.96
27	California	80.53
28	Utah	80.38
29	Virginia	79.99
30	Alaska	79.73
31	New Jersey	79.64
32	Texas	79.49
33	Georgia	79.46
34	South Carolina	79.41
35	Rhode Island	79.35
36	Hawaii	78.85
37	Florida	78.32
38	Kentucky	78.05
39	North Carolina	78.03
40	Oklahoma	78.02
41	Alabama	77.84
42	Tennessee	77.71
43	Mississippi	77.25
44	Nevada	76.35
45	Arkansas	76.20
46	New York	75.96
47	Arizona	75.06
48	New Mexico	74.06
49	Louisiana	73.77
50	West Virginia	72.56

Source: Calculated based on data from Bureau of Labor Statistics and Census Bureau.

% of population born abroad, 2000

Rank	State	%
1	California	25.31
2	New York	19.79
3	New Jersey	17.40
4	Florida	16.62
5	Hawaii	16.40
6	Nevada	14.77
7	Texas	13.96
8	Arizona	13.13
9	Illinois	12.29
10	Massachusetts	12.03
11	Rhode Island	11.97
12	Washington	10.10
13	Maryland	10.01
14	Connecticut	9.75
15	Colorado	8.58
16	Virginia	8.02
17	New Mexico	7.44
18	Oregon	7.27
19	Utah	6.07
20	Delaware	5.46
21	North Carolina	5.33
22	Alaska	5.31
23	Minnesota	5.30
24	Michigan	5.22
25	Idaho	4.84
26	Georgia	4.64
27	Nebraska	4.46
28	New Hampshire	4.41
29	Pennsylvania	4.10
30	Wisconsin	4.00
31	Oklahoma	3.96
32	Tennessee	3.55
33	Vermont	3.43
34	South Carolina	3.27
35	Iowa	3.23
36	Missouri	3.16
37	Kansas	3.05
38	Maine	3.03
39	Ohio	2.95
40	Arkansas	2.26
41	Louisiana	2.24
42	Alabama	2.21
43	Kentucky	2.14
44	North Dakota	2.03
45	Wyoming	2.02
46	South Dakota	1.79
47	Montana	1.59
48	Indiana	1.48
49	Mississippi	1.13
50	West Virginia	0.90

Source: Census Bureau.

Infant mortality rate, deaths per 1000 live births, 1998

Rank	State	/1000
1	New Hampshire	4.4
2	Massachusetts	5.1
3	Oregon	5.4
4	Utah	5.6
5	Washington	5.7
6	California	5.8
7	Alaska	5.9
8	Minnesota	5.9
9	Maine	6.3
10	New York	6.3
11	New Jersey	6.4
12	Texas	6.4
13	Iowa	6.6
14	Colorado	6.7
15	Hawaii	6.9
16	Connecticut	7.0
17	Kansas	7.0
18	Nevada	7.0
19	Rhode Island	7.0
20	Vermont	7.0
21	Pennsylvania	7.1
22	Florida	7.2
23	Idaho	7.2
24	New Mexico	7.2
25	Wisconsin	7.2
26	Wyoming	7.2
27	Nebraska	7.3
28	Montana	7.4
29	Arizona	7.5
30	Kentucky	7.5
31	Indiana	7.6
32	Missouri	7.7
33	Virginia	7.7
34	Ohio	8.0
35	West Virginia	8.0
36	Michigan	8.2
37	Tennessee	8.2
38	Georgia	8.4
39	Illinois	8.4
40	Oklahoma	8.5
41	Maryland	8.6
42	North Dakota	8.6
43	Arkansas	8.9
44	Louisiana	9.1
45	South Dakota	9.1
46	North Carolina	9.3
47	Delaware	9.6
48	South Carolina	9.6
49	Mississippi	10.1
50	Alabama	10.2

Source: Census Bureau.

BHI

Indicators Index Data

Nonfederal physicians, per 100,000 inhabitants, 1999

Rank	State	#
1	Massachusetts	454.43
2	New York	423.17
3	Maryland	413.02
4	Connecticut	396.71
5	Rhode Island	371.01
6	Vermont	361.77
7	New Jersey	326.72
8	Pennsylvania	321.19
9	Hawaii	306.37
10	Florida	290.08
11	Illinois	287.26
12	Minnesota	282.38
13	California	280.54
14	Colorado	274.03
15	New Hampshire	272.58
16	Washington	272.53
17	Louisiana	270.03
18	Tennessee	269.42
19	Virginia	269.23
20	Maine	267.83
21	Oregon	266.12
22	Delaware	263.42
23	North Carolina	261.88
24	Ohio	260.81
25	Wisconsin	256.21
26	Missouri	250.06
27	Michigan	248.90
28	Nebraska	246.75
29	North Dakota	246.19
30	New Mexico	243.18
31	Arizona	240.40
32	West Virginia	239.25
33	South Carolina	234.55
34	Kansas	232.51
35	Kentucky	231.95
36	Georgia	230.41
37	Montana	227.69
38	Utah	224.76
39	Texas	221.68
40	Indiana	218.75
41	Alabama	217.10
42	Arkansas	213.92
43	South Dakota	211.56
44	Iowa	199.83
45	Nevada	199.59
46	Wyoming	198.08
47	Oklahoma	187.16
48	Alaska	185.63
49	Mississippi	179.95
50	Idaho	178.96

Source: "State Rankings" series by Morgan Quitno Corp.

National Science Foundation grants, \$ per 1000 inhabitants, 1998

Rank	State	\$
1	Delaware	3,391.4
2	Massachusetts	2,167.1
3	New Mexico	1,742.5
4	Rhode Island	1,692.6
5	Maryland	1,550.6
6	Washington	1,470.6
7	New Jersey	1,396.0
8	Michigan	1,384.4
9	California	1,325.1
10	Colorado	1,125.5
11	New Hampshire	1,115.6
12	Connecticut	1,084.3
13	Idaho	900.2
14	Minnesota	799.4
15	New York	754.6
16	Pennsylvania	730.5
17	Illinois	728.1
18	Virginia	717.8
19	Utah	701.8
20	Ohio	619.2
21	North Carolina	596.0
22	Oregon	576.1
23	Kansas	572.0
24	Texas	537.5
25	Indiana	519.7
26	Arizona	485.0
27	Wisconsin	476.3
28	Tennessee	456.4
29	Alabama	440.8
30	Iowa	367.2
31	Missouri	341.6
32	Georgia	320.0
33	Florida	315.9
34	Nevada	315.3
35	Vermont	295.6
36	South Carolina	254.6
37	West Virginia	232.8
38	Montana	216.0
39	Hawaii	203.8
40	Nebraska	188.9
41	North Dakota	188.5
42	Kentucky	162.9
43	Oklahoma	152.7
44	Wyoming	136.2
45	Mississippi	132.4
46	Maine	127.1
47	Louisiana	124.1
48	Arkansas	111.0
49	South Dakota	81.5
50	Alaska	n/a

Source: Calculated based on data from National Science Foundation and Census Bureau.

National Institutes of Health support to institutions, \$ per capita, 2000

Rank	State	\$
1	Massachusetts	241.66
2	Maryland	164.00
3	Connecticut	94.60
4	Washington	89.99
5	Vermont	81.55
6	Pennsylvania	77.13
7	Rhode Island	75.69
8	New York	74.98
9	North Carolina	72.19
10	California	66.38
11	Missouri	65.58
12	Minnesota	57.22
13	Colorado	56.71
14	Oregon	54.39
15	Utah	51.19
16	Wisconsin	47.21
17	Iowa	46.58
18	New Hampshire	46.30
19	Alabama	45.54
20	Tennessee	40.32
21	Michigan	39.23
22	Ohio	39.11
23	Illinois	38.10
24	Texas	36.69
25	New Mexico	35.80
26	Maine	35.16
27	Virginia	30.08
28	Hawaii	29.12
29	Georgia	28.69
30	Nebraska	24.16
31	Indiana	23.22
32	New Jersey	22.05
33	Arizona	21.26
34	Kentucky	20.66
35	Kansas	19.79
36	Delaware	18.99
37	Louisiana	17.54
38	Montana	15.70
39	South Carolina	15.67
40	Arkansas	14.52
41	Florida	14.15
42	Oklahoma	12.88
43	South Dakota	10.57
44	Wyoming	9.62
45	Mississippi	8.80
46	North Dakota	8.38
47	Nevada	7.61
48	West Virginia	5.84
49	Alaska	5.71
50	Idaho	3.23

Source: Calculated based on data from National Institutes of Health and Census Bureau.

