

Table 4: Performance of Business Climate Indexes in Predicting Relative Income or Population Growth at State Borders
Over the Next 5 Years

Metrics	Beacon Hill		CED Policy		CED Capacity		CED Fiscal Policy	
	Backcast	Forecast	Backcast	Forecast	Backcast	Forecast	Backcast	Forecast
Aggregate Income								
$\beta_I > 0$	4/4	2/4	0/5	0/5	2/10	5/10	0/9	2/9
$\beta_I \gg 0$	1/4	0/4	0/5	0/5	0/10	4/10	0/9	1/9
$\beta_I < 0$	0/4	0/4	3/5	3/5	0/10	1/10	4/9	1/9
$\bar{\varepsilon}_I$	0.05	0.00	-0.02	-0.02	-0.01	0.00	-0.07	-0.03
R ²	0.005	0.001	0.01	0.026	0.007	0.017	0.018	0.010
Nonfarm Income								
$\beta_I > 0$	3/4	1/4	0/5	0/5	5/10	8/10	0/9	1/9
$\beta_I \gg 0$	1/4	0/4	0/5	0/5	1/10	1/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	3/5	4/5	0/10	0/10	5/9	3/9
$\bar{\varepsilon}_I$	0.03	0.00	-0.01	-0.01	0.00	0.00	-0.05	-0.02
R ²	0.012	0.001	0.014	0.022	0.003	0.005	0.024	0.008
Per capita Income								
$\beta_I > 0$	3/4	2/4	1/5	0/5	2/10	6/10	0/9	6/9
$\beta_I \gg 0$	1/4	1/4	0/5	0/5	1/10	3/10	0/9	1/9
$\beta_I < 0$	0/4	0/4	3/5	3/5	2/10	2/10	2/9	1/9
$\bar{\varepsilon}_I$	0.03	0.01	-0.01	-0.01	0.00	0.00	-0.03	0.00
R ²	0.005	0.003	0.016	0.018	0.010	0.014	0.013	0.008
Population								
$\beta_I > 0$	4/4	0/4	4/4	0/4	5/10	9/10	0/9	0/9
$\beta_I \gg 0$	0/4	0/4	0/4	0/4	0/10	4/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	0/4	0/4	0/10	0/10	7/9	5/9
$\bar{\varepsilon}_I$	0.01	-0.01	0.01	-0.01	0.00	0.00	-0.03	-0.03
R ²	0.002	0.002	0.006	0.019	0.002	0.001	0.017	0.012
Average Wage								
$\beta_I > 0$	1/4	0/4	1/5	2/5	10/10	6/10	2/9	0/9
$\beta_I \gg 0$	1/4	0/4	0/5	1/5	0/10	0/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	0/5	3/5	0/10	0/10	0/9	2/9
$\bar{\varepsilon}_I$	0.02	-0.01	-0.01	0.00	0.00	0.00	-0.01	-0.02
R ²	0.005	0.001	0.002	0.008	0.002	0.001	0.001	0.007
Productivity								
$\beta_I > 0$	2/4	2/4	1/5	2/5	7/10	4/10	2/9	1/9
$\beta_I \gg 0$	1/4	0/4	0/5	1/5	0/10	0/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	2/5	3/5	0/10	0/10	1/9	2/9
$\bar{\varepsilon}_I$	0.01	0.00	0.00	0.00	0.00	0.00	-0.01	-0.02
R ²	0.004	0.001	0.004	0.013	0.001	0.001	0.002	0.007
Wage Bill								
$\beta_I > 0$	4/4	4/4	1/5	0/5	6/10	8/10	3/9	1/9
$\beta_I \gg 0$	0/4	1/4	0/5	0/5	0/10	2/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	0/5	0/5	0/10	0/10	0/9	1/9
$\bar{\varepsilon}_I$	0.03	0.05	-0.01	-0.01	0.00	0.01	-0.01	-0.03
R ²	0.001	0.004	0.001	0.003	<0.001	0.003	0.006	0.005
Employment								
$\beta_I > 0$	4/4	4/4	2/5	0/5	6/10	10/10	3/9	2/9
$\beta_I \gg 0$	0/4	0/4	0/5	0/5	1/10	3/10	0/9	0/9
$\beta_I < 0$	0/4	0/4	0/5	1/5	2/10	2/10	2/9	2/9
$\bar{\varepsilon}_I$	0.04	0.03	0.00	-0.01	0.00	0.00	-0.01	-0.02
R ²	0.003	0.002	0.001	0.003	0.001	0.005	0.008	0.005

