



Why Business Climate Rankings Seldom Make Sense

There are serious problems with the four business climate rankings reviewed here, partly because of problems inherent in the use of composite index numbers, and partly because they are ideologically driven and promote policies of doubtful value in creating growth.

Is There Such a Thing as a State Business Climate?

The very concept of a business climate or overall measure of competitiveness is suspect. [Read more](#)

Rankings Are Poor Predictors of Growth

States that score higher on one index or another do not actually have better economic performance in subsequent years. [Read more](#)

Index Numbers: A Black Box Full of Mischief and Mystery

The possibilities for mischief and misdirection in the construction of a business climate index are almost unlimited. [Read more](#)

Business Climate Rankings Contradict Each Other

All four of the rankings claim to assess states' business climate, yet there is a startling level of disagreement among them. [Read more](#)

Rankings Drive Ideological Agenda

The audience for all four of these indexes is state policy makers, and they are

designed to promote a particular ideologically-driven political agenda. [Read more](#)