New patents issued, per 100,000 inhabitants, 2000

Rank	State	#
1	Idaho	52.94
2	Vermont	33.67
3	Minnesota	29.66
4	Connecticut	29.22
5	Massachusetts	29.15
6	California	27.26
7	New Jersey	24.47
8	Delaware	24.12
9	New Hampshire	23.55
10	Colorado	21.85
11	Oregon	20.34
12	Michigan	19.27
13	Rhode Island	18.60
14	New York	18.21
15	Wisconsin	17.92
16	Ohio	17.33
17	Illinois	17.15
18	Utah	16.30
19	Washington	16.12
20	Pennsylvania	15.75
21	Texas	15.32
22	Arizona	14.66
23	Maryland	13.29
24	Indiana	12.63
25	North Carolina	12.41
26	Iowa	10.08
27	New Mexico	9.40
28	Kansas	9.26
29	Florida	9.07
30	Nevada	8.81
31	Montana	8.76
32	Georgia	8.51
33	Oklahoma	8.38
34	Virginia	8.34
35	South Carolina	8.23
36	Missouri	8.20
37	Tennessee	8.14
38	Nebraska	7.83
39	Wyoming	7.49
40	South Dakota	7.02
41	North Dakota	6.38
42	Maine	6.35
43	Louisiana	6.20
44	Alaska	5.42
45	Kentucky	5.39
46	West Virginia	4.59
47	Alabama	4.54
48	Arkansas	4.04
49	Hawaii	3.55
50	Mississippi	3.48

Source: Calculated based on data from Patent and Trademark Office and Census Bureau.

Science and engineering graduate students, per 100,000 inhabitants, 1999

Rank	State	#
1	Massachusetts	390.53
2	Kansas	254.86
3	New York	251.67
4	Colorado	231.90
5	Connecticut	229.67
6	Maryland	219.97
7	Illinois	217.67
8	Delaware	214.46
9	New Mexico	211.23
10	Utah	210.20
11	Virginia	196.03
12	Rhode Island	195.60
13	North Dakota	195.37
14	Pennsylvania	186.77
15	California	186.56
16	Iowa	184.81
17	Wyoming	182.03
18	Michigan	176.99
19	Minnesota	175.16
20	Wisconsin	173.22
21	Ohio	172.66
22	Nebraska	169.56
23	Texas	164.48
24	North Carolina	163.84
25	Indiana	159.43
26	Louisiana	158.78
27	West Virginia	156.40
28	Arizona	153.74
29	Alabama	153.03
30	New Jersey	150.82
31	Hawaii	147.87
32	Montana	147.72
33	South Dakota	144.04
34	Missouri	143.65
35	Georgia	135.23
36	Idaho	131.74
37	New Hampshire	131.04
38	Oklahoma	130.22
39	Oregon	128.28
40	Tennessee	127.42
41	Florida	126.32
42	Kentucky	120.00
43	Washington	118.23
44	Alaska	116.71
45	Vermont	115.37
46	Mississippi	105.25
47	Arkansas	102.96
48	South Carolina	100.11
49	Nevada	83.63
50	Maine	56.18

Source: Calculated based on data from National Science Foundation (WebCASPAR Database) and Census Bureau.

Science and engineering degrees awarded, per 100,000 inhabitants, 1997

Rank	State	#
1	Vermont	370.84
2	Massachusetts	368.52
3	Utah	338.19
4	Rhode Island	317.34
5	Colorado	294.84
6	New Hampshire	289.54
7	South Dakota	285.15
8	Delaware	273.87
9	New York	264.49
10	Wyoming	259.77
11	Montana	254.92
12	Virginia	251.88
13	North Dakota	247.60
14	Maryland	239.10
15	Iowa	234.87
16	Pennsylvania	229.42
17	Kansas	227.30
18	Connecticut	218.85
19	Wisconsin	211.26
20	California	206.60
21	Nebraska	206.52
22	Indiana	206.51
23	Minnesota	206.28
24	Michigan	202.43
25	North Carolina	202.30
26	Missouri	200.72
27	Oklahoma	197.36
28	Oregon	196.07
29	Washington	194.05
30	Illinois	182.84
31	Ohio	182.07
32	Alabama	180.57
33	Hawaii	180.19
34	Maine	179.57
35	New Mexico	174.70
36	South Carolina	172.82
37	New Jersey	170.41
38	Idaho	168.34
39	Arizona	160.38
40	Louisiana	157.26
41	Texas	153.67
42	Tennessee	151.94
43	West Virginia	144.80
44	Georgia	144.32
45	Kentucky	135.83
46	Mississippi	131.85
47	Florida	120.33
48	Arkansas	116.09
49	Alaska	112.34
50	Nevada	75.56

Source: Calculated based on data from National Science Foundation (WebCASPAR Database) and Census Bureau.

% of scientists and engineers in the labor force, 1999

Rank	State	%
1	Massachusetts	19.14
2	Colorado	14.67
3	Vermont	14.08
4	North Carolina	13.31
5	Delaware	12.93
6	Maryland	12.63
7	Washington	12.40
8	New York	12.17
9	Connecticut	11.81
10	South Dakota	11.74
11	Maine	11.15
12	New Mexico	11.09
13	Minnesota	11.02
14	Nebraska	10.98
15	Kansas	10.79
16	Virginia	10.64
17	California	10.30
18	Oregon	10.24
19	New Jersey	9.15
20	Michigan	9.14
21	Missouri	9.10
22	Utah	8.73
23	New Hampshire	8.63
24	Rhode Island	8.54
25	Georgia	8.50
26	Oklahoma	8.47
27	Illinois	8.35
28	Texas	8.19
29	Arizona	8.15
30	Montana	7.78
31	Ohio	7.62
32	Pennsylvania	7.50
33	Indiana	7.39
34	South Carolina	7.22
35	Iowa	7.01
36	Wyoming	6.94
37	Alabama	6.73
38	Tennessee	6.71
39	North Dakota	6.56
40	Mississippi	6.44
41	Florida	5.86
42	Alaska	5.32
43	Hawaii	5.13
44	Wisconsin	5.12
45	West Virginia	5.09
46	Kentucky	5.04
47	Idaho	5.00
48	Louisiana	4.95
49	Nevada	3.91
50	Arkansas	3.29

Source: Calculated based on data from National Science Foundation (SESTAT Database) and Bureau of Labor Statistics.

High-tech companies as a % of companies, 2001

Rank	State	%
1	Massachusetts	2.27
2	Connecticut	1.88
3	New Hampshire	1.85
4	California	1.27
5	Rhode Island	1.23
6	Maine	1.05
7	Maryland	1.05
8	New Jersey	0.96
9	Pennsylvania	0.89
10	Minnesota	0.88
11	Utah	0.86
12	Vermont	0.84
13	Illinois	0.83
14	Oregon	0.80
15	Kansas	0.80
16	Colorado	0.77
17	Virginia	0.77
18	Arizona	0.74
19	New York	0.74
20	Texas	0.69
21	Kentucky	0.69
22	Washington	0.66
23	Ohio	0.65
24	Georgia	0.58
25	Wisconsin	0.57
26	Florida	0.55
27	Delaware	0.55
28	Michigan	0.54
29	Missouri	0.53
30	North Carolina	0.48
31	Nevada	0.48
32	Indiana	0.46
33	Oklahoma	0.44
34	New Mexico	0.41
35	Iowa	0.39
36	Tennessee	0.35
37	Alabama	0.32
38	Nebraska	0.31
39	South Carolina	0.30
40	South Dakota	0.29
41	Alaska	0.27
42	Idaho	0.24
43	North Dakota	0.22
44	Montana	0.19
45	Wyoming	0.19
46	Louisiana	0.17
47	Arkansas	0.16
48	Mississippi	0.15
49	West Virginia	0.15
50	Hawaii	0.15

Source: Calculated based on data from Texas Business and Industry Data Center (State Comparison Database).

BHI

Indicators Index Data

**Bank deposits, real \$ per capita, 2000
adjusted for cost of living**

Rank	State	\$
1	Delaware	75,845
2	New York	20,651
3	Illinois	19,252
4	New Hampshire	18,854
5	Massachusetts	18,654
6	South Dakota	18,558
7	Nebraska	17,185
8	Utah	17,144
9	Wyoming	17,052
10	North Dakota	17,008
11	New Jersey	16,284
12	Iowa	15,528
13	Kansas	15,351
14	Connecticut	15,241
15	North Carolina	15,235
16	Minnesota	15,229
17	Ohio	14,828
18	Wisconsin	14,716
19	Missouri	14,479
20	Florida	13,747
21	Pennsylvania	13,715
22	Tennessee	13,653
23	Arkansas	13,489
24	California	13,160
25	Kentucky	13,058
26	Virginia	12,982
27	Georgia	12,874
28	Alabama	12,772
29	West Virginia	12,517
30	Michigan	12,470
31	Rhode Island	12,444
32	Vermont	12,363
33	Maryland	12,270
34	Indiana	12,051
35	Oklahoma	11,725
36	Hawaii	11,621
37	Colorado	11,426
38	Texas	11,383
39	Mississippi	11,219
40	Louisiana	11,175
41	Montana	10,862
42	South Carolina	10,305
43	Maine	10,138
44	Washington	10,049
45	Nevada	9,173
46	Oregon	8,890
47	Idaho	8,631
48	Arizona	8,433
49	New Mexico	7,955
50	Alaska	6,498

Source: Calculated based on data from Federal Deposit Insurance Corporation and Census Bureau, adjusted for cost of living index.