Table 4: Performance of Business Climate Indexes in Predicting Relative Income or Population Growth at State Borders Over the Next 5 Years (continued)

Metrics	Fantus		Fraser		Grant Thornton		New Economy	
	Backcast	Forecast	Backcast	Forecast	Backcast	Forecast	Backcast	Forecast
Aggregate Income								
$\beta_I > 0$	0/1	1/1	0/2	2/2	6/7	7/7	2/2	1/2
$\beta_I \gg 0$	0/1	0/1	0/2	0/2	3/7	4/7	2/2	0/2
$\beta_I < 0$	1/1	0/1	0/2	0/2	0/7	0/7	0/2	1/2
$\bar{\varepsilon}_I$	-0.03	0.02	-0.01	0.02	0.03	0.07	0.07	-0.02
R ²	0.019	0.005	0	0.002	0.006	0.014	0.017	0.004
Nonfarm Income								
$\beta_I > 0$	0/1	0/1	0/2	2/2	4/7	7/7	2/2	0/2
$\beta_I \gg 0$	0/1	0/1	0/2	0/2	3/7	6/7	1/2	0/2
$\beta_I < 0$	1/1	0/1	1/2	0/2	0/7	0/7	0/2	1/2
$\bar{\varepsilon}_I$	-0.01	0.00	-0.04	0.01	0.03	0.05	0.05	-0.02
R ²	0.01	0.001	0.01	0.002	0.009	0.03	0.004	0.005
Per capita Income								
$\beta_I > 0$	0/1	1/1	2/2	2/2	2/7	5/7	2/2	1/2
$\beta_I \gg 0$	0/1	1/1	0/2	2/2	1/7	2/7	1/2	0/2
$\beta_I < 0$	1/1	0/1	0/2	0/2	0/7	0/7	0/2	1/2
$\bar{\varepsilon}_I$	-0.02	0.02	0.02	0.07	0.00	0.03	0.03	-0.02
R ²	0.029	0.013	0.003	0.025	0.004	0.008	0.013	0.005
Population								
$\beta_I > 0$	0/1	0/1	0/2	0/2	7/7	7/7	2/2	1/2
$\beta_I \gg 0$	0/1	0/1	0/2	0/2	3/7	7/7	0/2	0/2
$\beta_I < 0$	0/1	0/1	2/2	2/2	0/7	0/7	0/2	0/2
$\bar{\varepsilon}_I$	0.00	0.00	-0.05	-0.04	0.02	0.03	0.01	0.00
R ²	0.001	0.002	0.021	0.023	0.008	0.025	0.002	0.002
Average Wage								
$\beta_I > 0$	0/1	0/1	2/2	2/2	2/7	7/7	2/2	1/2
$\beta_I \gg 0$	0/1	0/1	0/2	1/2	0/7	3/7	0/2	0/2
$\beta_I < 0$	0/1	0/1	0/2	0/2	1/7	0/7	0/2	0/2
$\bar{\varepsilon}_I$	-0.01	0.00	0.02	0.03	-0.01	0.02	0.01	-0.01
R ²	0.005	0.003	0.004	0.009	0.002	0.006	0.001	0.002
Productivity								
$\beta_I > 0$	0/1	0/1	2/2	2/2	1/7	4/7	1/2	0/2
$\beta_I \gg 0$	0/1	0/1	0/2	2/2	0/7	2/7	0/2	0/2
$\beta_I < 0$	0/1	0/1	0/2	0/2	1/7	0/7	0/2	0/2
$\bar{\varepsilon}_I$	-0.01	0.00	0.03	0.04	-0.01	0.01	0.00	-0.02
R ²	0.006	0.003	0.006	0.008	0.002	0.006	0.002	0.003
Wage Bill								
$\beta_I > 0$	0/1	0/1	1/2	0/2	6/7	7/7	2/2	2/2
$\beta_I \gg 0$	0/1	0/1	0/2	0/2	1/7	1/7	1/2	0/2
$\beta_I < 0$	0/1	0/1	0/2	1/2	0/7	0/7	0/2	0/2
$\bar{\varepsilon}_I$	0.00	0.00	-0.01	-0.05	0.01	0.04	0.05	0.03
R ²	<0.001	<0.001	<0.001	0.003	0.003	0.008	0.007	0.002
Employment								
$\beta_I > 0$	1/1	1/1	1/2	0/2	5/7	5/7	2/2	2/2
$\beta_I \gg 0$	0/1	0/1	0/2	0/2	1/7	3/7	1/2	0/2
$\beta_I < 0$	0/1	0/1	0/2	2/2	0/7	0/7	0/2	0/2
$\bar{\varepsilon}_I$	0.00	0.01	0.00	-0.04	0.00	0.02	0.05	0.02
R ²	<0.001	0.005	<0.001	0.005	0.002	0.008	0.009	0.002

