

PROSPERITY INDEX



The United States
Prosperity Index
2020

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About the Helmsley Charitable Trust

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.

About the Robert Wood Johnson Foundation

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. Follow the Foundation on Twitter at www.rwjf.org/twitter or on Facebook at <https://www.facebook.com/RRobertWoodJohnsonFoundation>.



About the Walton Family Foundation

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



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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 18th 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, or visit the dedicated United States Prosperity Index website at www.usprosperity.net.



Dr. Stephen Brien
Director of Policy, Legatum Institute

A photograph of the Statue of Liberty standing prominently against a clear blue sky. She holds a torch in her right arm and a tablet or document in her left hand. In the background, the New York City skyline is visible across the water.

Prior to the pandemic, all states but Alaska were more prosperous than they were in 2010.

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:

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 92).

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.

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.



Executive Summary

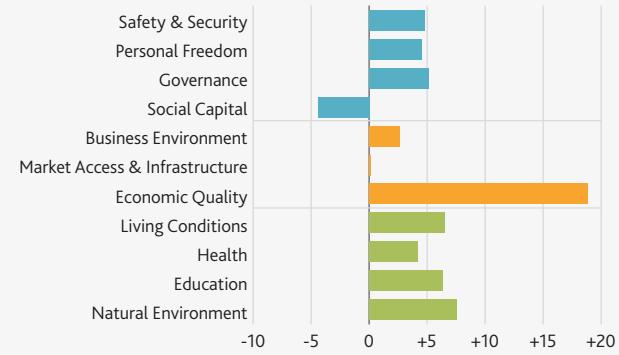
INTRODUCING THE UNITED STATES PROSPERITY INDEXES

This report marks the second publication of the Legatum Institute's United States Prosperity Index and the inaugural publication of the county level Index, for eight selected states of the Union (California, Colorado, Georgia, Iowa, Montana, New York, Oklahoma, and Texas). The state and county level information works together to assess the development, growth, and extent of prosperity of the 50 states of the United States, the District of Columbia, and the 829 counties within the eight selected states. It comprehensively measures state and county performance across 11 pillars of prosperity, using a collection of over 200 state-level indicators, grouped into 48 policy-focused elements. Using the United States Prosperity Index framework, leaders can assess the strengths and weaknesses of different areas of the country in order to determine the economic and strategic choices that need to be made to further develop inclusive societies, open economies, and empowered people to drive greater levels of prosperity for all Americans. These transformational tools will prove invaluable as local and state leaders look to create a roadmap as they emerge from COVID-19 and address the underlying issues that led to the social unrest following the death of George Floyd in Minneapolis.

KEY FINDINGS FROM THIS YEAR'S REPORT:

- Prior to the COVID-19 pandemic, prosperity in the U.S. had been rising for a decade and was at its highest ever level, with all states apart from Alaska improving since 2010;
- Prosperity was not universally shared across the U.S., with Northern states outperforming those in the South, and further disparities existing within states at a county level;
- The improvement in U.S. prosperity has been due mostly to increasingly open economies, driven by strengthening Economic Quality as a result of the longest period of economic growth in the country's history. States became more productive and competitive, with increased workforce engagement and state Government's financial reserves increasing;
- The U.S. also saw a significant improvement in the Empowered People domain over the last decade, due to Living Conditions, Health, Education, and Natural Environment all improving.
- The Inclusive Societies domain improved due to strengthening Governance, despite a deterioration in Social Capital.

Figure 1. U.S. score change 2010-2020, by pillar

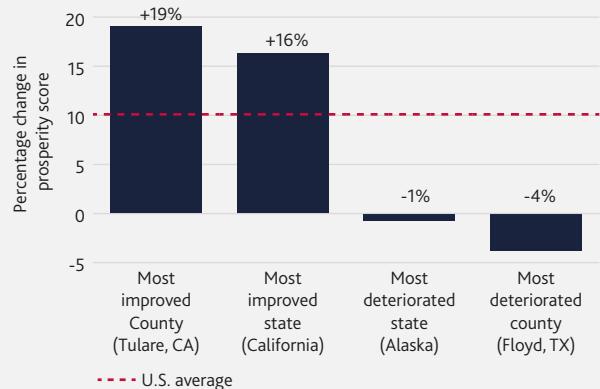


PRE COVID-19, U.S. PROSPERITY AT HIGHEST EVER LEVEL

At the time of publishing this 2nd annual report, we find that the United States, alongside many other parts of the world, is in the grip of the global COVID-19 pandemic.