Venture capital, \$ per capita, 1999

Rank	State	\$
1	Massachusetts	2,773.1
2	Connecticut	1,864.1
3	New York	1,342.1
4	California	1,308.9
5	Maryland	643.1
6	Colorado	489.9
7	Minnesota	484.5
8	Illinois	438.7
9	New Jersey	420.6
10	Virginia	275.7
11	Washington	204.1
12	Texas	194.6
13	Tennessee	178.1
14	Pennsylvania	172.0
15	Maine	159.2
16	Delaware	141.5
17	Ohio	140.5
18	North Carolina	116.3
19	Georgia	96.9
20	Nebraska	93.9
21	Louisiana	80.7
22	South Dakota	69.5
23	Utah	64.5
24	Florida	53.1
25	Michigan	50.6
26	Indiana	49.0
27	Iowa	42.2
28	Nevada	41.4
29	Wisconsin	38.1
30	Oklahoma	18.3
31	Missouri	14.0
32	Arizona	8.3
33	Arkansas	6.5
34	Kansas	5.8
35	Alabama	4.9
36	Mississippi	4.8
37	South Carolina	4.0
38	Alaska	n/a
39	Hawaii	0.0
40	Idaho	n/a
41	Kentucky	0.0
42	Montana	n/a
43	New Hampshire	0.0
44	New Mexico	0.0
45	North Dakota	n/a
46	Oregon	0.0
47	Rhode Island	0.0
48	Vermont	n/a
49	West Virginia	n/a
50	Wyoming	n/a

Source: Calculated based on data from Texas Business and Industry Data Center (State Comparison Database) and Census Bureau.

Exports, \$ per capita, 1999

Rank	State	\$
1	Vermont	6,775.7
2	Washington	6,380.9
3	Texas	4,140.8
4	Alaska	4,138.8
5	Louisiana	3,623.5
6	Oregon	3,157.6
7	Michigan	3,151.5
8	Delaware	3,035.0
9	California	2,954.3
10	Massachusetts	2,721.4
11	Arizona	2,474.5
12	Illinois	2,426.7
13	Kentucky	2,241.2
14	Ohio	2,210.5
15	Connecticut	2,203.2
16	Indiana	2,172.3
17	New York	2,037.1
18	Minnesota	1,962.7
19	North Carolina	1,961.5
20	New Jersey	1,885.6
21	Wisconsin	1,842.3
22	South Carolina	1,840.1
23	New Mexico	1,801.3
24	Tennessee	1,799.6
25	Georgia	1,765.4
26	Kansas	1,759.2
27	Idaho	1,751.2
28	Virginia	1,670.8
29	Maine	1,607.3
30	New Hampshire	1,606.8
31	Florida	1,598.5
32	Utah	1,471.5
33	Colorado	1,462.2
34	Iowa	1,426.8
35	Alabama	1,417.0
36	Pennsylvania	1,348.2
37	Nebraska	1,258.1
38	Rhode Island	1,126.3
39	Missouri	1,108.0
40	North Dakota	1,103.1
41	West Virginia	1,047.6
42	Wyoming	955.0
43	Oklahoma	889.5
44	Arkansas	853.7
45	Mississippi	800.4
46	Maryland	775.2
47	South Dakota	675.2
48	Nevada	589.7
49	Montana	483.7
50	Hawaii	231.1

Source: Calculated based on data from Statistical Abstract of the United States and Census Bureau.

Incoming Foreign Direct Investment, \$ per capita, 1999

Rank	State	\$
1	Alaska	39,967
2	Wyoming	11,748
3	Louisiana	7,854
4	Hawaii	7,424
5	Delaware	6,763
6	South Carolina	5,993
7	Kentucky	5,729
8	Nevada	5,470
9	Texas	5,259
10	Indiana	5,132
11	Michigan	4,499
12	West Virginia	4,470
13	Utah	4,390
14	Alabama	4,137
15	North Carolina	4,067
16	Georgia	3,861
17	Tennessee	3,855
18	New Jersey	3,808
19	Illinois	3,735
20	Ohio	3,517
21	California	3,427
22	Maine	3,337
23	Virginia	3,284
24	New Mexico	3,234
25	Connecticut	3,085
26	Washington	3,080
27	New York	3,061
28	North Dakota	3,043
29	Missouri	2,989
30	Oregon	2,973
31	Montana	2,956
32	Kansas	2,855
33	Iowa	2,773
34	Pennsylvania	2,702
35	Colorado	2,604
36	Florida	2,563
37	Massachusetts	2,546
38	Minnesota	2,531
39	Arizona	2,320
40	New Hampshire	2,292
41	Rhode Island	2,277
42	Maryland	2,240
43	Oklahoma	2,202
44	Wisconsin	2,196
45	Mississippi	2,073
46	Vermont	2,037
47	Arkansas	1,915
48	Idaho	1,892
49	Nebraska	1,699
50	South Dakota	1,377

Source: Calculated based on data from Bureau of Economic Analysis and Census Bureau, adjusted for cost of living index.

Employer firm births per 100,000 inhabitants, 1998

Rank	State	#
1	Washington	656.88
2	Colorado	520.82
3	California	485.18
4	Nevada	478.50
5	Wyoming	467.66
6	Utah	461.21
7	Idaho	457.95
8	Delaware	446.73
9	Montana	443.87
10	New Hampshire	430.33
11	Maine	411.69
12	Florida	398.74
13	Oregon	392.32
14	Georgia	383.17
15	Maryland	378.86
16	Alaska	376.95
17	Rhode Island	364.48
18	North Carolina	331.40
19	Vermont	327.31
20	New Jersey	321.89
21	New York	315.49
22	Virginia	306.99
23	South Carolina	301.18
24	Kansas	294.01
25	Tennessee	293.61
26	Oklahoma	290.17
27	Connecticut	280.18
28	Hawaii	272.33
29	Massachusetts	271.68
30	Arizona	267.95
31	Michigan	266.62
32	Wisconsin	265.50
33	South Dakota	265.19
34	Missouri	262.73
35	Texas	262.61
36	New Mexico	260.68
37	Minnesota	258.78
38	Nebraska	247.90
39	Pennsylvania	245.10
40	West Virginia	244.63
41	Indiana	242.13
42	Kentucky	241.41
43	Louisiana	240.15
44	North Dakota	239.41
45	Illinois	239.29
46	Alabama	233.46
47	Mississippi	224.62
48	Arkansas	211.72
49	Ohio	208.64
50	Iowa	191.33

Source: Calculated based on data from Small Business Administration and Census Bureau.

Employer firm terminations per 100,000 inhabitants, 1998

Rank	State	#
1	Washington	614.52
2	Wyoming	601.61
3	Idaho	520.58
4	Maine	487.83
5	Montana	486.62
6	Oregon	470.99
7	Nevada	445.36
8	New Hampshire	443.66
9	Vermont	440.75
10	Colorado	418.32
11	Alaska	406.53
12	New Mexico	400.86
13	Rhode Island	399.31
14	Maryland	395.00
15	Florida	379.22
16	North Dakota	375.66
17	Delaware	372.01
18	Connecticut	370.72
19	Missouri	360.49
20	California	359.25
21	Georgia	359.02
22	Utah	345.96
23	New Jersey	335.58
24	Kansas	333.84
25	New York	331.04
26	Nebraska	326.47
27	Tennessee	323.34
28	South Dakota	321.02
29	Arizona	320.47
30	North Carolina	314.08
31	West Virginia	307.01
32	Virginia	304.73
33	South Carolina	303.34
34	Texas	287.92
35	Massachusetts	285.27
36	Oklahoma	283.37
37	Wisconsin	282.72
38	Alabama	275.93
39	Arkansas	272.04
40	Hawaii	270.65
41	Indiana	268.64
42	Mississippi	267.40
43	Pennsylvania	260.65
44	Minnesota	255.29
45	Illinois	247.46
46	Iowa	233.03
47	Louisiana	230.68
48	Kentucky	230.03
49	Ohio	217.29
50	Michigan	201.27

Source: Calculated based on data from Small Business Administration and Census Bureau.

