

PROSPERITY INDEX

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The United States Prosperity Index  
**California**  
County report  
**2020**

The Legatum Institute would like to extend their gratitude to The Helmsley Charitable Trust for their support, without which the production of this Index and report would not have been possible. The Institute would also like to thank The Walton Family Foundation, in particular for their support towards the county Index during the past year. Support for the county Index was also provided in part by a grant from the Robert Wood Johnson Foundation, for which the Institute is also very grateful. The opinions expressed in this publication are those of the Legatum Institute and do not necessarily reflect the views of the Helmsley Charitable Trust, the Robert Wood Johnson Foundation, the Walton Family Foundation, or any of their individual employees.



#### **About the Helmsley Charitable Trust**

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The Leona M. and Harry B. Helmsley Charitable Trust aspires to improve lives by supporting exceptional efforts in the U.S. and around the world in health and select place-based initiatives. Since beginning active grant-making in 2008, Helmsley has committed more than \$2 billion for a wide range of charitable purposes. Learn more about Helmsley at [helmsleytrust.org](http://helmsleytrust.org).

#### **About the Robert Wood Johnson Foundation**

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For more than 45 years the Robert Wood Johnson Foundation has worked to improve health and health care. We are working alongside others to build a national Culture of Health that provides everyone in America a fair and just opportunity for health and well-being. For more information, visit [www.rwjf.org](http://www.rwjf.org). Follow the Foundation on Twitter at [www.rwjf.org/twitter](http://www.rwjf.org/twitter) or on Facebook at <https://www.facebook.com/RobertWoodJohnsonFoundation>.



#### **About the Walton Family Foundation**

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The Walton Family Foundation is, at its core, a family-led foundation. Three generations of the descendants of our founders, Sam and Helen Walton, and their spouses, work together to lead the foundation and create access to opportunity for people and communities. We work in three areas: improving K-12 education, protecting rivers and oceans and the communities they support, and investing in our home region of Northwest Arkansas and the Arkansas-Mississippi Delta.

The Legatum Institute would like to thank the Legatum Foundation for their sponsorship and for making this report possible. Learn more about the Legatum Foundation at [www.legatum.org](http://www.legatum.org)



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## Foreword



Our mission at the Legatum Institute is to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society. We analyze the many complex drivers of prosperity at a local, national, and global level to help understand how it is created and perpetuated.

Genuine prosperity is about far more than a society's economy or an individual's financial wealth; it represents an environment in which everybody is able to reach their full potential. A nation is prosperous when it has effective institutions, an open economy, and empowered people who are healthy and educated.

The measurement of prosperity is an important task for all leaders, and for those who hold them to account. It is the real test of whether a nation, state, or community is truly fulfilling the potential of its people, in terms of both their productive capacity and their collective wellbeing. Our Indexes deliberately combine the wide range of elements that drive prosperity, in order to help policymakers and influencers focus on the broader implications of institutional, economic, and social policies.

The United States is one of the world's economic powerhouses. It is open, with strong infrastructure and competitive markets in which individuals and businesses have easy access to finance, and its productive capacity is higher than almost all similar countries. In the main, its institutions are robust, its education system is one of the best in the world, and the majority of citizens feel connected to each other and engaged in society. However, the U.S. under-performs in areas such as safety and security, health, and living conditions. As a result, the country is ranked just 18<sup>th</sup> out of 167 countries in the Legatum Prosperity Index™, and has not advanced in the rankings for the last decade.

In 2019, with the generous support of The Leona M. and Harry B. Helmsley Charitable Trust, we published the inaugural United States Prosperity Index, seeking to explore why the country's undeniable economic success was not translating fully into social wellbeing. This year's report, with additional support from The Robert Wood Johnson Foundation (RWJF) and The Walton Family Foundation, presents an update on the prosperity of the 50 states and Washington D.C., as well as providing a brand-new, in-depth analysis of prosperity across 829 counties in eight selected states (California, Colorado, Georgia, Iowa, Montana, New York, Oklahoma, and Texas).

These Indexes have been purposefully designed to be transformational tools that compliment each other. The comprehensive set of indicators provides a rich and policy-focused dataset, allowing the potential of all states (and all counties in the selected states) to be identified and understood. This enables much more targeted policy responses that can drive tangible improvements in prosperity. Our ambition is that national, state, and local governments, business leaders, investors, philanthropists, and civil society leaders across the U.S. will use the Index to help set their agendas for growth and development, and that others will use it to hold them to account.

The data in the Index, for the 10 years up to early 2020, reflects a picture of improving prosperity in the U.S., albeit not evenly distributed. The holistic perspective of the Index captures the structural characteristics of all 50 states and the capital city. However, this data reflects the situation before the coronavirus pandemic struck, which has obviously had significant health, social, and economic impacts, especially for the most vulnerable and disadvantaged.

By providing a comprehensive picture of the situation before the pandemic started, the Index is a helpful lens through which to consider the various dimensions of the coronavirus and its effects — from transmission, susceptibility, and the health response, to governance of the response measures, resilience through digital connectivity, and social capital, as well as fiscal resilience to the economic impacts.

In general, it is the most densely populated, well-connected areas of the U.S. that have been most impacted by the virus. The Index's *Market Access and Infrastructure* pillar recognizes the significant economic benefits that a robust *Transport* system provides, enabling goods, people, and ideas to come into and spread around the country. But this same infrastructure can also be a transmission vehicle for pathogens, as demonstrated in New York City this year. While the virus originated in China, and the first case of COVID-19 in America was actually recorded on the other side of the country, it was in and from NYC that the outbreak grew as

infected people arrived by plane from Europe, packed into local trains and subway cars, and journeyed on to areas such as Ohio, Wisconsin, Louisiana, Texas, Arizona, Idaho, and the West Coast.

Susceptibility to illness from coronavirus has been shown to be higher for people with underlying health conditions such as *Diabetes*, *High Blood Pressure*, and *Obesity*, three indicators captured in the *Health* pillar of the Index. However, our data shows that areas with poor scores in these health indicators tend not to be those with high density population and transport networks; as of mid-May, none of the 10 states with the highest prevalence of comorbidities appears in the top 10 states for COVID-19 death rates.

The quality of the healthcare system and its ability to respond to the pandemic has been a critical factor in local responses to the virus. The *Preventative Interventions* and *Care Systems* elements of the Index's *Health* pillar capture the pre-existing strength of the public health and hospital networks. The experience of Washington state, which is ranked highly for its *Care Systems*, is instructive — although Seattle was home to the first case of the virus in the country, the Governor was able to dismantle an emergency field hospital that had been set up in the city because it was not needed and sent hundreds of ventilators back to the Strategic National Stockpile. Meanwhile, in Massachusetts, which ranks first for *Preventative Interventions*, the Beth Israel Deaconess Medical Center has been at the forefront of the race to develop a coronavirus vaccine.

In addition to the health response, the social measures taken to contain the virus, such as stay-at-home orders and distancing guidelines, elicited a wide range of reactions and responses across the U.S. In general, authorities in places where there is a high degree of confidence in institutions find it easier to dial measures up and down as required to protect public health. For example, countries such as Singapore, the United Arab Emirates, and Switzerland had much smoother lockdown entry and exit processes than other nations where society is more suspicious of government, media, and other institutions. Similarly in the U.S., many areas where *Institutional Trust* is low, such as California, Ohio, and Oregon, saw large protests and widespread acts of defiance against lockdown restrictions.

In a time of forced isolation, people become more reliant on a combination of *Social Networks* and (digital) *Connectedness*. However, these do not often coincide — people living in more densely populated cities are much more likely to have strong broadband connections and high rates of smartphone ownership than those living in rural areas, but less likely to have strong connections with neighbors. Furthermore, those states and cities with stronger *Economic Quality*, and in particular *Fiscal Sustainability*, which among other things measures the resilience of states to deal with economic shocks, will be better placed to handle the increasingly important financial consequences of the response to the pandemic.

This year's Index illustrates how and why different areas of the U.S. have been more vulnerable to the spread of the coronavirus and/or more resilient to its health and socio-economic impacts. The ability of different states and cities to bounce back and to emerge even more prosperous in a post-COVID world will be the focus of our analysis over the coming years.

Over the past decade we have seen *Institutional Trust* decline across the U.S. Residents of counties with large minority populations such as El Paso in Texas and Riverside in California in particular have very low levels of trust in institutions such as the government, media, and corporations. At the same time, some counties in states like Georgia and Oklahoma have seen much higher use of racial epithets than other places (as recorded by Google). These trends are indicative of a society coming apart, rather than drawing together. The Index can also provide some context for the social unrest following the death of George Floyd in Minneapolis at the hands of the police in May.

The Index helps frame an agenda through which different challenges can be addressed. By explicitly recognizing the interconnectedness of many different elements of prosperity, it allows users to assess the relative strengths and weaknesses of states and counties across multiple dimensions. Combined with additional local insight and demographic data, this will enable a roadmap of targeted interventions to be developed that will benefit all Americans.