Prior to the pandemic, U.S. prosperity had been rising over the past decade, reaching its highest ever level in 2020. Overall, 49 states and the District of Columbia had improved their prosperity, with California seeing the greatest increase, followed by D.C. and Arizona. Alaska was the only state to experience a decline in prosperity over the past decade.

Figure 2. Selected state and county prosperity score change, 2010-2020



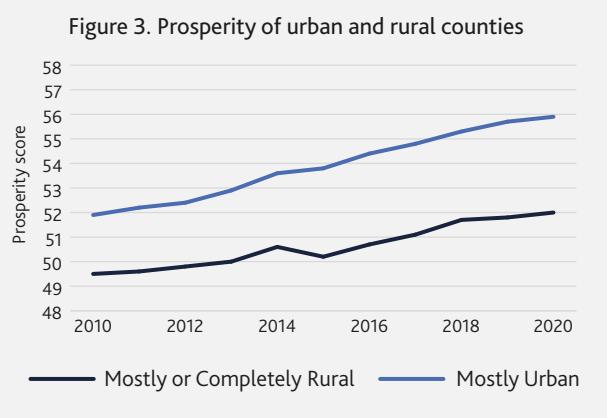
The strong improvement seen across the individual states is also mirrored across counties in the eight selected states. Of the 829 counties in the County Index, 813 (98%) had improved their prosperity since 2010. This means that, in these states, only 16 counties have seen a deterioration although four rank in the bottom 100 counties and are in danger of being left behind. In California and New York, all counties improved, whereas the other six selected

states all have at least one county that deteriorated, with Montana and Colorado both having four counties seeing a deterioration.

PROSPERITY WAS NOT UNIVERSALLY SHARED ACROSS THE U.S.

Going into the COVID-19 pandemic, prosperity was not universally shared across the U.S., with significant disparities existing between states. Massachusetts continues to top the rankings as the strongest performing state, and Mississippi continues to be the weakest performing state. These two states are representative of the general North/South prosperity divide seen in the U.S., with eight of the ten weakest performing states clustered in the South. The most prosperous states are generally located in the North East, although Washington State (5th), Utah (6th), Colorado (10th), and Minnesota (3rd) buck this trend and also rank in the top 10. At the time of writing, the states with the highest rates of confirmed COVID-19 cases and associated deaths are mainly located in the North East and, given their higher levels of prosperity, are better prepared to respond to the pandemic than other less prosperous states. However, Louisiana (49th), which also appears in the top 10 states with the highest infection rates of COVID-19, ranks in the bottom three states for prosperity, which is a concern.

While our state-level Prosperity Index reveals that prosperity is not universally shared across the states of the Union, our inaugural county level Index also reveals that prosperity is not equally spread within the eight selected states. Within some of these states, prosperity is distributed more uniformly but there is a more distinct divide across other states. For example, most counties in Iowa, which ranks 14th in the state level Index, share very similar levels of prosperity — 84 of the 99 counties in the state rank in the top quartile of the county Index, and the remainder are in the 2nd quartile. However, the counties of California, which ranks 26th for state prosperity, exhibit a much greater degree of variation in their prosperity — with nearly a quarter of counties in the top quartile, just under two-thirds in the middle quartiles, and 12% in the 4th quartile.



Overall, while we find that metropolitan counties are more prosperous than rural counties (see Figure 3), this is not universally the case. In Texas for example, although the five strongest performing counties in the state are located in the Dallas-Fort Worth-Arlington, Austin, or San Antonio metro areas, Gillespie, a rural county about 100km north of San Antonio, also performs well and sits just outside the top quartile of the 829 counties featured, outperforming some of the more urban counties in the state, including Dallas county.

Gillespie has a high number of patent applications, high labor productivity, and low unemployment, and its performance is reflective of Texas overall. The state's regulations are business-friendly, transport and communications infrastructure is sound, and the labor force is engaged and productive, resulting in a state ranking of 3rd for the Open Economies domain. However, high rates of crime and poverty, poor education outcomes, and weak community bonds mean Texas has an overall ranking of 36th.

