The Beacon Hill Institute’s State Competitiveness Report

Beacon Hill Institute’s State Competitiveness Report presents an index that purports to measure the extent to which states have adopted the “policies and conditions that ensure and sustain a high level of per capita income and its continued growth” but in reality the index is an odd collection of variables that are of little use as a guide to public policy or as a predictor of state income growth.

The Competitiveness Index is a Grab Bag of Variables

While Beacon Hill Institute claims that their index measures the state policies and characteristics that will lead to greater economic growth, a number of the index variables don’t cause growth but instead are the outcomes of growth, or part of the very definition of growth. Read more

Beacon Hill Institute Fails to Show that the Index Works

States scoring higher on the Competitiveness Index did not see income rise any more than low-scoring states. Read more

Anatomy of the State Competitiveness Index

Beacon Hill Institute’s Competitiveness Index comprises 45 variables organized into eight sub-indexes, with the variables weighted in an arbitrary and often counterintuitive way. Read more

What is the Beacon Hill Institute?

The Beacon Hill Institute is affiliated with the economics department at Suffolk University in Boston. Read more