This is based on our experience that genuine, holistic, well-distributed prosperity is built on strong social foundations, with a robust social contract that is nurtured through high levels of social capital and tolerance, and governed by trustworthy and effective institutions, enabling an open and competitive economy that generates opportunity and wealth for all. This can be used to resource a resilient health system, high quality education, and good living conditions. This is the best way to increase resilience against future pandemics and other social emergencies and provide a bedrock for hope for the future.

Our analysis in this report shows that the key to unlocking greater prosperity in the U.S. lies in the potential for improvement at a state and county level, and not just nationally. For example, Washington D.C.'s prosperity growth over the last decade has been driven mainly by strengthening its education system, whereas economic quality been a big driver of improvement in California and South Carolina. When looking to the future, each area must recognize its distinct strengths and weaknesses and identify its own specific opportunities to improve and where lessons for improvement can be shared with and learned from other states and counties. The Index points to examples of best practice across many dimensions, demonstrating that there is much to be gained from benchmarking against peers, as well as from exploring the connections between development in different areas.

There is much to be hopeful about when considering prosperity in the U.S. While recognizing the challenges the country is currently facing, we can, and should, celebrate its high global ranking and historic improvement, which will provide a strong foundation upon which to build as it emerges from these challenging times.

While the state level Index covers all 50 states of the Union as well as Washington D.C., we are most ambitious about engaging with the eight selected states to use the findings at both county and state level to help them create targeted strategies for future development. Over the coming years we will be progressing our analysis by undertaking further deep dives into the prosperity of individual states, researching additional county-level patterns, and exploring the drivers of prosperity between and within different areas in more detail.

If you are interested in discussing how you can use the findings of the U.S. Prosperity Index, or want to know more about our work more broadly, please do contact us at [info@li.com](mailto:info@li.com), or visit the dedicated United States Prosperity Index website at [www.usprosperity.net](http://www.usprosperity.net).



**Dr. Stephen Brien**  
Director of Policy, Legatum Institute



# Using the United States Prosperity Index

The United States Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity across the 50 states of the Union and D.C., and the 829 counties of the eight selected states. The Index consists of 11 pillars of prosperity, built upon 48 actionable policy areas (elements), and is underpinned by over 200 indicators.

The Index has been designed to benefit a wide range of users, including state and county-leaders, policymakers, investors, business leaders, philanthropists, journalists, researchers and U.S. citizens.

- State and county leaders can use it to help shape priorities for a policy agenda for their area;
- Policymakers can use it to determine specific areas that require action to help increase prosperity;
- Investors can use it to inform capital allocation;
- Business leaders can use it to identify and communicate the changes they need to improve the business climate and the productive capacity of states and counties;
- Philanthropists can use it to identify the areas where they can have the greatest impact beyond the well-trodden paths;
- Journalists and U.S. citizens can use it to hold their state and local government to account;
- Researchers can use it to complement other datasets to analyze the underlying patterns behind economic and social issues, and inform the broader policy, business, and philanthropic community.

## INTERPRETING THE INDEXES

For every U.S. state and D.C., the Index uses the same indicators, and combines them in the same way to create elements and pillars. Similarly, for the 829 counties in the eight selected states, a consistent set of indicators have been used and combined in the same way to create elements and pillars, mirroring the state level approach.

By using the Index at a state and county level, it is possible to compare the relative performance of each state or county for overall prosperity and for each of the 11 pillars of prosperity, such as health, education, and social capital, as well as the 48 elements within the pillars. The elements have been established to represent key policy areas, such as K-12 Education, government integrity, and mental health, to help facilitate more targeted action at the appropriate level.

Making these comparisons will enable the user to explore which aspects of prosperity are more or less well developed within a state

or a county, and how these compare with other states and counties. The higher the ranking, the stronger the performance of that state or county for the pillar or element, when compared with another lower down the rankings. Further to this, the Index also provides data over a 10-year period, making it possible to see whether prosperity has been improving or deteriorating over time, and what specifically is driving that change. This will enable areas of strength, in a state or a county, to be built on and areas of weakness to be addressed. The county level Index enables the performance within a state to be more clearly understood, and it also enables comparison with counties in other states, thus creating an environment in which good practice can be identified and shared across state boundaries.

## APPLYING THE INDEXES

The data in the state and county level Indexes and analysis contained in the report can be used for a variety of purposes, for example:

- Benchmarking performance against peers;
- In-depth analysis of prosperity at the state or county level;
- Understanding whether prosperity is improving or weakening over time, and why;
- Identifying the binding constraints to increased prosperity;
- Informing priorities for setting state and county agendas.

Where a state or a county is showing a strong or weak performance in a pillar, it is possible to drill down and identify what particular policy-related element is driving this trend. This will help inform the required policy action to strengthen performance.

For example, it may be discovered that a state or a county's poor prosperity rankings are driven by a weak performance in education. Upon further investigation, the Index reveals that, although current education policy in the state is weaker in K-12 education, it has been focused on improving tertiary education when contrasted with comparator states. In particular, further investigation of the Index reveals that low completion rates may be driving the weak performance in K-12 education. This information can help to target specific areas that need improvement and provide a starting point for what can be done to improve education, and thereby increase prosperity.

By using the historical data provided by the Index for the example above, it may become apparent that K-12 completion rates have declined rapidly over the past three years. Discussion with local education officials on the decline may reveal that this coincides with the conclusion of a learning difficulties support program, thus pointing to the particular area where action is needed.



## RESOURCES AVAILABLE

There are several tools available to aid analysis and interpretation of, and elicit insight from, the United States Prosperity Index. Alongside this report, which provides a high-level analysis of the findings from the state and county Indexes, the following additional information is available for download via our website at [www.usprosperity.net](http://www.usprosperity.net):

**State profiles.** This 15-page profile, for each of the 50 states and the District of Columbia, provides more detailed pillar, element and indicator information, including rankings and scores, and how these have changed over time.

**County profiles.** This 15-page profile, for each of the 829 counties in the 8 selected states, provides more detailed pillar, element and indicator information, including rankings and scores, and how these have changed over time.

**Indicator scores.** An Excel spreadsheet which contains the scores for all of the indicators for each year since 2007 at both the state and county level. Using these scores, the user can carry out more in-depth analysis. Further information on how the scores for each indicator are calculated can be found in the Methodology section (see page 22).

Team members at the Legatum Institute are also available to engage and provide support to those interested in addressing the challenges and opportunities presented by these materials. Please contact us at [info@li.com](mailto:info@li.com).

## USING THE INDEX

### Political leaders

This report provides leaders at a state and local level with an overview of the performance of their state or county across the 11 pillars of prosperity and provides the foundation for setting an agenda to create pathways from poverty to prosperity. These can be developed and refined using the more in-depth accompanying resources outlined above.

### Policymakers

The Index and its accompanying resources allow policymakers to benchmark the performance of their state or county against peers across 11 pillars and 48 elements of prosperity to create a much more granular perspective of performance and the potential binding constraints to development.

Each of the 48 elements of prosperity have been designed to be recognizable, discrete areas of domestic policy, and are measured using a combination of indicators from a variety of public data sources. The indicators should be interpreted as a set of proxies for the underlying policy concept, and we would encourage policymakers to interpret their score and rank for an element as the trigger for more fundamental analysis of the strengths and weaknesses of its performance. Benchmarking against the basket of indicators within the indexes must be complemented by in-depth context-sensitive analysis, which itself can lead to more balanced agendas across a range of policy areas.

In addition to helping focus analysis, these materials, together with the database of performance, also allow policymakers to develop diagnostic tools and to identify potential options to consider, based on the performance of other states and counties, and the case studies provided.

### Philanthropists

There are many opportunities to invest in building stronger social, political, and economic outcomes across the United States. For example: on Social Capital. Reversing the decline seen in social capital across the United States will help further increase the prosperity of U.S. citizens. There is a unique role for philanthropists to identify and champion what it takes to build social capital across the counties and states of the U.S.

### Investors and business leaders

The business community is well positioned to identify barriers to starting, operating, and growing business, and to demonstrate to government the economic potential from reforms such as lifting

onerous regulation and reducing other barriers to help improve the investment environment.

Furthermore, business leaders and investors can contribute to infrastructure policy development by demonstrating the economic impact of investment in communications, transport, and energy projects, where they can be the binding constraint on further increasing prosperity.

#### **Academics and Researchers**

For academics and researchers, our database of curated indicators is a unique resource enabling comparison of trends and patterns across the past 13 years for much of the data. By providing a holistic dataset across many disciplines, it provides an opportunity to compare in a straightforward way the impact of disparate factors,

such as how living conditions are related to education levels, or how levels of social tolerance are related to levels of institutional trust.

#### **Journalists and civil society**

The United States Prosperity Index, at a state and county level, is based on publicly available and verifiable data, which means it can be a powerful resource for those who want to hold up a mirror to those in power and society at large. Holding leaders to account is a crucial role for both journalists and civil society. The institutional, economic and social performance of a state and county is critical to its prosperity, and that of the United States as a whole, and having non-government actors calling out weaknesses, as well as celebrating successes, can help spur on state and county leaders. To do so well requires easy access to reliable data that can be represented in a digestible way.