Similarly, in Colorado, some rural counties in the Rocky Mountains are more prosperous than some of the 9 counties that lie in the Front Range Urban Corridor, where 80% of the state population resides. For example, Eagle, Summit, and Pitkin counties, containing the towns Vail, Breckenridge, and Aspen, all rank in the ten most prosperous counties in Colorado, whereas El Paso County, home to Colorado Springs and with a population of over 250,000, ranks 37th out of 64 counties. We also see a juxtaposition in the performance of these rural counties with the rural counties in the south-east, which are the least prosperous in the state.

THE IMPROVEMENT IN U.S. PROSPERITY HAS BEEN DRIVEN PRINCIPALLY BY MORE OPEN ECONOMIES

The growth in U.S. prosperity over the last decade was mainly driven by the improvement seen in the Open Economies domain, as a result of Economic Quality strengthening. States became more productive and competitive, with full engagement of the workforce. Over this period, state Governments also strengthened their fiscal positioning so that in 2020 a state could, on average, survive 40 days on their financial reserves, more than twice as long as in 2010. These increased reserves will be invaluable as lockdown and other measures will have impacted state tax revenues from businesses and employees.

THE U.S. ALSO SAW A SIGNIFICANT IMPROVEMENT IN THE EMPOWERED PEOPLE DOMAIN

In addition to Open Economies improving, the Empowered People domain also saw considerable improvement over the last decade, due to Living Conditions, Health, Education, and Natural Environment all strengthening. Education, however, saw a slight downturn in the latest year due to a decline in test scores at both grade 4 and grade 8 level. Lockdown measures have varied state to state, but since the start of the pandemic many U.S. schools and universities have experienced closure, which is very likely to have resulted in a lower standard of education being provided.

Furthermore, as the U.S. headed into this uncertain period, the educational performance of states and counties already varied considerably. Some states such as Massachusetts (1st) performed consistently well across the board, ranking in the top 6 on all the different stages of schooling and also 4th on the education level of the adult population. Pupils in this state experience a good quality education throughout their years of schooling. Other states have a strong tertiary educational sector, such as California and New York, but perform poorly in earlier stages, such as primary and secondary education, and will therefore continue to rely on attracting students from outside their borders, unless improvements are made to the earlier stages of education. Other states, such as Nevada, rank below 40 on all educational stages and require a wholesale review

of education within the state to determine the most immediate priorities upon which to focus.

Overall, health across America had also improved over the decade leading up to the pandemic. Increased healthcare coverage, improved hospital ratings, and a greater proportion of people receiving routine medical and dental care have led to improved Preventative Interventions and Care Systems, placing the U.S. in a stronger position than it was a decade ago to respond to the COVID-19 crisis. Similarly, reductions in smoking and excessive alcohol use over the past decade led to an improvement in Behavioral Risk Factors, but further improvement was held back by obesity levels increasing by over 10 percent. This is concerning given that obesity is a comorbidity increasing the risk of severe illness as a result of COVID-19. Reductions in mortality rates across most age groups led to an improvement in Longevity.

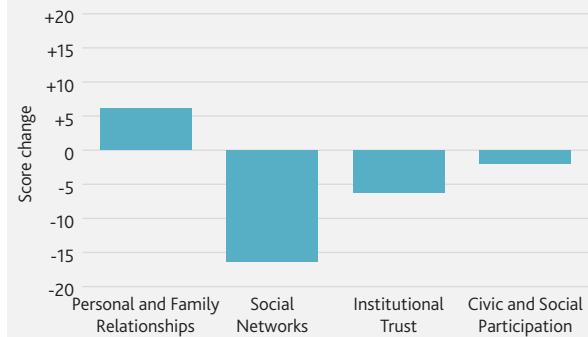
In contrast to these improvements, an increase in mortality rates in the 16–64 age group is due to an increase in the number of 'deaths of despair' — suicides and drug overdose deaths — which now claim tens of thousands of American lives each year and have led to the deterioration seen in mental health.¹ West Virginia and Utah had the lowest levels of mental health heading into the pandemic. Montana, one of the featured states, ranks 25th for health, but 40th for mental health. Eight of its counties rank in the bottom 10 for mental health, which have seen some of the highest suicide rates in the country. Cascade, Ravalli, and Lewis & Clarke counties have nearly three times the national suicide rate. The deterioration seen in mental health across the U.S. is likely to be further exacerbated by COVID-19. Physical health may also be affected, as patients have not been able to access normal health-care services during this time.