Table 4: Performance of Business Climate Indexes in Predicting Relative Income or Population
Growth at State Borders Over the Next 5 Years (continued)

Metrics	Pacific Institute		Small Business		Tax Foundation	
	Backcast	Forecast	Backcast	Forecast	Backcast	Forecast
Aggregate Income						
$\beta_I > 0$	1/2	0/2	4/5	2/5	0/2	0/2
$\beta_I \gg 0$	0/2	0/2	0/5	1/5	0/2	0/2
$\beta_I < 0$	0/2	0/2	0/5	0/5	0/2	0/2
$\bar{\varepsilon}_I$	0.02	-0.04	0.03	0.02	-0.04	-0.05
R ²	0.006	0.003	0.005	0.005	0.003	0.007
Nonfarm Income						
$\beta_I > 0$	2/2	1/2	0/5	0/5	2/2	1/2
$\beta_I \gg 0$	1/2	0/2	0/5	0/5	0/2	0/2
$\beta_I < 0$	0/2	0/2	1/5	4/5	0/2	0/2
$\bar{\varepsilon}_I$	0.06	0.00	-0.02	-0.05	0.04	0.00
R ²	0.012	0.003	0.005	0.027	0.011	0.004
Per capita Income						
$\beta_I > 0$	0/2	0/2	5/5	4/5	0/2	0/2
$\beta_I \gg 0$	0/2	0/2	1/5	2/5	0/2	0/2
$\beta_I < 0$	0/2	1/2	0/5	0/5	0/2	2/2
$\bar{\varepsilon}_I$	-0.01	-0.04	0.02	0.02	-0.02	-0.08
R ²	0.001	0.006	0.004	0.007	0.0025	0.032
Population						
$\beta_I > 0$	2/2	2/2	0/5	0/5	2/2	2/2
$\beta_I \gg 0$	1/2	1/2	0/5	0/5	1/2	2/2
$\beta_I < 0$	0/2	0/2	1/5	5/5	0/2	0/2
$\bar{\varepsilon}_I$	0.05	0.03	-0.02	-0.04	0.03	0.05
R ²	0.017	0.005	0.005	0	0.008	0.022
Average Wage						
$\beta_I > 0$	1/2	0/2	4/5	4/5	0/2	0/2
$\beta_I \gg 0$	1/2	0/2	2/5	1/5	0/2	0/2
$\beta_I < 0$	0/2	1/2	0/5	0/5	0/2	2/2
$\bar{\varepsilon}_I$	0.03	-0.04	0.02	0.01	-0.02	-0.05
R ²	0.012	0.009	0.008	0.003	0.005	0.019
Productivity						
$\beta_I > 0$	1/2	0/2	4/5	2/5	1/2	0/2
$\beta_I \gg 0$	1/2	0/2	0/5	0/5	0/2	0/2
$\beta_I < 0$	0/2	0/2	0/5	0/5	0/2	2/2
$\bar{\varepsilon}_I$	0.00	-0.02	0.01	0.00	-0.01	-0.05
R ²	0.002	0.004	0.005	0.001	0.001	0.013
Wage Bill						
$\beta_I > 0$	1/2	0/2	2/5	0/5	1/2	2/2
$\beta_I \gg 0$	0/2	0/2	0/5	0/5	0/2	1/2
$\beta_I < 0$	0/2	0/2	0/5	3/5	0/2	0/2
$\bar{\varepsilon}_I$	0.00	-0.04	-0.01	-0.05	0.00	0.08
R ²	0.004	0.003	<0.001	0.008	<0.001	0.01
Employment						
$\beta_I > 0$	0/2	1/2	1/5	0/5	1/2	2/2
$\beta_I \gg 0$	0/2	0/2	0/5	0/5	1/2	2/2
$\beta_I < 0$	1/2	1/2	0/5	3/5	0/2	0/2
$\bar{\varepsilon}_I$	-0.04	-0.04	-0.01	-0.03	0.00	0.06
R ²	0.006	0.004	<0.001	0.006	<0.001	0.01