## THE PATHWAY TO TRANSFORMATION

Transformation is a process, not an event. Intermediate benchmarks are most helpful and effective, and the most obvious challenges facing a state, or a county, should be considered in the first instance. Understanding the specifics of each state and county's circumstances will be critical to determining the sequencing and prioritization. The Indexes provide a set of hypotheses to test. The areas of highest priority will likely be the elements that are performing relatively poorly, but are not necessarily the weakest-performing elements, as creating the conditions to warrant improving the weakest performing elements may require improving some of the elements that are less weak first.

It is important to identify the most binding constraint to progress and use it to inform the sequencing and prioritization. To give a rather simplified example, a state may

find itself with a weak environment for investment and also low levels of dynamism. In such a situation, simply seeking to increase investment is unlikely to have much of an impact, as investors will be more attracted to investing in an area where there is already a high number of start-ups and new entrepreneurs. In such a circumstance, creating an environment that attracts new businesses and start-ups would likely be a more impactful first step.

As no single state has yet succeeded in fully securing both economic and social wellbeing for its residents, clear opportunities therefore exist for states and counties to learn from each other. The Indexes identify these opportunities for improvement, and also where other states and counties have been successful in addressing the same challenges. This can guide supplementary research to inform the ways in which successful strategies from one region might be adapted to address weaknesses in another region.



# Domain and Pillar definitions

Prosperity is a multi-dimensional concept, which the United States Prosperity Index seeks to measure, explore, and understand as fully as possible. The framework of the Index captures prosperity through three equally-weighted domains which are the essential foundations of prosperity — Inclusive Societies, Open

Economies, and Empowered People. These domains are made up of 11 pillars, which are themselves underpinned by 48 constituent elements. These are the building blocks and policy areas crucial for achieving true prosperity for all residents across the United States.

**Inclusive Societies** are an essential requirement for prosperity, where social and legal institutions protect the fundamental freedoms of individuals, and their ability to flourish. This domain explores the relationship structures that exist within a society, and the degree to which they either enable or obstruct societal cohesion and collective development. Areas within this domain range from the relationship of citizen and state, to the degree to which violence permeates societal norms, to the interaction of freedoms of different groups and individuals, to the way in which individuals interact with one another, their communities and institutions. These issues have been both a practical consideration for the majority of modern human experience, as well as a subject of academic study. We examine the fundamental aspects of inclusive societies across four pillars, each with component elements.

**Safety and Security** measures the degree to which individuals and communities are free from terrorism, violent crime, and property crime. The lives of individuals, their freedoms, and the security of their property are at risk in a society where these activities are present, both through their current prevalence, and long-lasting effects. In short, a community or society can prosper only in an environment of security and safety for its citizens.

**Personal Freedom** measures basic legal rights (agency), individual liberties (freedom of assembly and association, freedom of speech and access to information), the absence of legal

discrimination and the degree of social tolerance experienced in a society. Societies that foster strong civil rights and freedoms have been shown to enjoy increased levels of satisfaction among their citizens. Furthermore, a state benefits from higher levels of national income when its citizens' personal liberties are protected and when it is welcoming of the diversity that stimulates innovation.

**Governance** measures the extent to which there are checks and restraints on power, and whether governments operate effectively and without corruption. The nature of a state's governance has a material impact on its prosperity. The rule of law, strong institutions and regulatory quality contribute significantly to economic growth, as do competent governments that enact policy efficiently and design regulations that deliver policy objectives without being overly burdensome.

**Social Capital** measures the personal and family relationships, social networks and the cohesion a society experiences when there is high institutional trust, and people respect and engage with one another (civic and social participation), both of which have a direct effect on the prosperity of a country. A person's wellbeing is best provided for in a society where people trust one another and have the support of their friends and family. Societies with lower levels of trust tend to experience lower levels of economic growth. Thus, the word "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.



**O**pen Economies encourage innovation and investment, promote business and trade, and facilitate inclusive growth. This domain captures the extent to which the economies of each state and county embody these ideals. Without an open, competitive economy, it is very challenging to create lasting social and economic wellbeing where individuals, communities, and businesses are empowered to reach their full potential. Trade between states, communities and other nations is fundamental to the advance of innovation, knowledge transfer, and productivity that creates economic growth and prosperity. Research shows that open economies are more productive, with a clear correlation between increased openness over time and productivity growth. In contrast, in an uncompetitive market, or one that is not designed to maximize welfare, growth stagnates, and crony capitalism thrives, with knock-on impacts elsewhere in society. One of the biggest opportunities for policymakers is to resist protectionism and cronyism, and to actively reinvigorate an agenda that embraces open and pro-competitive economies, both domestically and internationally, that attracts innovation, ideas, capital and talent. While most policymakers focus on the big fiscal and macro-economic policy tools at their disposal, the microeconomic factors are sometimes overlooked, and their potential to drive openness and growth is underestimated. With a focus on these microeconomic factors, we examine the fundamental aspects of open economies across three pillars, each with component elements.

**Business Environment** measures the amount and variety of investment finance available (Financing Ecosystems) and how easy it is for businesses to start, compete, and expand (Domestic Market Contestability). Contestable markets with low barriers to entry and adequate pools of funding are important for businesses to innovate and develop new ideas. This is essential for a dynamic and enterprising economy, where the Burden of Regulation and any inhibitors on the flow of goods and services between businesses (Price Distortions), enables, rather than hinders business and responds to the changing needs of society and ensures Labor Market Flexibility.

**Market Access and Infrastructure** measures the quality of the infrastructure that enables trade (Communications, Transport, and Resources). Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient markets, allowing new products and ideas to be tested, funded, and commercialized, ultimately benefiting consumers through a greater variety of goods at more competitive prices.

**Economic Quality** measures how robust an economy is (Fiscal Sustainability) as well as how an economy is equipped to generate wealth (Productivity and Competitiveness, Dynamism). A strong economy is dependent on high labor force engagement and the production and distribution of a diverse range of valuable goods and services.

**E**mpowered People captures the quality of people's lived experiences and the features present that enable individuals to reach their full potential through autonomy and self-determination. This domain starts with the necessary resources required for a basic level of wellbeing, ranging from levels of material resources, to adequate nutrition, to basic health and education outcomes, access, and quality, and to a safe and clean environment. Many of these issues are inter-related. The pillars in this domain differentiate states' performance on these fundamental measures of social wellbeing to distinguish where greater numbers of people are disadvantaged and less likely to achieve wellbeing. We examine the fundamental aspects of empowered people across four pillars, each with component elements.

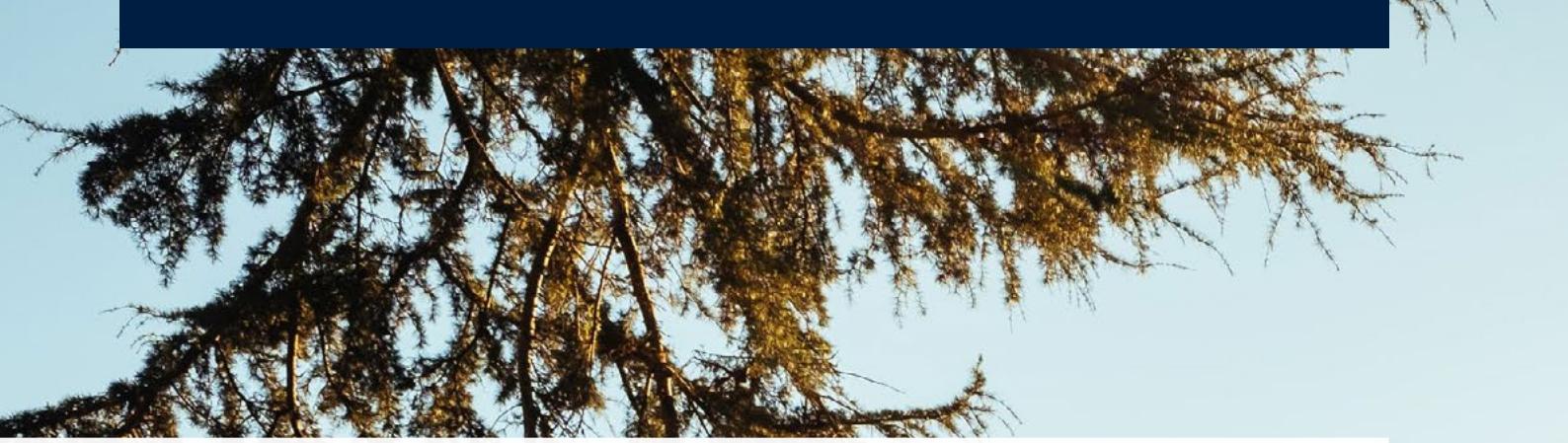
**Living Conditions** measures the set of conditions or circumstances that are necessary for all individuals to attain a basic level of wellbeing. This set of circumstances includes a level of material resources, adequate nutrition and access to basic services and shelter. It also measures the level of connectedness of the population, and the extent to which they are in a safe living and working environment (protection from harm). These enable the individual to be a productive member of society and to pursue prosperity and build a flourishing life.