INCLUSIVE SOCIETIES IMPROVED, AS GOVERNANCE STRENGTHENED, BUT SOCIAL CAPITAL DECLINES

Prior to the pandemic, the Inclusive Societies domain had also improved since 2010, but not as strongly as the other domains due to a mixed performance across the different pillars.

On the one hand, Governance strengthened between 2010 and 2020, due mainly to Political Accountability improving. This was the result of state legislatures being more gender-balanced and also improving transparency around state campaigning. Where there is effective and efficient governance, states will be best placed to respond to the pandemic.

Figure 4. Social Capital Score change 2010–2020, by element



While Governance has improved, Social Capital has deteriorated over the last 10 years — the only pillar across the Index to have declined, with all but 5 states experiencing a deterioration. Social networks, trust in institutions, and civic and social participation all weakened. It is encouraging to see that personal and family relationships strengthened prior to the lockdown measures imposed by some states, but the deterioration across the other elements provides a warning sign for future prosperity, as strong and inclusive communities and institutions are cornerstones of society.

Safety and security in the U.S. presents a mixed picture; while there were improvements between 2010 and 2015, it deteriorated until 2019. It is therefore encouraging to see an improvement in the latest year, which was mainly due to violent crime rates reducing after an increase over the previous three years. Over the past year, 41 states saw a drop in their levels of violent crime, with Iowa (10th), West Virginia (13th), and South Dakota (16th) seeing the biggest improvements. Terror related crime, however, increased for the 7th year in a row.

¹ Case, Anne, and Angus Deaton. Deaths of Despair and the Future of Capitalism. Princeton University Press, 2020.



Personal Freedom also improved over the past decade, with 45 states and D.C. seeing an improvement. Mississippi (38th), West Virginia (40th) and Kansas (24th) saw the biggest improvement, while Hawaii (19th) saw the greatest deterioration. Minnesota (22nd), where George Floyd lived, is the same rank as it was a decade ago, although its performance across the Personal Freedom pillar is varied. The state ranking 51st for Freedom to Assemble and Associate is due to a relatively high use of invasive cell phone surveillance and a high number of incidences where the press was subject to restrictions. While the state has a high ranking for Agency (7th), it has one of the highest rates of fatal police shootings of unarmed civilians of any state, one-and-a-half times the national rate.

Personal Freedom is also dependent on all forms of discrimination, including racial, being absent from society. Local measures of racial discrimination are not readily available in the U.S. We have therefore constructed a proxy measure using the frequency of derogatory racial terms searched for using Google during 2019. This reveals clear disparities across the country. States in the south, such as Kentucky, Tennessee and Missouri have much higher rates of searches for these terms than the states in the North-East.

CONCLUSION

As the United States charts its way out of the COVID-19 pandemic and grapples with the civil unrest that threatens the fabric of society, the country should take confidence in the improvement seen in its prosperity over the past decade. The U.S. significantly strengthened its economy, and the lived experience of U.S. citizens also improved, with living conditions, education, and health all stronger than a decade previously. The U.S. has a solid foundation upon which to build and address the considerable challenges that present themselves at the national, state, and local level.

Community bonds across nearly all U.S. states have weakened over the past decade. Increasing the extent to which neighbors speak to and help one another, as well as encouraging and assisting people to become more engaged and active in their local community, will help rebuild and strengthen these communities. Rebuilding trust in

public institutions, including the media, is also important if the U.S. is to strengthen the bonds of society. Implementing the necessary solutions to address these weaknesses will require all stakeholders from across society working together.

Some challenges require specific action at a state and local level. For example, both California and New York state have outstanding universities and attract some of the best talent to their campuses from across America and beyond. Primary and secondary education within these states, however, is weak. If these important stages of education remain neglected, pupils from within these states will continue to be disadvantaged in competing for university places within their state with more educated students from outside.