Electricity prices, \$ per mbtu, 1997

Rank	State	\$
1	Idaho	11.33
2	Kentucky	11.86
3	Washington	11.90
4	Wyoming	12.78
5	Oregon	13.52
6	West Virginia	14.75
7	Utah	15.25
8	Montana	15.31
9	Wisconsin	15.35
10	Nebraska	15.53
11	Indiana	15.55
12	Tennessee	15.60
13	Alabama	15.76
14	Oklahoma	15.93
15	South Carolina	16.13
16	Minnesota	16.48
17	Nevada	16.49
18	North Dakota	16.59
19	Mississippi	17.46
20	Iowa	17.49
21	Colorado	17.50
22	Louisiana	17.70
23	Missouri	17.86
24	Virginia	18.02
25	Arkansas	18.17
26	South Dakota	18.23
27	Texas	18.23
28	Ohio	18.40
29	Kansas	18.53
30	Georgia	18.72
31	North Carolina	19.00
32	New Mexico	20.11
33	Maryland	20.46
34	Delaware	20.56
35	Michigan	20.68
36	Florida	21.08
37	Arizona	21.63
38	Illinois	22.65
39	Pennsylvania	23.48
40	Maine	27.86
41	California	28.06
42	Vermont	28.99
43	Alaska	29.57
44	Massachusetts	30.70
45	Connecticut	30.83
46	New Jersey	30.93
47	Rhode Island	31.37
48	New York	32.61
49	New Hampshire	34.17
50	Hawaii	36.71

Source: Energy Information Administration.

Toxic release, pounds per capita, 1999

Rank	State	pounds
1	Vermont	1.09
2	Rhode Island	1.40
3	Massachusetts	1.92
4	California	2.08
5	Hawaii	2.17
6	Connecticut	2.39
7	New Jersey	3.84
8	New York	3.95
9	New Hampshire	4.89
10	Washington	4.95
11	Maine	6.26
12	Colorado	6.43
13	Minnesota	6.54
14	Maryland	8.50
15	Florida	9.89
16	Oklahoma	11.04
17	Wisconsin	11.12
18	Virginia	11.72
19	Illinois	13.61
20	Michigan	14.43
21	Delaware	15.10
22	Texas	15.66
23	Kansas	16.04
24	Arkansas	16.28
25	Georgia	16.30
26	Nebraska	16.37
27	South Dakota	16.54
28	Iowa	17.00
29	Pennsylvania	19.64
30	Oregon	20.41
31	North Carolina	20.70
32	South Carolina	21.63
33	Missouri	23.73
34	Tennessee	26.32
35	Kentucky	26.81
36	Ohio	26.94
37	Mississippi	27.38
38	Alabama	31.61
39	Indiana	33.46
40	Louisiana	34.34
41	North Dakota	37.33
42	Wyoming	40.51
43	West Virginia	55.61
44	Idaho	68.69
45	Montana	144.56
46	New Mexico	150.75
47	Arizona	201.60
48	Utah	545.48
49	Nevada	645.80
50	Alaska	698.98

Source: Calculated based on data from Environmental Protection Agency and Census Bureau.

BHI

Indicators Index Data

Beacon Hill Institute
2001 STATE COMPETITIVENESS QUESTIONNAIRE



STATE: _____

Please answer the following questions about your state administration and government:

	1	2	3	4	5
	Strongly agree		Neutral		Strongly disagree
1. The likelihood of a recession in the state over the coming year is high.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Burdensome administrative regulations are pervasive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Taxes in the state are more burdensome than in most other states in the U.S.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The state government spends too much.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The legal system in the state is sympathetic to the concerns of business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Public trust in the financial honesty of elected officials in the state is high.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Companies receive active support from the state when planning to export.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Administrative procedures in the state are an important obstacle to starting a new business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please answer the following questions about transportation in your state:

	1	2	3	4	5
	Strongly agree		Neutral		Strongly disagree
9. The quality of the state infrastructure is among the best in the nation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. The roads in the state are adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. The rail system in the state adequately meets the needs of business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Air transport in the state is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Port facilities and inland waterways are adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. The cost of air travel to the state is low relative to the rest of the U.S.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please answer the following questions about the labor force and education in your state:

	1	2	3	4	5
	Strongly agree		Neutral		Strongly disagree
15. Labor in the state is more expensive than elsewhere in the nation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. The supply of skilled labor in the state is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The quality of high schools in the state is very good.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. The school system in the state excels in math and basic science education.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Companies in the state collaborate closely with local universities in their research and development activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please answer the following questions about starting and operating a business in your state:

	1	2	3	4	5
	Strongly agree		Neutral		Strongly disagree
20. Lawsuits are a significant cost for business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Entrepreneurs with innovative business plans can easily find venture capital.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. During the past year, credit has become easier to obtain.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Producers who operate in your state face competition primarily from other producers that operate in your state.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. State tax incentives are important in attracting and retaining businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Economists define clusters as concentrations of interrelated industries and supporting research institutions such as universities and training providers. Compared with other states, clusters play a prominent role in creating economic growth.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Overall pollution regulations are among the most stringent in the country.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please answer the following questions only if you work in a private business.

	1	2	3	4	5
	Strongly agree		Neutral		Strongly disagree
27. Senior management spends a great deal of its time complying with government regulations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. It is important for your firm to do its own research and development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Your firm devotes considerable resources to on-the-job training.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Your firm mainly purchases new technology from outside sources rather than developing it in-house.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Management/worker relations in your company are generally cooperative.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. The collective bargaining process is critical to management/worker relations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Your company is in better financial health than it was a year ago.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Complying with environmental standards has proved costly to your firm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Enforcement of environmental standards has a positive influence on your company's competitiveness by prompting it to improve products and processes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

36. Please rate the importance of each of the following factors in explaining why your firm operates in the state:

	1	2	3	4	5
	Very important		Neutral		Unimportant
Availability of skilled labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low state taxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inexpensive infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presence of complementary firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Founder/owner had ties with the state	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="text"/>				

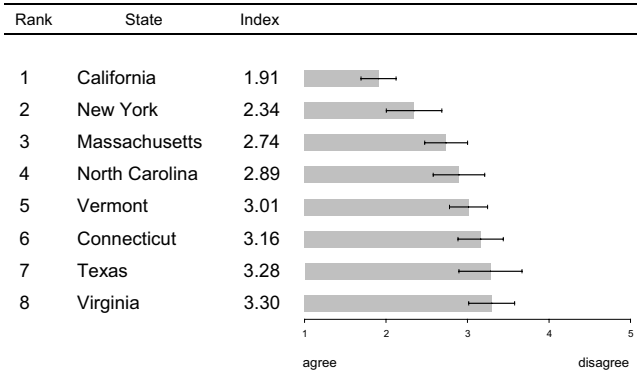
37. If your company, plant or institution were to relocate within the U.S., to which state would it most likely go?

38. If your company, plant or institution were to relocate abroad, to which country would it most likely go?

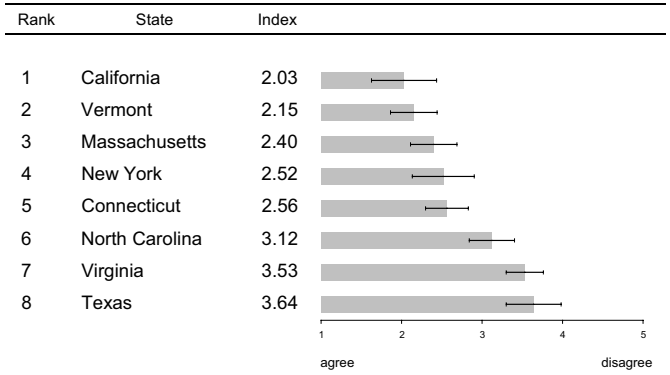
39. Over the coming year, what are your company's plans for investment in the state? (please circle) Increase / level fund / decrease

If you would like to receive a complimentary copy of the final report, please include your name, address and e-mail address here.