**Health** measures health service provision and the health outcomes of a population — including the quality of both mental

health and physical health, each of which affects longevity. It also assesses the set of behavioral risk factors that affect the quality of the population's health, and the quality of the healthcare provision through the lenses of care systems and preventative interventions. For a state to truly prosper, its residents must have good health. Those who enjoy good physical and mental health report high levels of wellbeing, while poor health keeps people from fulfilling their potential.

**Education** measures the enrollment, outcomes and quality of four stages of education (pre-primary, primary, secondary, and tertiary education) as well as the adult skills in the population. Education allows people to lead more fulfilling lives, and a better educated population is more able to contribute to society. Over the long-term, education can help to drive economic development and growth while improving social and health outcomes, as well as leading to greater civic engagement.

**Natural Environment** measures the elements of the physical environment that have a direct impact on the ability of residents to flourish in their daily lives. Also measured is the extent to which the ecosystems that provide resources for extraction (freshwater and forest, land and soil) are sustainably managed. A well-managed rural environment yields crops, material for construction, wildlife and food, and sources of energy. The extent of preservation efforts is also captured, as these are critical to longer-term sustainability.



# California county findings

Developed over the past year is the county level Prosperity Index, which has been created to further understand the disparities that exists in prosperity across the U.S., in particular within the eight selected states: California, Colorado, Georgia, Iowa, Montana, Oklahoma, New York and Texas, 829 counties in all. These states were carefully selected to capture the full demographic and geographic variety, and also because they exhibit different levels of state prosperity. In the coming years, our ambition is to build out the Index to cover all counties within the United States to enable a more detailed understanding of prosperity at the local level.

This county level Index has been designed to mirror the state level Index as closely as possible, so they work hand in hand in informing decision-making at the state and county level. Constructing the Index involved sourcing

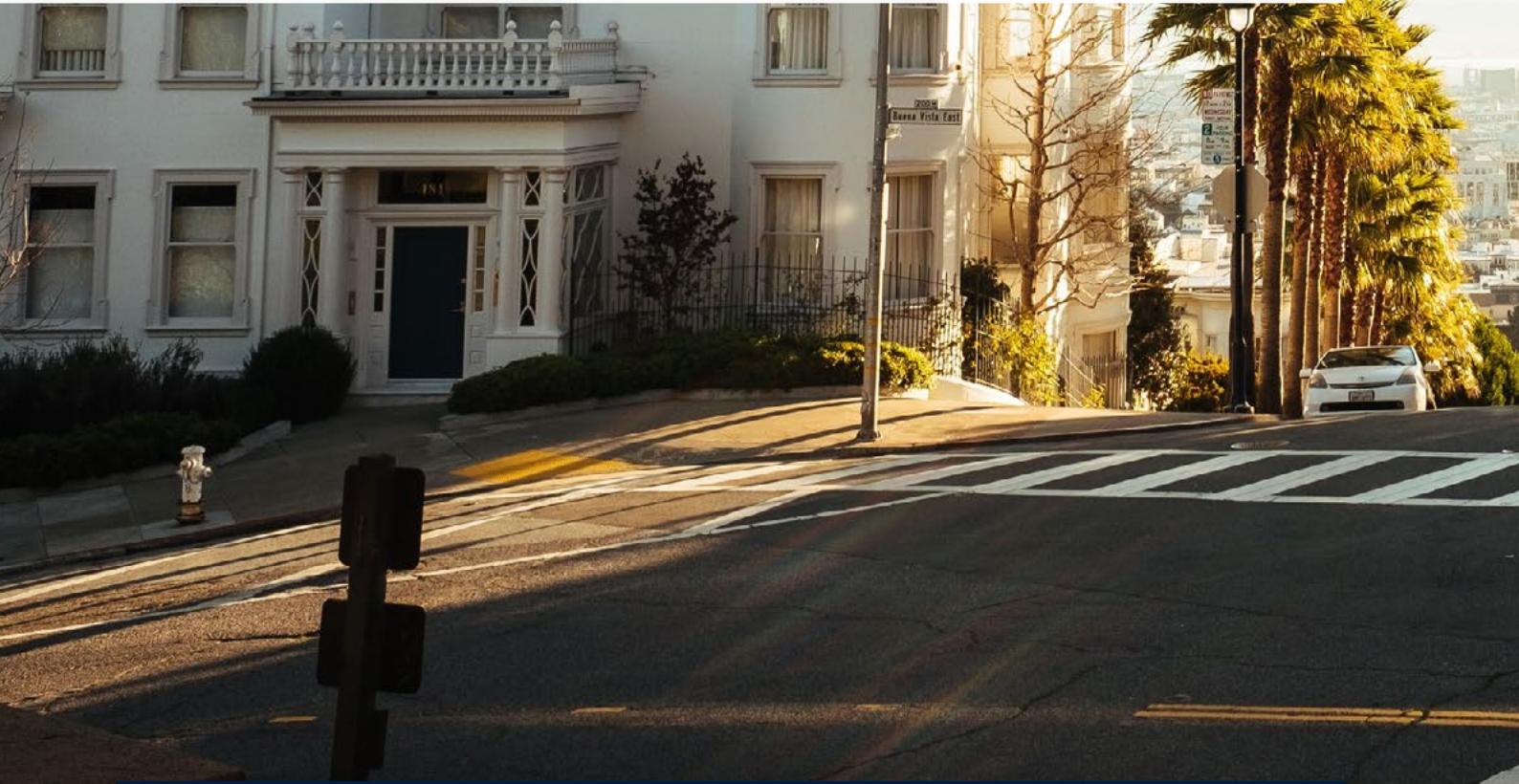
county level data for the indicators used within the state level index. Of the 216 indicators in the state level Index, over 130 indicators were available at county or other sub-state levels. For the remaining indicators the state value has been used for all counties in the state. Further information is provided in the methodology section (see page 24).

The result is a holistic and comprehensive curated county level dataset, that enables the prosperity of the 829 counties within the 8 selected states to be identified and understood and how that has changed over the past decade.

In this report is an overview of how California and its 58 counties perform within the County Index, across the 3 domains, 11 pillars and 48 elements, with maps.

Also shown are the rankings of the 58 counties within California on prosperity and across the 11 pillars.

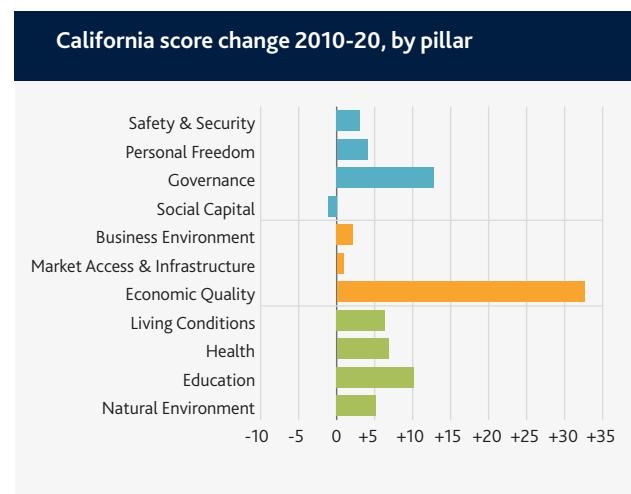
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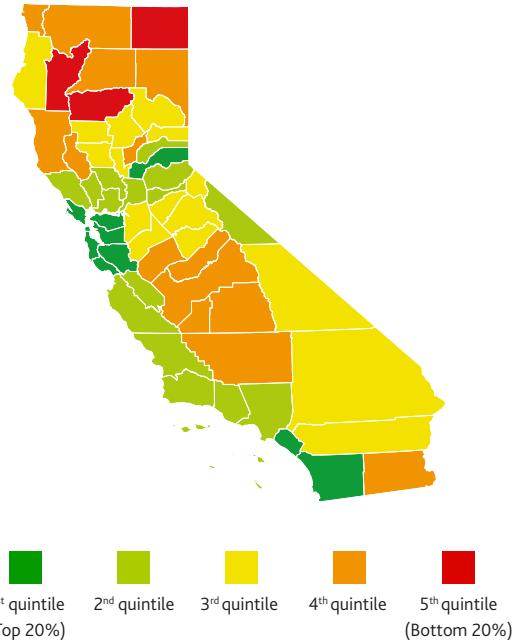