The deterioration seen in mental and physical health prior to the pandemic is also a concern, as these are at risk of deteriorating further as the impact of the pandemic on U.S. citizens unfolds. While this is a national crisis, some states are more at risk than others. Montana is of particular concern, with eight of the ten weakest performing counties for mental health and suicide rates almost double the national average.

The state and county Indexes help frame an agenda through which these and other challenges can be identified and addressed. These Indexes stand ready, for use by state and county leaders and others, to learn from and build upon each other's strengths and develop tailored responses that will address weaknesses. This data-driven and insight approach will strengthen institutions, create more open economies, and improve the lived experience of U.S. citizens, resulting in even greater prosperity for all Americans.

Boston, Massachusetts.

Massachusetts continues to top the rankings as the most prosperous state.

Marcio Jose Bastos Silva/Shutterstock.com



State level findings

The United States Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to strengthen the pathways from poverty to prosperity across the United States.

The state level Index assesses the 50 states of the U.S., and the District of Columbia, on the promotion of their citizens' flourishing, reflecting both wealth and wellbeing. We worked with around 40 U.S. academic and policy experts (see page 98 for a full listing) with particular expertise in different aspects of prosperity in a U.S. context. This helped us to develop an appropriate prosperity taxonomy

that identified the different characteristics of prosperity for each of the 50 states of the Union and D.C. The state-level Index was first published in 2019, and since last year we have made some minor improvements and modifications to the Index (see the methodology section on page 92).

This next section provides the high-level insights from this year's Prosperity Index at a state level, which includes a map showing how prosperity is shared across the U.S. at a state level, the overall U.S. performance on the 11 pillars over time and the rankings of the 50 states and D.C. for prosperity and the 11 pillars.

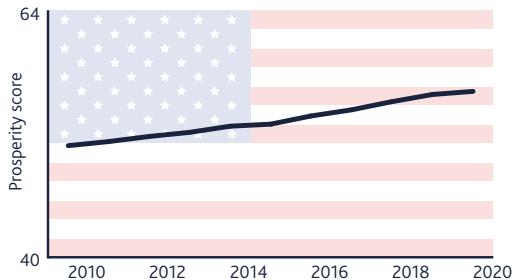




Key findings

Prosperity was rising

Prior to the COVID-19 pandemic, prosperity in the U.S. had been rising for a decade and was at its highest ever level, with all states apart from Alaska, and all but 16 counties in the 8 selected states improving.



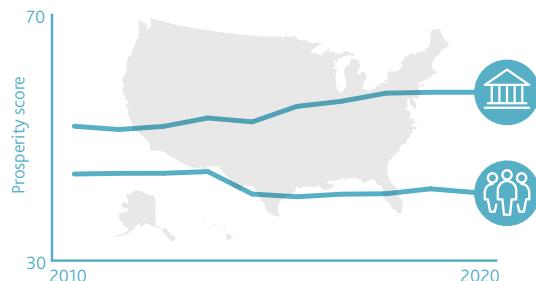
Prosperity was not universally shared

Prosperity was not universally shared across the U.S., with Northern states outperforming those in the South, and further disparities existing within states at a county level. Eight of the ten weakest performing states are in the South.



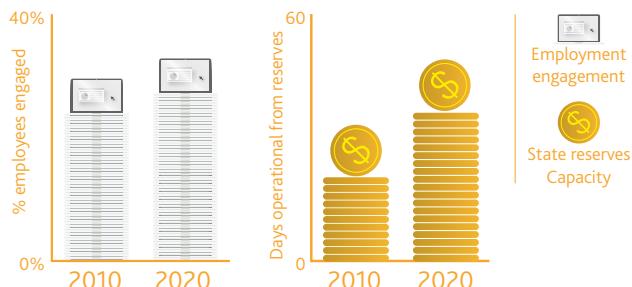
Inclusive Societies

The Inclusive Societies domain improved, due to Governance strengthening. While Personal and Family relationships improved over the past decade, Social Networks, Institutional Trust, and Civic and Social Participation all deteriorated, leading to an overall decline in Social Capital.



Open Economies

The domain in which the U.S. saw the biggest improvement over the last decade was Open Economies. This was due to Economic Quality strengthening, as states became more productive and competitive, with increased workforce engagement and state Governments' financial reserves increasing.