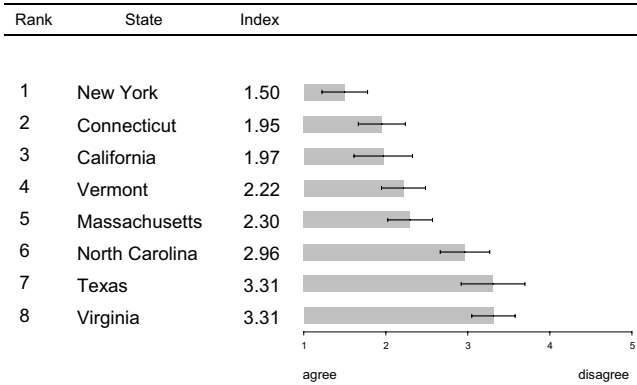
The likelihood of a recession in your state over the coming year is high



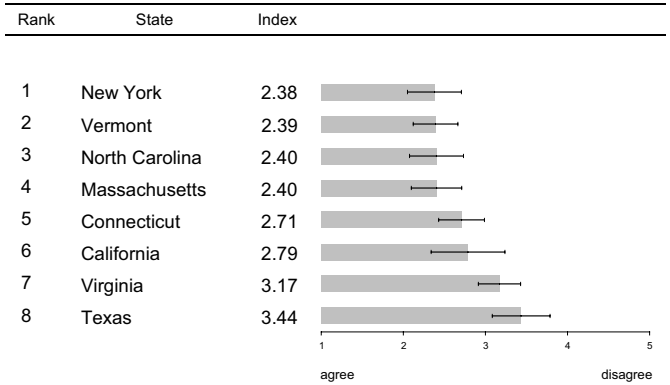
Regulations place your state at a competitive disadvantage



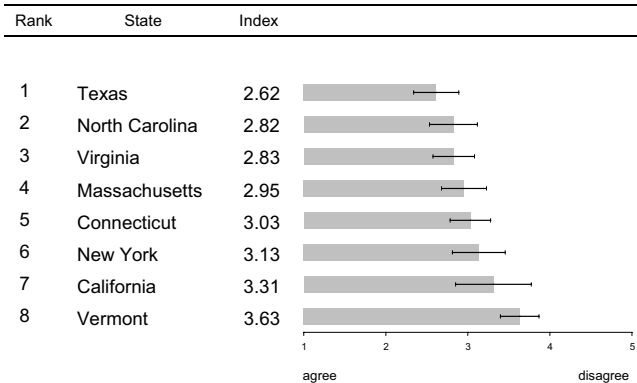
Taxes in your state are more burdensome than in most other states



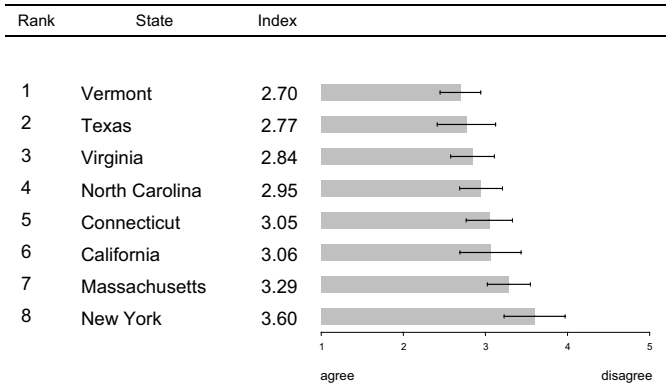
Your state government spends too much



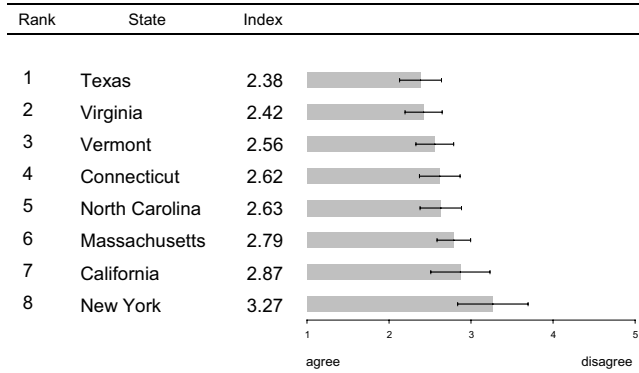
The legal system in your state is sympathetic to the concerns of business



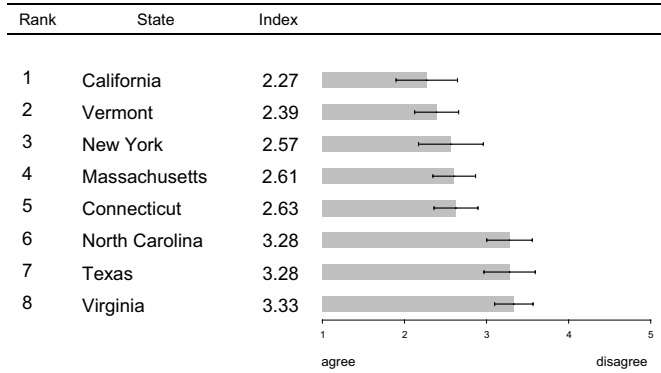
Public trust in the integrity of elected officials in your state is high



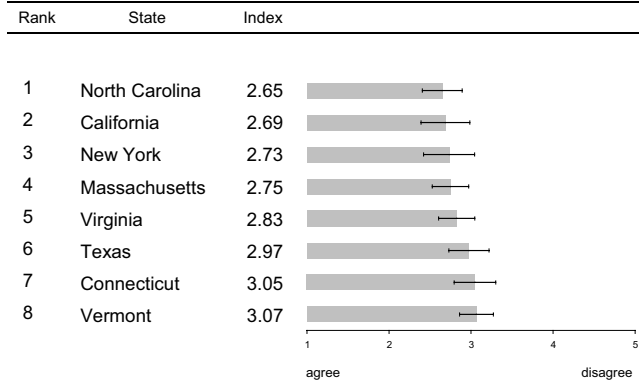
Your state supports companies' efforts to develop out-of-state markets for their goods and services



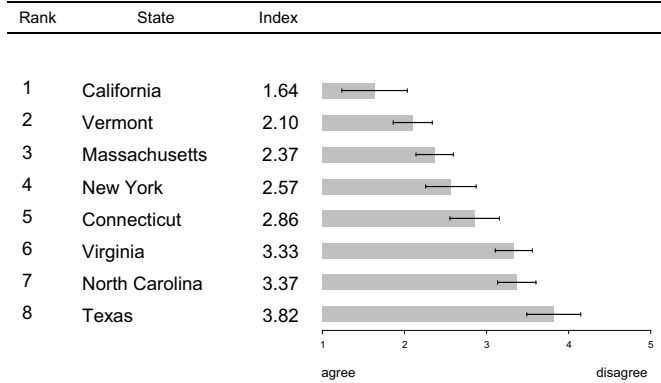
Administrative procedures in your state create obstacles for those starting new businesses



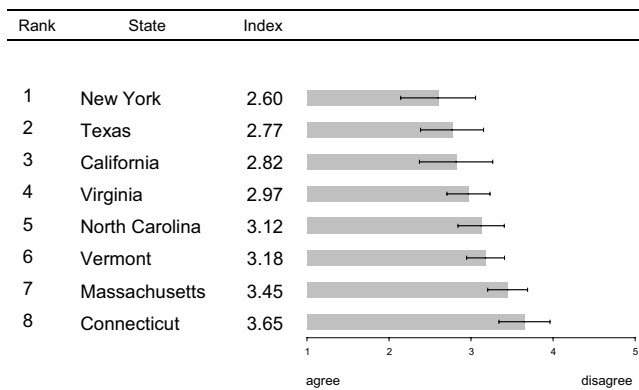
Business in your state benefits from a vibrant nonprofit sector



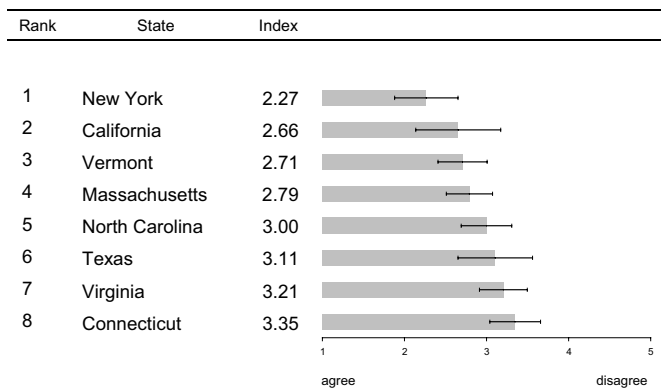
Pollution regulations in your state are among the most stringent in the country



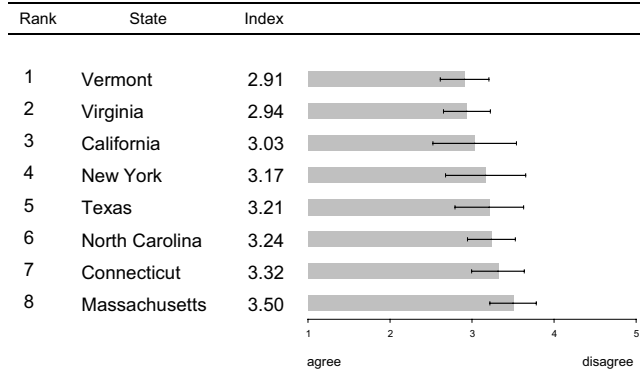
The quality of your state's infrastructure is among the best in the nation