# California (26<sup>th</sup>)

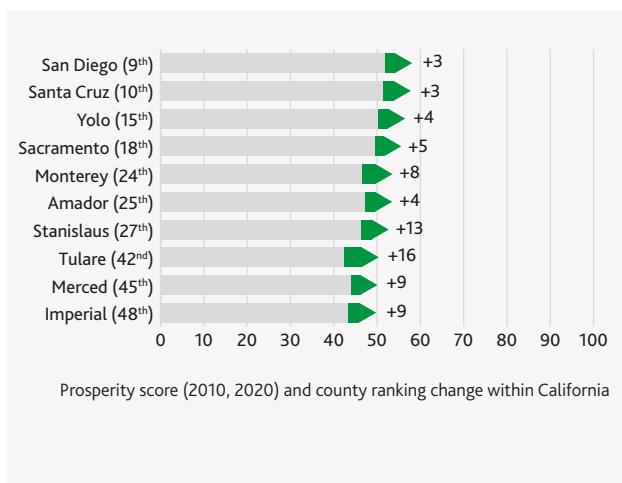


## Prosperity of California's counties

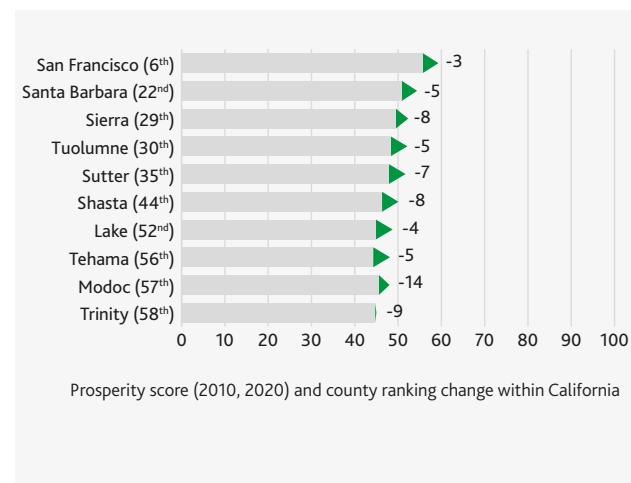
Strongest		Weakest	
<b>1</b>	San Mateo	<b>49</b>	Del Norte
<b>2</b>	Marin	<b>50</b>	Yuba
<b>3</b>	Santa Clara	<b>51</b>	Madera
<b>4</b>	Orange	<b>52</b>	Lake
<b>5</b>	Placer	<b>53</b>	Kings
<b>6</b>	San Francisco	<b>54</b>	Siskiyou
<b>7</b>	Alameda	<b>55</b>	Kern
<b>8</b>	Contra Costa	<b>56</b>	Tehama
<b>9</b>	San Diego	<b>57</b>	Modoc
<b>10</b>	Santa Cruz	<b>58</b>	Trinity



## Most improved counties in California, 2010-2020

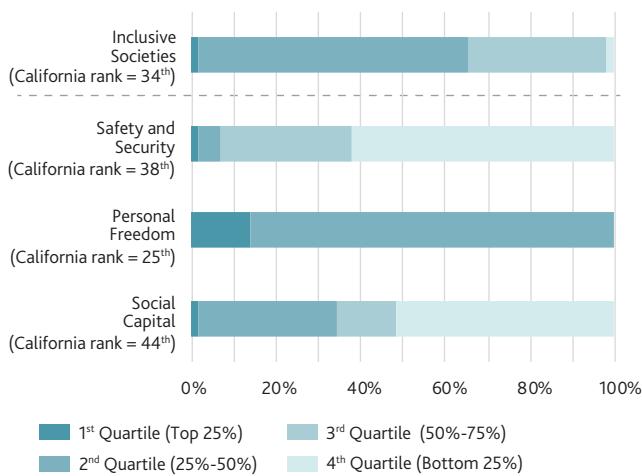


### **Least improved counties within California, 2010-2020**



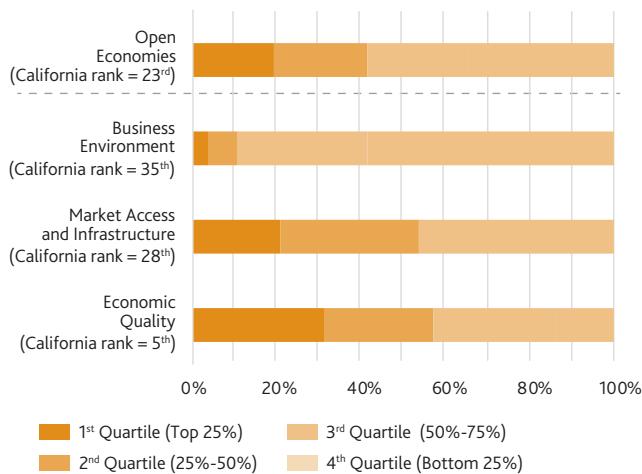
## Performance of California's counties across the three Prosperity domains

### Inclusive Societies (Distribution of county performance)



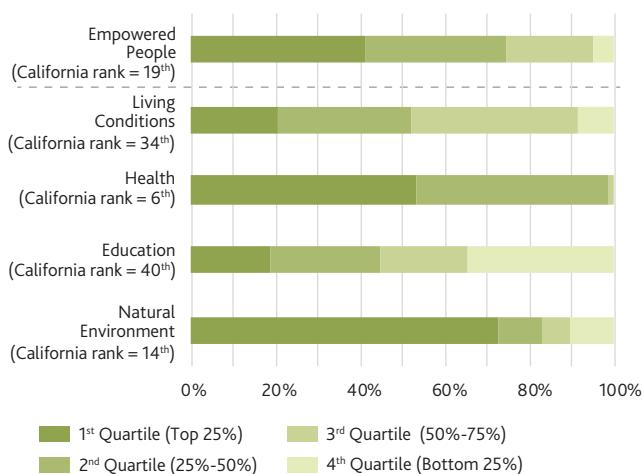
- Performance in this domain is weak, but with all but 7 counties improving, California contributed to the U.S. improvement in this domain over the past decade,
- Within Safety and Security, around half of counties are in the 4<sup>th</sup> quartile for Violent Crime and Property crime.
- Like 45 other states, California saw a deterioration in Social Capital over the past decade, although 21 of its counties, led by Imperial, saw an improvement.
- Institutional Trust is the strongest performing element within Social Capital, with 21% of counties in the top quartile and 12% in the bottom quartile.

### Open Economies (Distribution of county performance)



- Performance in Open Economies is about average, although a third of counties are in the 4<sup>th</sup> quartile.
- In Business Environment, there is good access to capital, with all but 3 counties are in the 1<sup>st</sup> quartile for Financing Ecosystems. However, all counties are in the 4<sup>th</sup> quartile for Domestic Market Contestability, Labor Market Flexibility and Price Distortions.
- In Market Access & Infrastructure, county performance is strongest in Communications, with 33% of counties in the 1<sup>st</sup> quartile and only 7% in the 4<sup>th</sup> quartile.
- California has risen 27 ranks in Economic Quality since 2010, due to reversing a negative budget balance and increasing its financial reserves. The strongest performing element in the Economic Quality pillar is Dynamism, where 79% of counties are in the 1<sup>st</sup> quartile.

### Empowered People (Distribution of county performance)

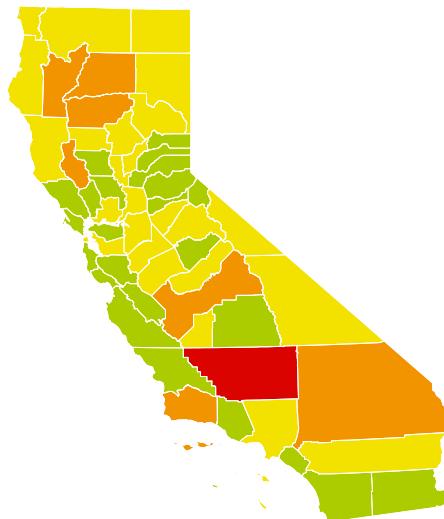


- This domain is California's strongest, with over 40% of counties in the first quartile.
- In Living Conditions, nearly 60% of counties are in the 1<sup>st</sup> quartile for Connectedness, however all but 2 counties are in the 4<sup>th</sup> quartile for Shelter.
- While Health improved across all counties over the past decade, 29 counties saw a decline in Mental Health.
- California ranks 40<sup>th</sup> for Education, with a third of counties in the 4<sup>th</sup> quartile. The state performs well on Tertiary Education, with all but 9 counties in the 1<sup>st</sup> quartile, but poorly on Primary and Secondary Education, with only Marin and Santa Clara counties in the 1<sup>st</sup> quartiles.
- In the Natural Environment pillar, all but 10 counties appear in the top quartile for Forest, Land and Soil, whereas for Freshwater no counties appear in the top quartile and 36 appear in the 4<sup>th</sup> quartile.