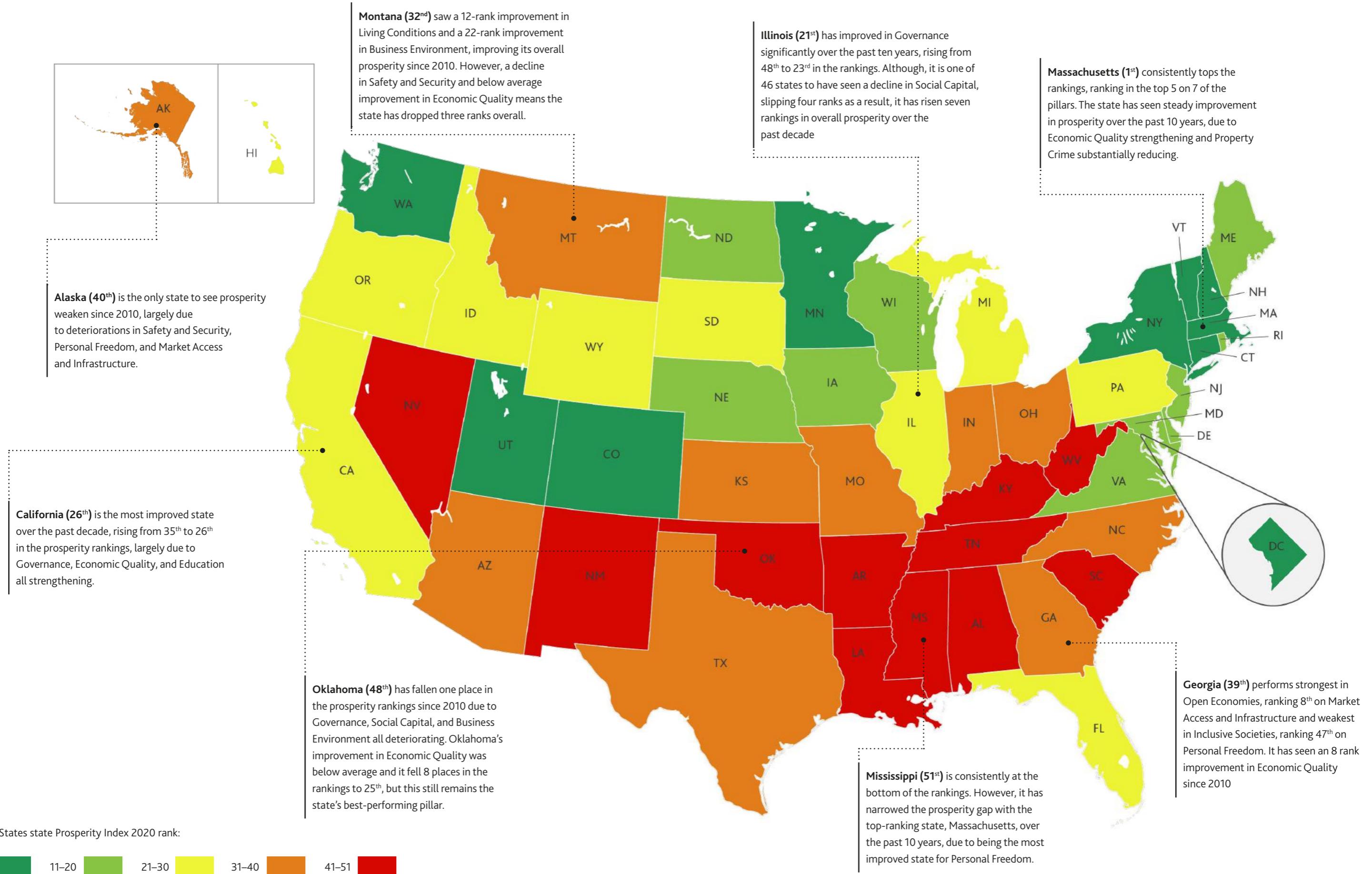
Empowered People

The U.S. also saw a significant improvement in the Empowered People domain over the last decade, due to Living Conditions, Health, Education, and Natural Environment all improving, although mental health has declined over the last year.