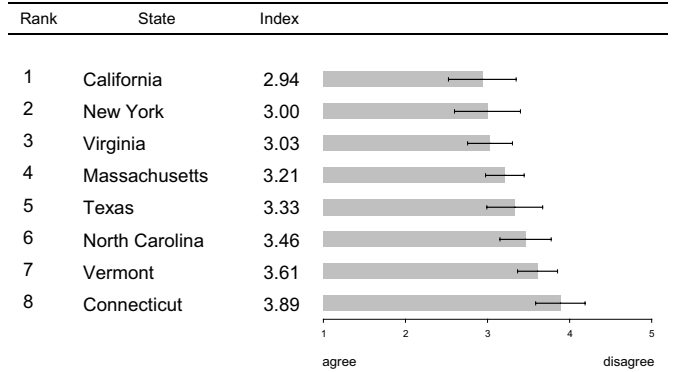
There are enough roads in your state to meet the needs of business



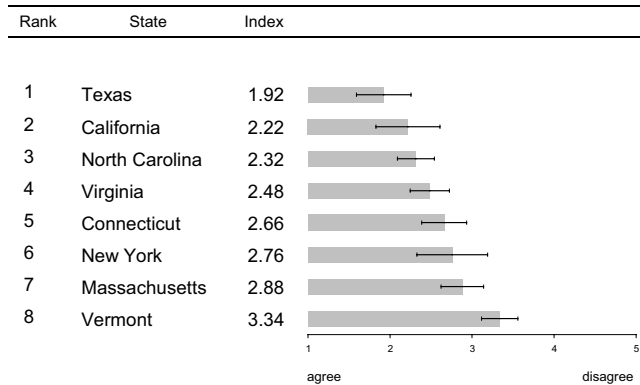
The roads in your state are sufficiently maintained to meet the needs of business



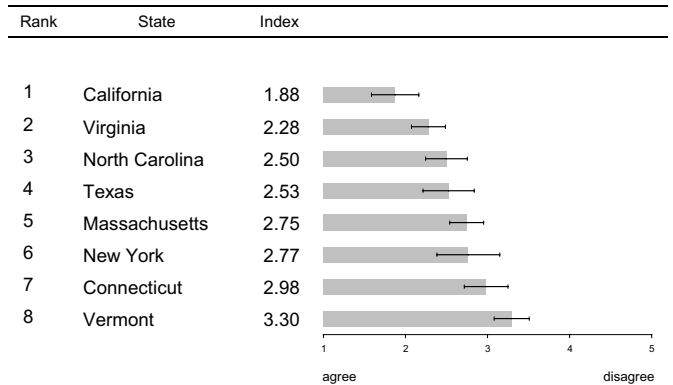
The rail system in your state adequately meets the needs of business



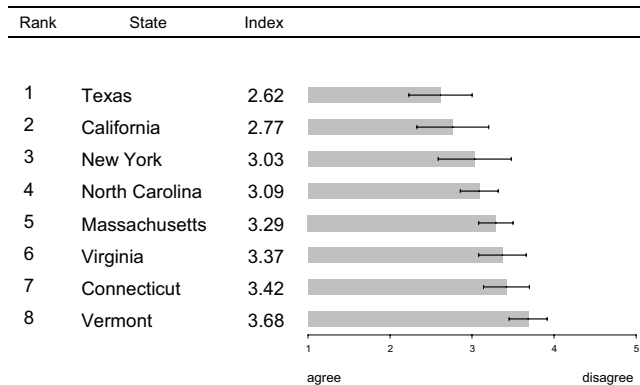
Air transport in your state adequately meets the needs of business



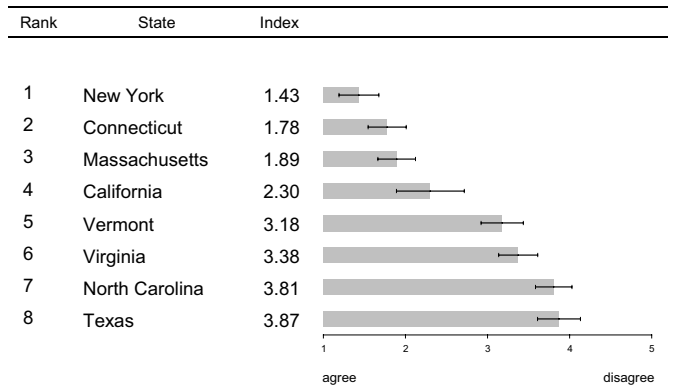
Port facilities and inland waterways are large enough to meet the needs of business



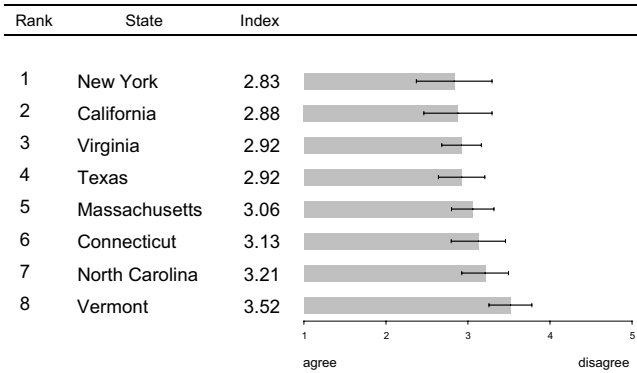
The cost of air travel to your state is low relative to the rest of the US



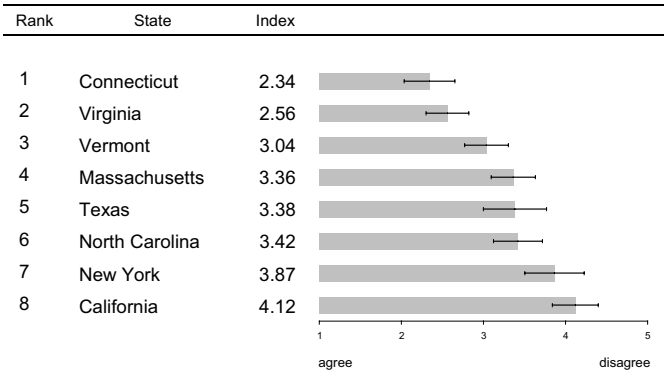
Labor in your state is more expensive than elsewhere in the nation



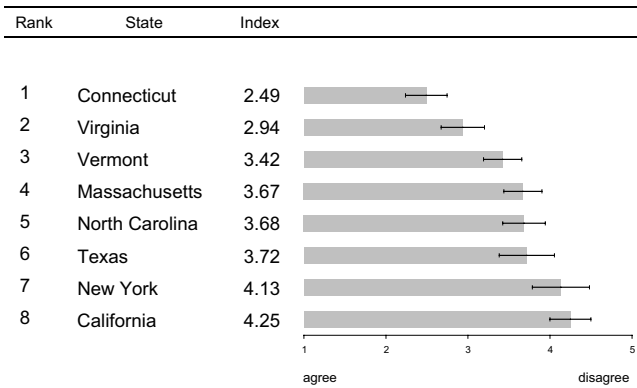
The supply of skilled labor in your state is adequate



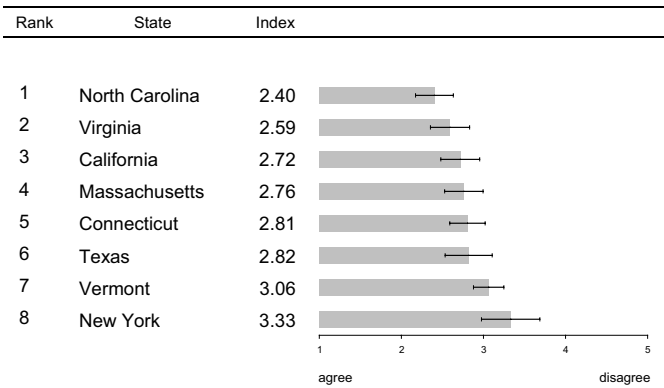
The quality of high school education in your state is very good



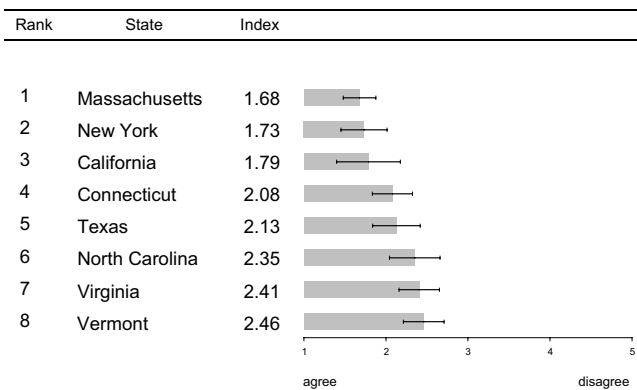
The public (K-12) school system in your state excels in math and science education