# Mapping the Domains across California

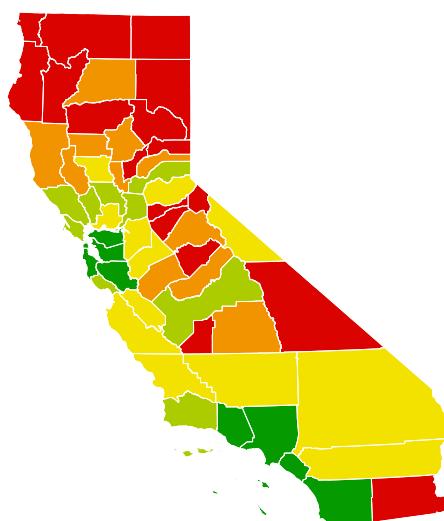
## INCLUSIVE SOCIETIES

Strongest		Weakest	
1	Marin	49	Humboldt
2	Placer	50	Modoc
3	San Mateo	51	Trinity
4	Santa Cruz	52	San Bernardino
5	Sierra	53	Santa Barbara
6	San Benito	54	Tehama
7	El Dorado	55	Fresno
8	San Diego	56	Lake
9	Napa	57	Shasta
10	Sonoma	58	Kern



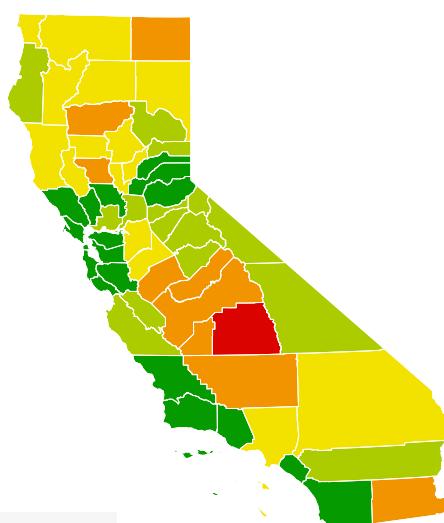
## OPEN ECONOMIES

Strongest		Weakest	
1	Orange	49	Yuba
2	San Mateo	50	Imperial
3	San Francisco	51	Lassen
4	Los Angeles	52	Del Norte
5	Alameda	53	Mariposa
6	Santa Clara	54	Modoc
7	Contra Costa	55	Alpine
8	San Diego	56	Siskiyou
9	Ventura	57	Sierra
10	Marin	58	Trinity



## EMPOWERED PEOPLE

Strongest		Weakest	
1	Marin	49	Modoc
2	San Mateo	50	Tehama
3	Santa Clara	51	Fresno
4	Placer	52	Merced
5	San Francisco	53	Colusa
6	El Dorado	54	Imperial
7	Alameda	55	Madera
8	Orange	56	Kings
9	Contra Costa	57	Kern
10	Sonoma	58	Tulare



■ 1<sup>st</sup> quintile (Top 20%) ■ 2<sup>nd</sup> quintile ■ 3<sup>rd</sup> quintile ■ 4<sup>th</sup> quintile ■ 5<sup>th</sup> quintile (Bottom 20%)

# The U.S. Prosperity Index, California county rankings<sup>1</sup>

ranks 1–51



2010 Rank	2019 Rank	2020 Rank	County	Safety and Security	Personal Freedom	Social Capital	Business Environment	Market Access and Infrastructure	Economic Quality	Living Conditions	Health	Education	Natural Environment
1	1	1	San Mateo	11	5	7	4	2	3	5	2	3	15
2	2	2	Marin	7	9	4	9	23	11	1	3	1	5
4	3	3	Santa Clara	21	13	8	7	7	4	11	1	2	24
5	5	4	Orange	12	7	44	2	4	1	4	8	6	34
6	4	5	Placer	2	15	16	12	11	31	6	7	4	16
3	6	6	San Francisco	57	4	5	1	1	15	9	5	5	17
7	7	7	Alameda	49	1	11	5	3	8	3	4	7	29
8	8	8	Contra Costa	26	2	10	6	8	12	8	6	9	47
12	9	9	San Diego	16	6	9	10	14	5	17	13	12	36
13	10	10	Santa Cruz	28	27	1	16	13	13	26	18	13	3
11	13	11	El Dorado	9	24	15	13	44	26	2	9	10	11
9	11	12	Sonoma	14	19	13	14	25	10	18	12	15	6
15	14	13	Napa	13	31	6	15	33	9	19	15	20	14
10	12	14	Ventura	19	53	12	11	21	6	13	19	17	20
19	15	15	Yolo	15	21	18	25	16	19	14	16	11	41
16	16	16	San Luis Obispo	17	25	19	19	30	16	21	22	8	19
18	17	17	San Benito	4	38	14	41	32	14	20	11	34	13
23	21	18	Sacramento	40	10	21	8	9	32	12	28	25	25
14	18	19	Nevada	10	32	29	29	31	30	23	17	16	1
20	19	20	Mono	18	50	24	52	5	18	24	10	26	22
24	20	21	Los Angeles	45	11	32	3	6	7	38	14	27	52
17	22	22	Santa Barbara	36	55	56	17	36	2	16	21	24	21
22	26	23	Solano	50	20	25	18	24	20	7	29	18	44
32	23	24	Monterey	39	8	17	32	34	21	32	25	50	7
29	24	25	Amador	6	42	37	35	49	52	15	27	32	9
27	25	26	Riverside	27	3	51	33	12	44	27	31	36	28
40	28	27	Stanislaus	52	18	2	26	22	23	33	38	37	49
26	29	28	Calaveras	24	41	39	51	39	50	10	32	33	10
21	31	29	Sierra	1	56	31	56	45	49	28	26	28	32
25	27	30	Tuolumne	33	39	30	43	40	43	30	30	30	18
37	32	31	Colusa	3	46	38	24	28	17	49	51	54	50
33	33	32	San Joaquin	53	16	23	22	17	33	35	33	43	42
38	30	33	Butte	35	14	40	23	42	38	51	53	19	23
41	36	34	Alpine	5	57	26	56	46	36	40	23	14	33
28	34	35	Sutter	41	33	41	28	18	46	22	35	41	40
31	38	36	Mariposa	8	49	35	55	51	55	31	20	31	38
35	35	37	Inyo	32	48	28	45	50	34	34	24	38	26
44	41	38	Humboldt	46	23	48	27	55	35	37	52	21	8
30	39	39	Glenn	20	44	36	40	38	22	36	45	55	48
39	37	40	San Bernardino	48	28	54	31	20	29	39	36	42	43
34	43	41	Plumas	44	47	27	39	47	40	44	37	22	35
58	44	42	Tulare	34	22	3	30	41	28	53	55	58	54
42	42	43	Mendocino	43	34	43	37	53	24	56	39	40	12
36	40	44	Shasta	51	58	50	21	37	41	54	56	23	31
54	47	45	Merced	38	26	22	38	27	42	48	44	56	51
50	46	46	Lassen	23	43	45	49	52	51	25	47	46	27
45	45	47	Fresno	54	12	57	20	10	27	50	41	44	55
57	49	48	Imperial	22	17	20	44	35	57	43	34	52	57
46	48	49	Del Norte	29	45	53	53	48	56	29	49	48	4
47	50	50	Yuba	30	35	47	54	29	54	41	54	45	37
52	51	51	Madera	37	29	55	36	26	47	45	40	57	53

1. There is no county variation in Governance, all counties have been given the state score value. California is the 24<sup>th</sup> ranked state for Governance.

# The U.S. Prosperity Index, California county rankings<sup>1</sup> ranks 52–58



2010 Rank	2019 Rank	2020 Rank	County	Safety and Security	Personal Freedom	Social Capital	Business Environment	Market Access and Infrastructure	Economic Quality	Living Conditions	Health	Education	Natural Environment
48	52	52	Lake	55	36	52	50	19	53	55	58	49	2
55	54	53	Kings	31	30	46	47	43	48	46	42	51	58
56	56	54	Siskiyou	25	40	34	42	56	45	52	57	39	45
53	53	55	Kern	58	51	58	34	15	25	47	50	53	56
51	55	56	Tehama	56	37	49	48	54	37	58	43	35	39
43	57	57	Modoc	42	54	33	46	57	39	42	48	47	46
49	58	58	Trinity	47	52	42	58	58	58	57	46	29	30

1. There is no county variation in Governance, all counties have been given the state score value. California is the 24<sup>th</sup> ranked state for Governance.



# Methodology and Acknowledgements





# Methodology

The United States Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity across the 50 states of the U.S., and the District of Columbia, and the 829 counties within the eight selected states, on the promotion of their citizens' flourishing, reflecting both wealth and wellbeing at a state and local level.

To cover both economic and social wellbeing, and not just one or the other, the U.S. Prosperity Index faces the challenge of finding a meaningful measure of success at state and county level. We endeavor to create an Index that is methodologically sound. This is something that the Legatum Institute has sought to achieve with academic and analytical rigor over the past decade in its work on The Legatum Prosperity Index™.

Building upon the structure of the global Prosperity Index in 2019, we worked with around forty U.S. academic and policy experts (see page 98 for a full listing) with particular expertise on the different aspects of prosperity, in a U.S. context, to develop an appropriate taxonomy that accurately defines prosperity in the U.S. Over multiple iterations, through many meetings and subsequent correspondence, we discussed these concepts and developed a taxonomy that captured the characteristics across the three domains of prosperity: Open Economies; Inclusive Societies; and Empowered People. Through this engagement we constructed a U.S.-focused Prosperity taxonomy that contained 11 pillars and 48 policy-focused elements.

Creating the state level Prosperity Index required the identification and application of datasets that captured the different characteristics of prosperity for each of the 50 states of the Union and D.C., for which our expert panel provided invaluable guidance on the most appropriate datasets. The state-level Index was first published in 2019, and since last year we have made some minor improvements and modifications to the Index. These include using several new and alternative data sources, equally weighting the domains of the Index and adjusting the approach used for a few indicators. Full details of these changes can be found in the methodology report, available at [www.usprosperity.net](http://www.usprosperity.net).