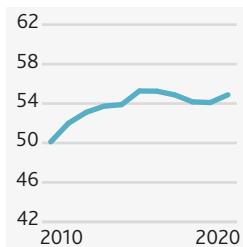
Mapping state prosperity in 2020



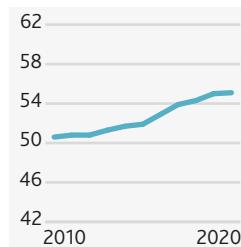
The pillars of U.S. prosperity at a glance



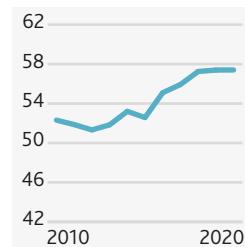
The **Safety and Security** pillar measures the degree to which terror, violent crime, and property crime destabilize the security of individuals, both immediately and through longer lasting effects.



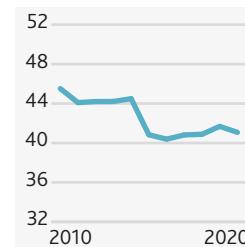
The **Personal Freedom** pillar measures progress towards basic legal rights, individual liberties, and social tolerance.



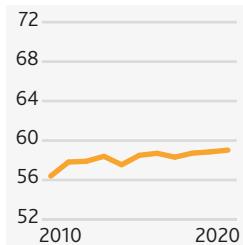
The **Governance** pillar measures the extent to which there are checks and restraints on power and whether the government operates effectively and without corruption.



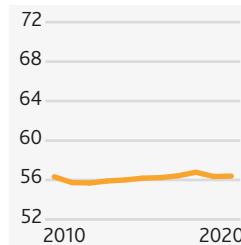
The **Social Capital** pillar measures the strength of personal and social relationships, institutional trust, social networks and civic participation.



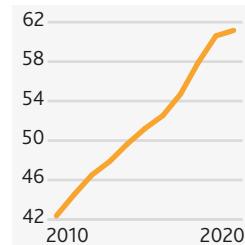
The **Business Environment** pillar measures the entrepreneurial environment, business infrastructure, access to credit, labor market flexibility and price distortions for goods and services.



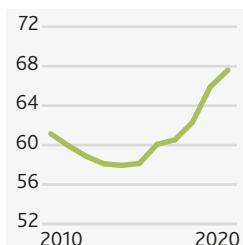
The **Market Access and Infrastructure** pillar measures the quality of the infrastructure that facilitates trade — from telecommunications and transport to the availability of resources.



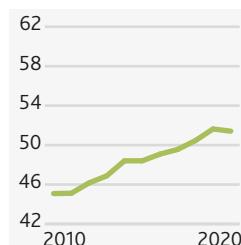
The **Economic Quality** pillar measures how well the economy is equipped to generate wealth sustainably and with the full engagement of its workforce.



The **Living Conditions** pillar measures the degree to which a reasonable quality of life is experienced by all, including material resources, shelter, basic services, and connectivity.



The **Health** pillar measures the health of the population, their illness and risk factors, and access to the services to maintain good health, including health outcomes, health systems, and mortality rates.



The **Education** pillar measures access to, and the quality of, the four stages of education (pre-primary, primary, secondary and tertiary), as well as the education level of the adult population.



The **Natural Environment** pillar measures the aspects of the physical environment that have an immediate impact on people in their daily lives and also those that impact the prosperity of future generations.