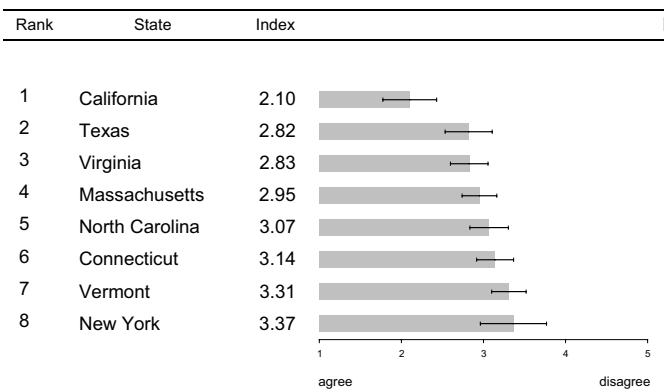
Companies in your state collaborate closely with local universities in their research and development activities



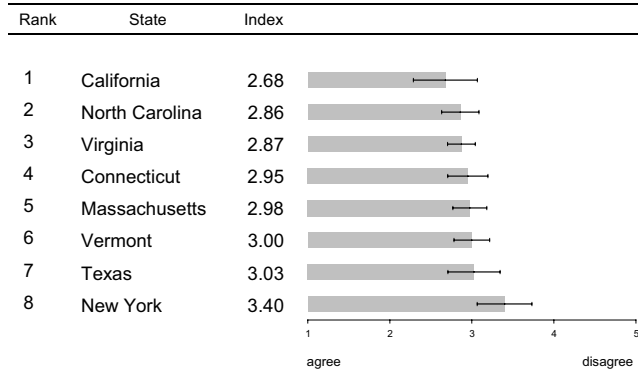
Lawsuits can post a significant cost for business in your state



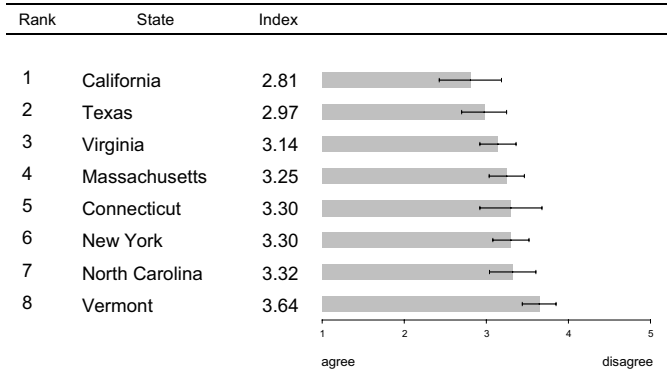
Entrepreneurs with innovative business plans can easily find venture capital in your state



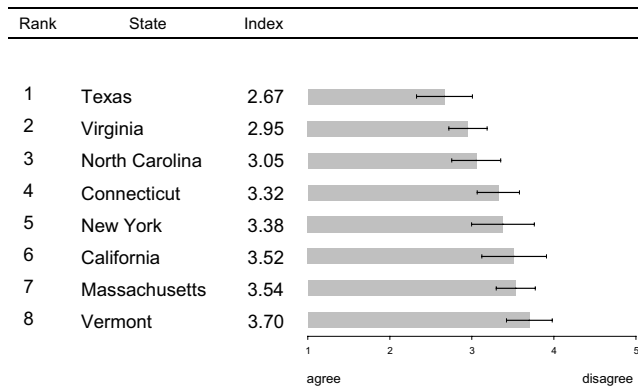
During the past year, credit has become easier to obtain in your state



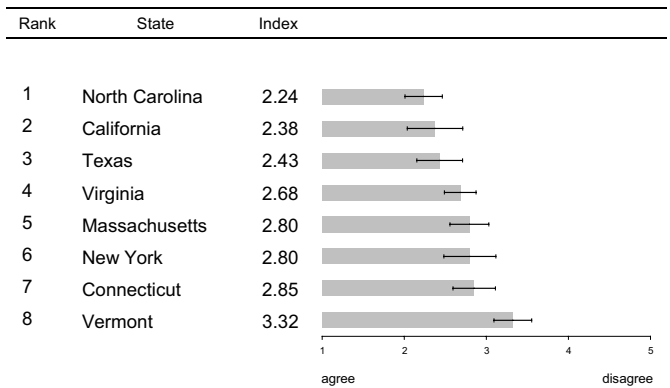
Companies that produce goods and services in your state face competition primarily from other producers that operate in your state



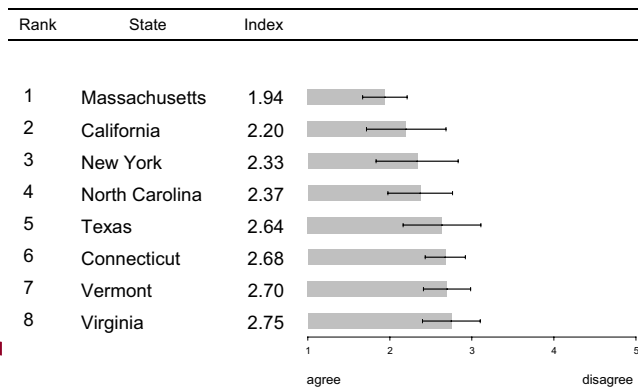
State tax incentives are effective in attracting and retaining businesses in your state



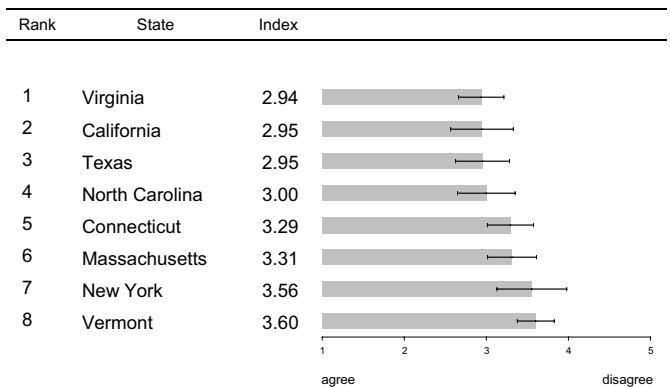
Economists define clusters as concentrations of interrelated industries and supporting research institutions such as universities. Compared with other states, clusters play a prominent role in creating economic growth in your state



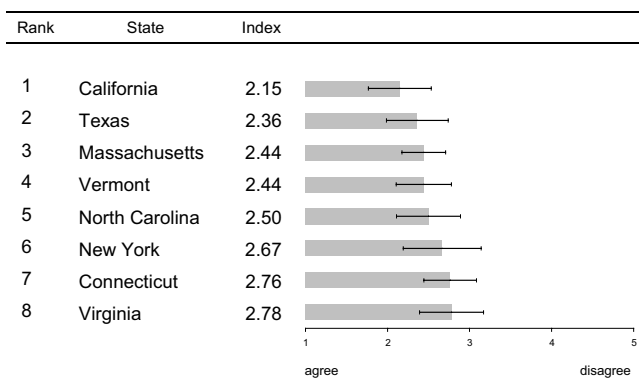
Senior management spends a great deal of time ensuring that your company is complying with government regulations



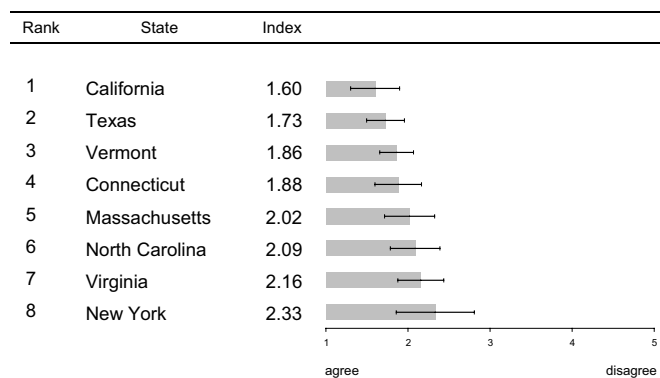
Your state's tax and regulatory environment encourages research and development



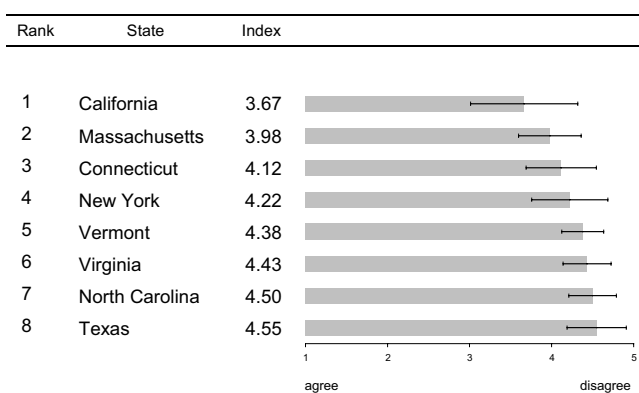
Your company devotes considerable resources to on-the-job training