We have also applied the U.S. prosperity taxonomy at a county level to construct a county-level Index for eight selected states: California, Colorado, Georgia, Iowa, Montana, New York, Oklahoma and Texas, covering the 829 counties within them. This county-level Index has been designed to mirror the state level Index as closely as possible, so they can work hand in hand in informing decision-making at the different geographical levels.

These two indexes aim to capture the richness of a truly prosperous life, moving beyond traditional macro-economic measurements of the prosperity of a state or county, which rely solely on indicators of wealth such as average income per person (GDP per capita). It seeks to redefine the way we measure success, changing the conversation from what we are getting to who we are becoming. This makes it an authoritative measure of human progress, offering a unique insight into how prosperity is forming and changing across the nation.



# Step by Step

## 1

### Selecting the indicators

Having established the taxonomy for measuring prosperity across the U.S., the next stage was to identify and capture the data variables that best measure the different characteristics of prosperity in the U.S. at a state and county level.

In constructing the state level Index, we identified the most relevant indicators within each of the 48 elements, driven by a set of selection criteria as well as advice from external experts on U.S. data and research around each pillar. We used an extensive variety of publicly available data sources that gave comprehensive coverage of all 50 states and D.C. This list was refined based on input from the academic and policy experts in each pillar area, who advised on the reliability of data sources, alternative measures, and the credibility of indicators' measurement. This resulted in 216 indicators from over 80 different sources, grouped into 48 discrete policy-focused elements and 11 pillars of prosperity. Each of the 11 pillars captures a fundamental theme of prosperity, and each element helps to capture discrete policy areas measured by the indicators. Each pillar has between three and six elements, and each element has between one and nine indicators.

In constructing the county-level Index, we wanted to mirror as closely as possible the state level Index. This involved sourcing county-level data for the indicators used for state level index. Of the 216 indicators in the state level Index, we have sourced over 130 indicators at county or other sub-state levels (e.g. Metropolitan Statistical Areas — MSAs). For certain indicators, the state value for the indicator is relevant for all counties within a state (e.g. whether anti-discrimination laws have been enacted within a state). However, for approximately 60 indicators, whilst we expect there to be underlying county variation, county-level data was not publicly available. For these 60 indicators, we have used the state figure for each county in the state, as an indicative proxy. This approach has the advantage in that it provides some variation when comparing the performance of individual counties across the different states but does not impact the effectiveness of the Index when making comparisons between counties within each state. Hopefully, over time, these indicators will become available at a county level and we can replace the state average with more relevant county data.

## 2

### Standardisation

The indicators in each Index are based on many different units of measurement, including numbers of events, years, percentages and ordinal scales. These different units need to be normalized for comparison between indicators and geographic entities to be meaningful. We employ a distance to frontier approach for this task. In the state level index, a state's performance in an indicator is compared with the value of the observed or logical best case, as well as that of the observed or logical worst case, to create a normalised score between 0 and 1. The same approach is used in the county level index, with a wider set of best and worse values, where the range of the observed or logical data is wider than that at state level. As a result, the distance to frontier score captures a state's relative position in the state-index and a county's relative position in the county-index. (Where state values are applied at the county level, the state set of best and worse values are applied). This approach also enables us to compare Index scores over time in each of the respective indexes, to understand whether a state or a county's performance is improving or weakening over time.

## 3

### Indicator weights

Each indicator is assigned a weight, reflecting the level of importance it has in affecting prosperity. Weights fall into four buckets: 0.5, 1, 1.5, and 2. Each indicator is weighted as 1 by default, but based on its significance to prosperity, this may be adjusted downwards or upwards accordingly. For example, an indicator with a weight of 2 means that it is twice as important in affecting the element as another indicator in that element with a weight of 1. Weights in the state level index were determined and the same weighting was applied to the county-index, with several exceptions (please see our separate methodology report for full details). Two factors were used in determining weights, ordered by priority: (1) the relevance and significance of the indicator to prosperity, as informed by the academic literature and our experts' opinions, and, to a lesser degree, (2) the statistical significance of the indicator to the productive capacity and wellbeing of a state, as measured by Cantril's Ladder.

## Element, Pillar, Domain and Index scores

Within each of the 11 pillars, indicators' distance to frontier scores are multiplied by their weights and then summed to generate element scores and subsequently pillar scores for each state in the state level index and each county in the county level index. Element weighting was determined in the same manner and applied using percentages. Whilst indicator weights represent their relative significance within the corresponding element only, element weights are comparable across the Index. Once pillar scores are established, these are aggregated into domains with an equal weight applied to each pillar to determine a domain score.

Subsequently, the index score is determined by assigning an equal weight to each of the domains, the mean of which yields an overall score on which the overall prosperity rankings are based. This marks a slight change from the methodology last year, where equal weights were given to each pillar, rather than each domain.

While the Index score provides an overall assessment of a state's or county's prosperity, each element, pillar and domain score serve as a reliable guide to how that state or county is performing with respect to a particular foundation of prosperity.



## NOTE ON AVERAGES

When calculating scores for the U.S., we take a population-weighted average score. This is because we want to capture the effect on individuals. For example, if two states improve their score, then the more populous state will have a greater effect on the national score than the less populous state.

## COMPARABILITY OF THE U.S. INDEX WITH THE GLOBAL INDEX FOR THE U.S.

In the Global Prosperity Index, we also calculate element, pillar and prosperity scores for the United States. The global taxonomy for prosperity is slightly different to the U.S. taxonomy for prosperity. For example, there are 65 policy focused elements and 12 pillars of prosperity in the global Index, whereas there

are 48 policy focused elements and 11 pillars of prosperity in the U.S. Index. Furthermore, the indicators used in each Index, whilst trying to capture the same aspects where the elements are the same, maybe slightly different. The global Index will use sources that cover the countries of the globe, while the sources used for the U.S. Index will cover the states and counties of the U.S.

The aggregation approach in producing each Index is the same, although the Distance to Frontiers and weights are applied in a manner that is appropriate to each Index. Combined with using different data sources and a slightly different taxonomy, caution should be exercised in comparing the results from each Index. Whilst there should be, and indeed is, some similarity in the overall findings between the two indexes there are also some differences.



# Table of sources

Source abbreviation	Source description	Data availability at state and/or county level
AAR	Association of American Railroads	State
ACLU	American Civil Liberties Union	State
ANES	American National Election Studies	State
ATRF	American Tort Reform Association	State
BallotP	Ballotpedia	State
BBN	BroadbandNow	State and county
BIEM	Brookings Institution Export Monitor	County
BRFSS	Behavioral Risk Factor Surveillance System	State and county
Cato	Cato — Freedom in the 50 States	State
CAWP	Center for American Women and Politics	State
CDC	Centers for Disease Control and Prevention	State and county
CHR	County Health Rankings	County
CJRP	Census of Juveniles in Residential Placement	State
CMS	Centers for Medicare & Medicaid Services	State
CNCS	Corporation for National and Community Service, Volunteering & Civil Life in America	County
CPI	Center for Public Integrity	State
CPS	Current Population Survey, Civic Engagement Supplement	State and county
Cuill.	Dave Cuillier	State
FA	Feeding America	County
FBI	Federal Bureau of Investigation Uniform Crime Reporting Statistics	State
FCC	Federal Communications Commission	State and county
FDIC	Federal Deposit Insurance Corporation	State and county
FI	Fraser Institute	State
FR	Federal Reserve	State
FTC	Federal Trade Commission, Consumer Sentinel Network	State and county
Gallup	Gallup Dailies	State
GT	Google Trends	State and county
GTD	Global Terrorism Database	State and county
GVA	Gun Violence Archive	State and county
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems	State and county
HJK	Henry J Kaiser Family Foundation	State
ICS	Institute for Corruption Studies	State
IJ	Institute for Justice	State
IMHE	Institute for Health Metrics and Evaluation	State and county
JBEN	Bennett et al. 2019. "Particulate matter air pollution and national and county life expectancy loss in the USA: A spatiotemporal analysis".	County
Kauf	Kauffman Foundation	State and county
MAP	Movement Advancement Project	State
MIT	MIT Election and Data Science Lab coding of state policies	State
Mukh.	Mukherjee et al.	State and county
NAACP	National Association for the Advancement of Colored People	State
NACJD	National Archive Of Criminal Justice Data	County
NAEP	National Assessment of Educational Progress	State
NCAJ	National Center for Access to Justice	State

