



The Beacon Hill Institute for  
Public Policy Research

# News Release

Embargoed Until:  
Friday, June 26, 2020  
12:01 a.m.

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## *The persistence of Massachusetts: Long-term fundamentals in State Competitiveness Index point to robust recovery after COVID-19 crisis*

BOSTON - (June 26, 2020) Massachusetts once again secured the top spot on the Beacon Hill Institute's State Competitiveness Index (SCI). The index, in its 18<sup>th</sup> edition, measures the ability of states to grow their economies and increase personal income. Massachusetts has retained the number one position each year since 2011.

The BHI competitiveness index is based on more than 40 indicators divided into eight subindexes – government and fiscal policy, security, infrastructure, human resources, technology, business incubation, openness, and environmental policy. Known in the field as a “productivity index”, the BHI ranking distinguishes it from more narrowly-focused measures that target only taxes, high technology, quality of life, or economic freedom.


“Massachusetts continues to do well in our index because its workforce is attractive to the innovation industries drawn here,” says Vanessa Robinson, Assistant Project Manager for this most recent report. “Strengths in human capital and openness allow us to overcome the perennial soft spots in our economy: the cost of labor, high housing and utility costs.”

The latest index is based on data collected for 2018 and does not reflect the current economic downturn prompted by the COVID-19 crisis where Massachusetts currently suffers one of the highest unemployment rates in the nation. “The good news is the Competitiveness Index captures long-term influences in the economy,” remarks Frank Conte, Manager of the Project. “Should Massachusetts turn the corner, the fundamentals – or what is known as the “micro-foundations” – outlined in this report will be the basis of a rebound.”

Massachusetts was followed by Iowa, Texas, South Dakota, Idaho, Nebraska, Minnesota, Utah, Virginia and Colorado. One state that has moved up quickly is Texas, which has shown a rise from 9<sup>th</sup> place in 2014 to 3<sup>rd</sup> place in the most recent measure. “Texas’ rise is based on strengths such as technology, business incubation and openness, which,” observes Conte, “are similar to those exhibited by Massachusetts.” The lowest rated states are New Mexico, Oklahoma, West Virginia, Louisiana and New Jersey

Policymakers often compare a state’s performance with that of “leading technology states (LTS).” However, these states do not always prove to be competitive according to the SCI. Massachusetts (1) Minnesota (7) Texas (3) Colorado (10) and Virginia (9) are the only LTS states to finish in the top 10. Other LTS states ranked as follows: Connecticut (33), North Carolina (11), New York (25), California (20), Pennsylvania (36), and New Jersey (50).