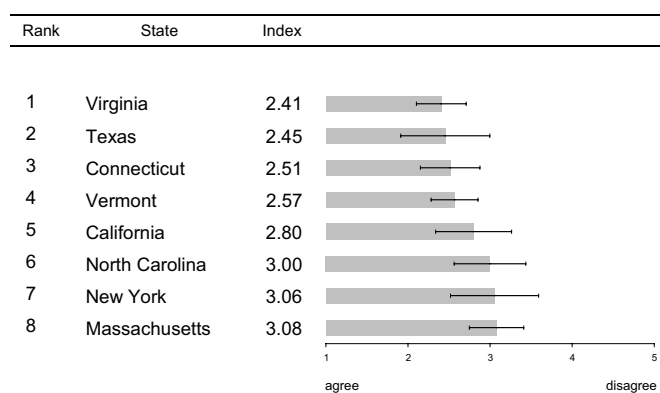
Management/worker relations in your company are generally cooperative



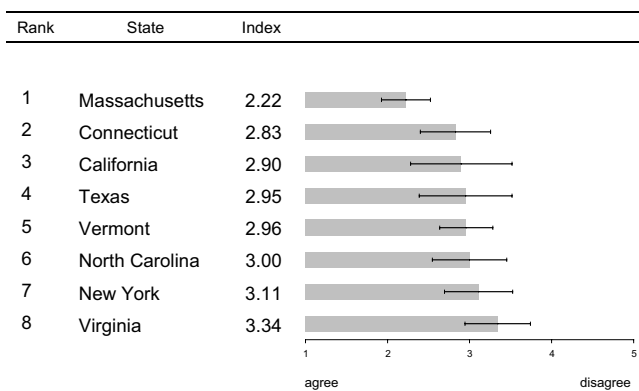
Union influence is strong in your company



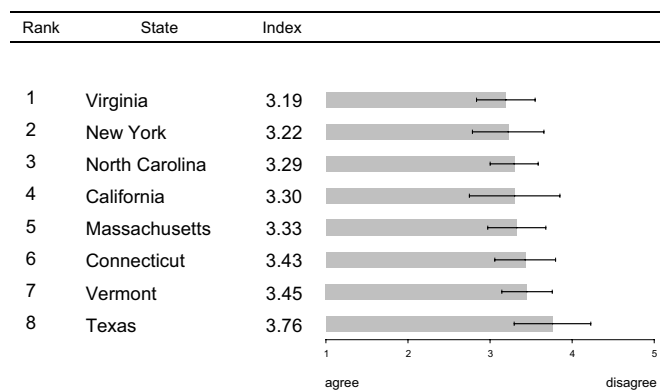
Your company is in better financial health now than it was a year ago



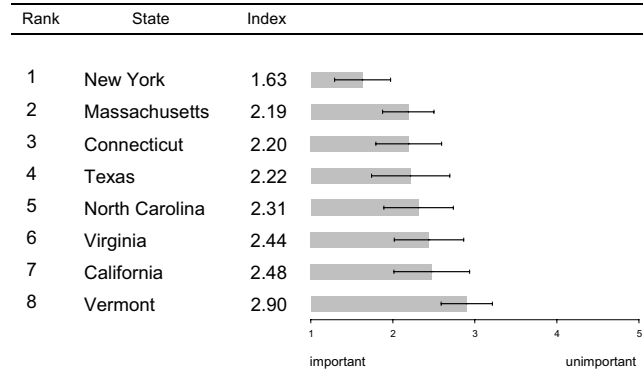
Complying with environmental standards has been costly for your company



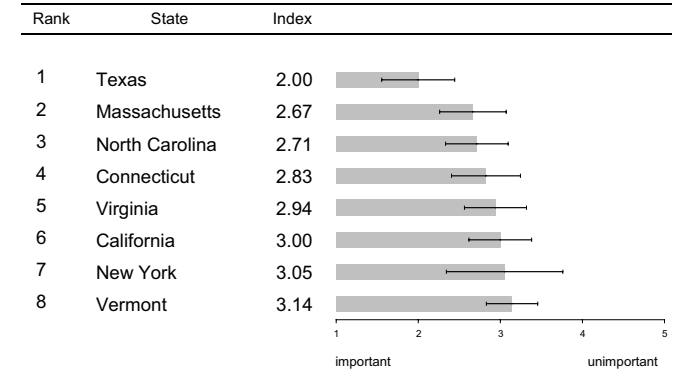
Environmental standards have prompted your company to improve products and processes, therefore making it more competitive



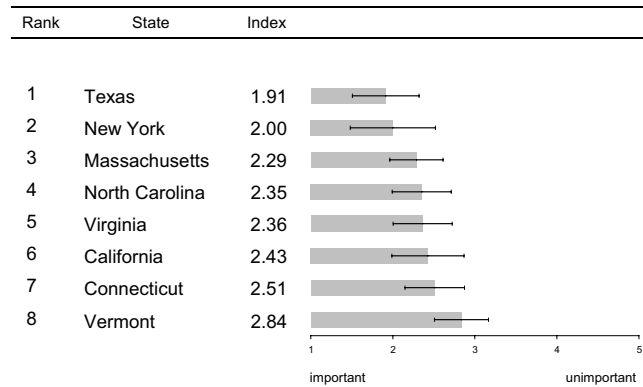
Please rate the importance of each of the following factors in explaining why your business operates in the state:
Availability of skilled labor



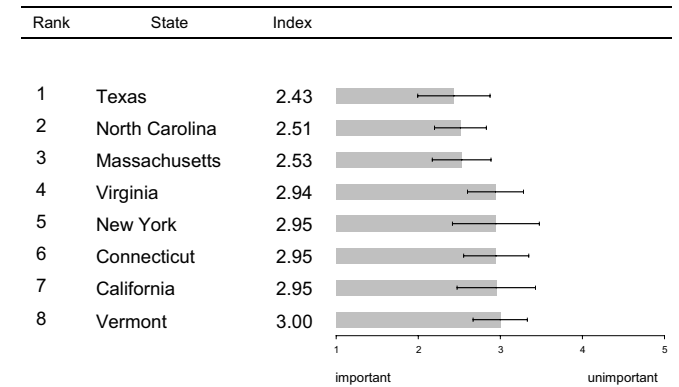
Please rate the importance of each of the following factors in explaining why your business operates in the state:
Low state taxes



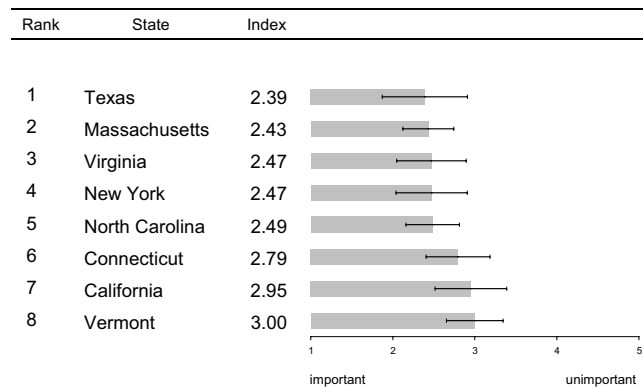
Please rate the importance of each of the following factors in explaining why your business operates in the state:
Good infrastructure



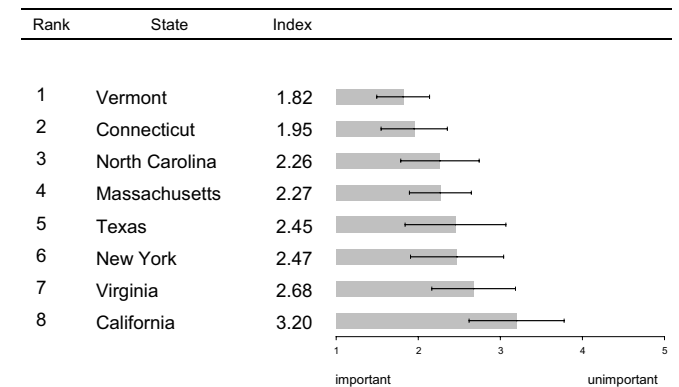
Please rate the importance of each of the following factors in explaining why your business operates in the state:
Inexpensive utilities



Please rate the importance of each of the following factors in explaining why your business operates in the state:
Presence of complementary firms



Please rate the importance of each of the following factors in explaining why your business operates in the state:
Founder/owner had ties with the state





About the Beacon Hill Institute

Founded in 1991, BHI is an independent, nonpartisan economic research organization, located within Suffolk University in Boston, that applies a market-clearing approach to the analysis of tax, fiscal and regulatory issues. In addition to analyzing tax policy, we study issues including education spending, charitable tax incentives, universal health care, tort reform and economic competitiveness. BHI develops innovative solutions and applies economic analysis to public-policy issues affecting the states and the nation.

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Acknowledgements

The Beacon Hill Institute would like to gratefully acknowledge the assistance of project team members, John Barrett, Tija Kurian, Rebecca Moryl; design team, Frank Conte and Jennifer Curry; and interns Benjamin Denny, Georgia Pellegrini and Dennis Antonio.



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ISBN 1-866320-09-8