Source abbreviation	Source description	Data availability at state and/or county level
NCES	National Center for Education Statistics	State and county
NCIRD	National Center for Immunization and Respiratory Diseases	State
NCSL	National Conference of State Legislatures	State
NIEER	National Institute for Early Education Research	State
NIMP	National Institute on Money in Politics	State
NLCD	National Land Cover Database	State and county
NLIHC	National Low Income Housing Coalition	State
NSCH	National Survey of Children's Health	State
NTIA	National Telecommunications and Information Administration	State
NVCA	National Venture Capital Association	State and county
OECD	Organisation for Economic Cooperation and Development	State and county
Oreg.	State of Oregon	State and county
Pew	Pew Research Center	State
PNS	Prosperity Now Scorecard	State and county
Pol. Proj.	Polaris Project	State
PRRI	Public Religion Research Institute	State
QG	QuantGov	State
QS	QS World University Rankings	State
SAMHSA	Substance Abuse and Mental Health Services Administration, The National Survey on Drug Use and Health	State and county
SEDA	Stanford Education Data Archive	County
SPLC	Southern Poverty Law Center	State and county
TF	Tax Foundation	State
TP	Talk Poverty	State
UI	Urban Institute	County
USACS	United States Census Bureau, American Community Survey	State and county
USBEA	United States Bureau of Economic Analysis	State and county
USBJS	United States Bureau of Justice Statistics	State
USBLS	United States Bureau of Labor Statistics	State and county
USBTS	United States Bureau of Transportation Statistics	State and county
USCB	United States Census Bureau	State and county
USDA	United States Department of Agriculture	State
USDE	United States Department of Education	State
USDOL	United States Department of Labor	State
USEIA	United States Energy Information Administration	State and county
USEPA	United States Environmental Protection Agency	State and county
USFWS	United States Fish and Wildlife Service	State and county
USGS	United States Geological Survey	State and county
USHUD	United States Department of Housing and Urban Development	State and county
USPFT	United States Press Freedom Tracker	State
USPIRG	United States Public Interest Research Group	State
USPTO	United States Patent and Trademark Office	State and county
USRC	United States Religious Census	State and county
Wash. Post.	Washington Post	State and county

# Acknowledgements

## The United States Prosperity Index Team

The following team has worked tirelessly, and with huge passion and rigor, in producing the United States Prosperity Index. We are incredibly grateful for their dedication and hard work.

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**Shaun Flanagan**

**Sam Pilsbury**

**Hugo Irving**

**Edward Wickstead**

**Joshua Lee**

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### Inclusive Societies:

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Doug Noonan, Professor, Indiana University — Purdue University Indianapolis

Dr. Andrew Sharpe, Executive Director, Centre for the Study of Living Standards

Duncan Thomas, Professor of Economics, Global Health and Public Policy, Duke University

David N. Weil, Professor of Economics, Brown University

Zach Wendling, Principal Investigator, Environmental Protection Index

The Legatum Institute would also like to thank Broadband Now for the provision of their data.

Unless otherwise stated, all data is from the 2020 United States Prosperity Index.

All original data sources can be found in the methodology report and online at [www.usprosperity.net](http://www.usprosperity.net).

We encourage you to share the contents of this document. In so doing, we request that all data, findings, and analysis be attributed to the 2020 United States Prosperity Index.

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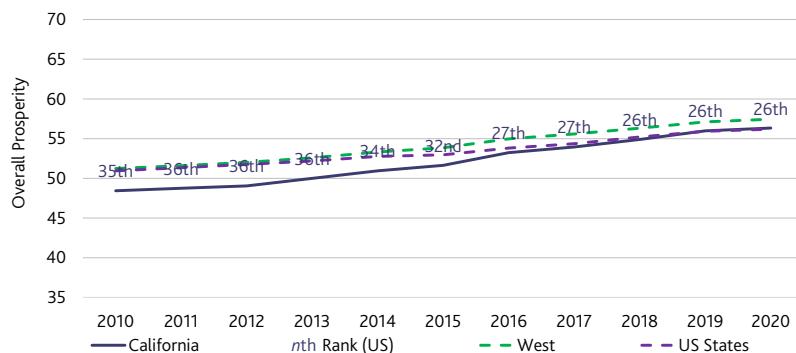
#USProsperity



# California: Overall Prosperity 56.3 (26th)

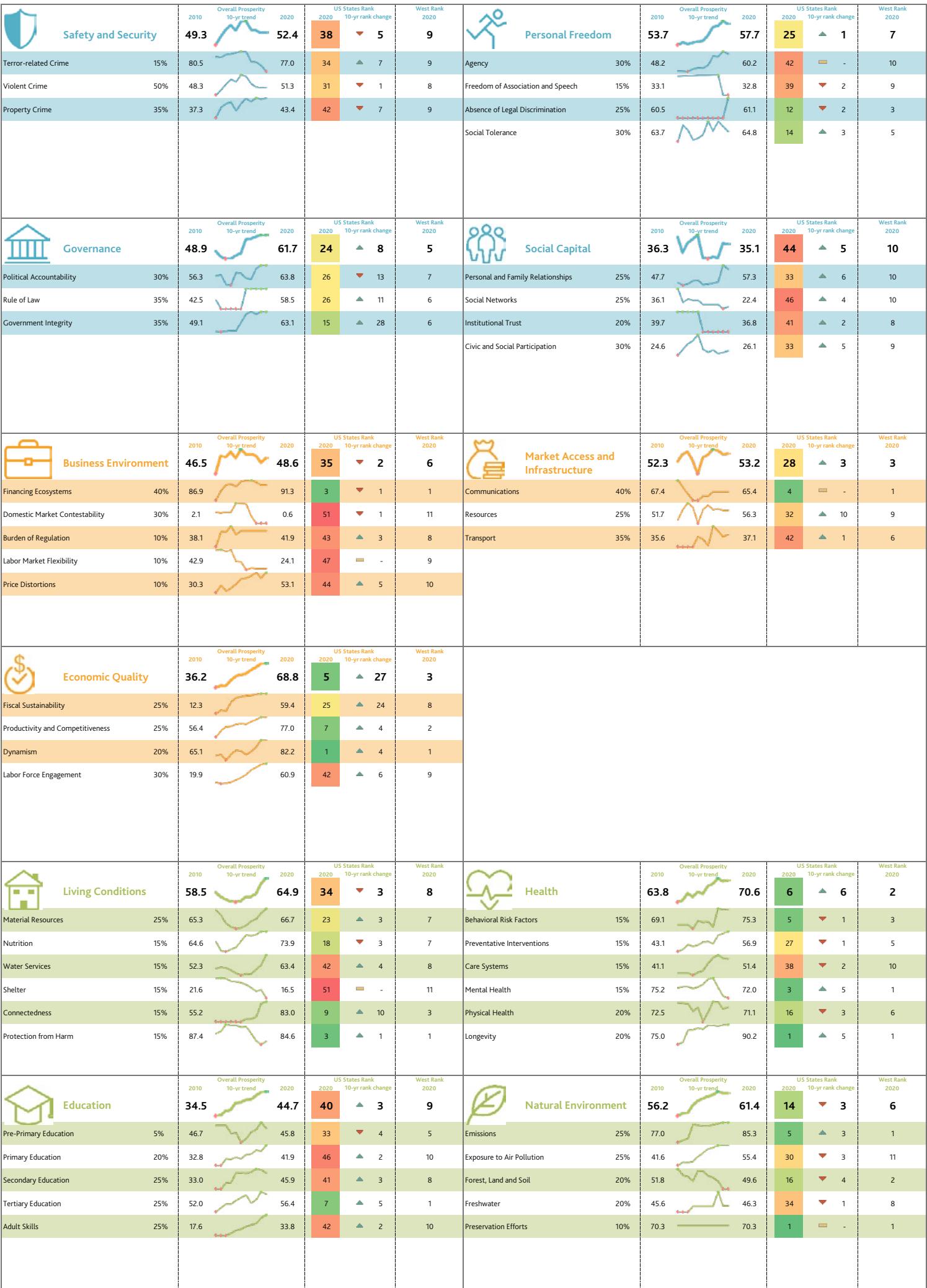


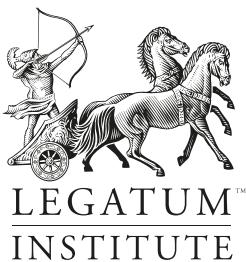
## Prosperity over time



## Breakdown of performance

	Score 10-year trend	2020	Rank - US States (1 to 51) 2020	10-year rank change	Rank - West (1 to 11) 2020
<strong>Overall Prosperity</strong>	48.4	56.3	26	▲ 9	7
<strong>Inclusive Societies</strong>	47.0	51.7	34	▲ 3	10
Safety and Security	49.3	52.4	38	▼ 5	9
Personal Freedom	53.7	57.7	25	▲ 1	7
Governance	48.9	61.7	24	▲ 8	5
Social Capital	36.3	35.1	44	▲ 5	10
<strong>Open Economies</strong>	45.0	56.9	23	▲ 12	4
Business Environment	46.5	48.6	35	▼ 2	6
Market Access and Infrastructure	52.3	53.2	28	▲ 3	3
Economic Quality	36.2	68.8	5	▲ 27	3
<strong>Empowered People</strong>	53.2	60.4	19	▲ 6	5
Living Conditions	58.5	64.9	34	▼ 3	8
Health	63.8	70.6	6	▲ 6	2
Education	34.5	44.7	40	▲ 3	9
Natural Environment	56.2	61.4	14	▼ 3	6





CREATING THE PATHWAYS FROM POVERTY TO PROSPERITY

## PROSPERITY INDEX

The Legatum Institute is a London-based think-tank with a bold vision to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society.

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