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	Subindexes, Results in 2018 (18th Edition) by Rank																		
	Overall		Govt & Fiscal Policy		Security		InfrStrc		Human Resources		Tech		Biz Incub.		Openness		Enviro Plcy		
	Index	Rank	I	R	I	R	I	R	I	R	I	R	I	R	I	R	I	R	
Massachusetts	7.75	1	4.75	31	5.52	19	3.17	46	7.28	1	8.53	1	6.68	3	6.26	6	4.58	37	
Iowa	6.88	2	4.9	28	6.79	3	5.82	13	6.39	4	5	24	5.08	26	4.53	33	6.11	6	
Texas	6.7	3	6.16	6	4.78	28	6.44	1	3.89	42	5.37	13	5.79	9	6.79	3	4.95	30	
South Dakota	6.3	4	5.01	25	6.37	4	6.20	3	5.18	24	3.92	47	7.35	1	3.3	49	5.87	9	
Idaho	6.28	5	4.66	35	5.78	10	6.07	5	5.25	21	4.42	38	6.46	5	3.68	46	6.83	2	
Nebraska	6.14	6	5.18	24	5.83	8	6.04	7	5.87	9	4.46	34	4.76	32	4.12	39	6.55	4	
Minnesota	6.03	7	4.67	34	5.74	12	5.38	20	6.88	3	4.83	27	3.86	42	5.33	20	5.84	10	
Utah	5.98	8	4.94	26	5.72	14	5.50	19	6.01	7	5.43	11	6.99	2	4.34	37	3.48	47	
Virginia	5.95	9	5.34	19	5.61	17	4.83	32	5.96	8	5.02	23	5.31	17	5.02	25	5.24	20	
Colorado	5.92	10	5.83	8	4.92	25	4.95	29	5.85	10	5.86	6	5.04	27	4.38	36	5.44	16	
North Carolina	5.91	11	4.42	41	4.61	32	5.98	9	4.32	37	6.5	3	6.4	6	5.22	22	4.81	33	
North Dakota	5.85	12	5.21	22	4.22	37	6.21	2	6.27	5	5.11	21	5.55	14	4.56	31	4.97	29	
Kansas	5.62	13	4.92	27	5.76	11	5.79	14	5.35	19	4.57	33	5.19	21	4.46	35	5.5	15	
Georgia	5.56	14	5.19	23	4.61	33	5.95	11	3.81	44	5.11	19	6.14	8	5.23	21	5.35	18	
Michigan	5.39	15	7.24	1	4.03	42	5.04	28	4.84	30	5.35	14	3.5	47	5.95	9	5.02	28	
New Hampshire	5.38	16	5.52	13	4.67	29	3.34	45	7.17	2	5.33	15	5.13	23	4.9	27	4.88	31	
Oregon	5.35	17	5.22	21	5.62	16	5.37	22	4.50	34	5.11	20	3.93	41	4.22	38	6.88	1	
Wisconsin	5.32	18	4.72	33	5.2	24	5.28	23	5.64	13	5.56	8	5.21	20	4.07	42	5.11	23	
Washington	5.32	19	4.77	29	4.88	26	4.52	39	5.23	22	5.82	7	3.35	49	5.53	17	6.69	3	
California	5.32	20	3.83	44	4.3	35	4.24	41	4.61	31	5.45	10	6.61	4	6.38	5	5.37	17	
Vermont	5.27	21	3.84	43	7.22	2	4.31	40	6.16	6	4.63	32	4.15	40	4.53	34	5.83	11	
Florida	5.23	22	6.23	5	4.04	41	5.97	10	4.54	33	4.28	39	5.6	12	5.89	10	4.03	41	
Montana	5.1	23	4.54	38	5.5	20	6.13	4	5.10	26	4.75	29	4.98	28	2.78	50	6.48	5	
Arizona	5.06	24	7.05	2	4.14	39	5.06	27	4.39	36	4.69	30	4.64	34	4.89	28	5.29	19	
New York	5.02	25	3.68	45	5.39	21	3.80	43	5.27	20	5.53	9	4.27	39	6.97	1	5.13	22	
Maryland	4.96	26	4.76	30	4.02	43	3.69	44	5.71	12	8.42	2	3.57	44	5	26	4.74	34	
Indiana	4.96	27	6.74	3	4.06	40	5.73	15	4.94	28	5.03	22	5.37	15	5.62	15	2.39	50	
Maine	4.94	28	4.45	40	5.9	7	4.58	38	5.42	17	4.44	36	4.85	31	4.63	30	5.57	14	
South Carolina	4.92	29	5.68	10	3.86	45	4.81	33	4.46	35	4.43	37	5.71	10	5.79	11	5.07	24	
Wyoming	4.88	30	3.24	49	7.5	1	5.52	18	5.51	16	3.56	50	5.7	11	3.64	48	5.03	27	
Kentucky	4.81	31	5.5	15	5.32	22	6.00	8	4.28	38	3.97	44	4.65	33	5.71	13	4.12	40	
Nevada	4.52	32	6.54	4	3.7	46	6.07	6	3.61	47	3.61	49	4.91	30	6.23	7	4.14	39	
Connecticut	4.51	33	3.6	47	6.05	5	2.94	48	5.76	11	6.28	5	3.26	50	6.2	8	4.71	35	
Ohio	4.51	34	5.32	20	5.31	23	5.67	16	4.56	32	4.81	28	4.46	37	5.04	23	3.62	46	
Missouri	4.49	35	5.51	14	3.43	49	5.22	25	5.15	25	5.19	18	5.1	25	4.07	41	5.07	25	
Pennsylvania	4.34	36	4.54	39	4.15	38	4.74	35	5.20	23	6.46	4	4.35	38	5.03	24	3.9	43	
Rhode Island	4.34	37	4.72	32	5.82	9	3.16	47	5.51	15	5.42	12	3.39	48	5.51	18	4.84	32	
Tennessee	4.32	38	6.1	7	3.58	47	5.86	12	4.05	41	4.25	40	5.34	16	4.54	32	4.62	36	
Arkansas	4.22	39	5.67	11	4.3	34	5.61	17	3.67	45	3.92	48	5.11	24	4.11	40	5.68	13	
Alabama	4.18	40	5.74	9	3.94	44	5.38	21	3.65	46	4.97	25	4.98	29	4.76	29	4.57	38	
Illinois	4.09	41	3.58	48	4.28	36	5.27	24	4.91	29	5.25	17	3.75	43	6.74	4	3.98	42	
Delaware	4.03	42	3.99	42	4.65	30	4.21	42	5.00	27	4.66	31	6.26	7	5.71	12	3.13	48	
Hawaii	3.93	43	3.67	46	5.59	18	2.40	50	5.64	14	4	43	4.46	36	5.56	16	6.05	7	
Mississippi	3.82	44	5.35	18	5.73	13	4.84	31	2.78	50	4.45	35	5.22	19	3.67	47	5.06	26	
Alaska	3.74	45	4.56	37	4.63	31	4.63	36	3.82	43	4.13	41	3.51	46	5.66	14	5.96	8	
New Mexico	3.74	46	5.55	12	2.94	50	4.81	34	3.56	48	5.30	16	5.18	22	3.77	43	5.79	12	
Oklahoma	3.68	47	4.56	36	4.84	27	4.94	30	4.08	40	4.04	42	5.29	18	3.76	45	5.24	21	
West Virginia	3.43	48	5.45	17	5.95	6	4.60	37	4.13	39	3.96	45	4.51	35	3.76	44	3.78	44	
Louisiana	3.14	49	5.48	16	3.47	48	5.11	26	3.43	49	3.93	46	5.56	13	5.34	19	3.09	49	
New Jersey	2.85	50	1.87	50	5.71	15	2.81	49	5.40	18	4.89	26	3.54	45	6.82	2	3.65	45	