The U.S. state Prosperity Index



2010 Rank	2019 Rank	2020 Rank	State	Safety and Security	Personal Freedom	Governance	Social Capital	Business Environment	Market Access & Infrastructure	Economic Quality	Living Conditions	Health	Education	Natural Environment
1	1	1	Massachusetts	9	2	4	19	3	11	12	2	4	1	4
2	2	2	Connecticut	6	1	2	28	13	4	31	4	2	6	2
3	3	3	Minnesota	14	22	15	2	16	22	17	3	3	7	19
4	4	4	New Hampshire	2	7	30	9	9	30	28	5	13	5	5
10	5	5	Washington	29	11	3	17	14	21	4	12	9	11	7
7	6	6	Utah	17	6	25	1	8	33	8	10	19	15	23
16	9	7	District of Columbia	51	3	1	24	4	1	7	38	23	4	22
8	8	8	Vermont	3	8	29	3	27	41	26	14	15	3	1
9	7	9	New York	11	16	40	40	2	12	10	11	5	21	6
6	11	10	Colorado	35	12	5	15	5	36	21	18	10	9	10
11	10	11	New Jersey	5	13	41	33	28	2	39	1	12	2	12
12	12	12	Wisconsin	15	29	7	5	10	29	29	17	14	16	24
5	13	13	North Dakota	18	17	31	6	34	3	3	9	21	24	35
13	15	14	Iowa	10	14	13	11	41	10	9	13	11	14	41
14	14	15	Maryland	34	18	9	34	25	9	27	6	18	10	17
15	16	16	Nebraska	19	30	10	7	19	31	14	24	7	13	42
22	17	17	Rhode Island	7	4	21	30	39	27	44	19	8	25	3
19	18	18	Maine	1	10	8	8	31	51	43	21	27	22	8
24	19	19	Virginia	12	35	22	22	18	32	36	8	20	8	25
20	20	20	Delaware	27	34	18	31	24	6	6	7	31	31	26
28	22	21	Illinois	32	9	23	35	7	5	48	16	17	19	39
17	23	22	Pennsylvania	21	23	48	25	1	7	47	15	24	12	29
25	24	23	Oregon	24	20	16	20	45	18	18	37	22	30	16
18	21	24	Hawaii	20	19	6	21	51	39	42	22	1	34	9
21	25	25	Wyoming	8	15	46	16	40	48	1	31	29	17	21
35	26	26	California	38	25	24	44	35	28	5	34	6	40	14
26	29	27	Idaho	4	33	32	12	29	37	16	29	28	38	28
23	34	28	South Dakota	16	42	42	4	32	34	15	32	16	26	27
32	28	29	Michigan	31	27	11	27	26	38	33	20	34	18	30
34	30	30	Florida	36	21	34	48	38	8	19	28	33	29	15
31	27	31	North Carolina	33	44	17	38	17	17	23	26	32	32	33
29	32	32	Montana	23	28	27	10	20	42	41	33	25	28	31
37	33	33	Indiana	28	31	37	18	11	14	20	30	42	23	51
30	31	34	Kansas	37	24	43	14	12	23	24	36	30	27	40
33	36	35	Ohio	25	46	20	32	21	13	35	27	40	20	45
36	35	36	Texas	39	45	38	43	15	19	2	40	36	41	37
38	37	37	Missouri	43	49	36	23	6	20	34	25	41	33	38
39	39	38	Georgia	30	51	45	45	23	15	11	23	38	35	32
41	38	39	Arizona	40	32	12	49	42	40	38	44	26	43	18
27	41	40	Alaska	47	26	26	13	48	50	13	41	35	44	13
40	40	41	Tennessee	44	48	19	42	22	24	22	39	45	36	34
42	42	42	South Carolina	46	43	44	29	37	25	32	35	43	37	36
45	43	43	Kentucky	22	37	33	39	30	26	50	43	47	39	46
43	46	44	New Mexico	49	5	14	50	43	49	45	51	37	51	20
49	44	45	Alabama	42	47	47	36	33	16	40	42	48	47	47
46	45	46	Nevada	50	39	35	51	49	35	30	45	39	50	11
48	47	47	West Virginia	13	40	28	26	50	44	46	47	51	49	44
47	48	48	Oklahoma	41	41	50	41	36	47	25	48	46	42	48
44	49	49	Louisiana	48	36	49	47	46	43	37	49	44	48	50
51	50	50	Arkansas	45	50	39	46	47	45	49	46	49	45	49
50	51	51	Mississippi	26	38	51	37	44	46	51	50	50	46	43

Pillar profiles

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

The Inclusive Societies domain captures the relationship structures that exist between individuals and also between individuals and broader institutions, and the degree they either enable or obstruct societal cohesion and collective development. These social and legal institutions are essential in protecting the fundamental freedoms of individuals, and their ability to flourish. This domain consists of the Safety and Security, Personal Freedom, Governance, and Social Capital pillars, and it comprises 68 indicators captured within 14 elements.

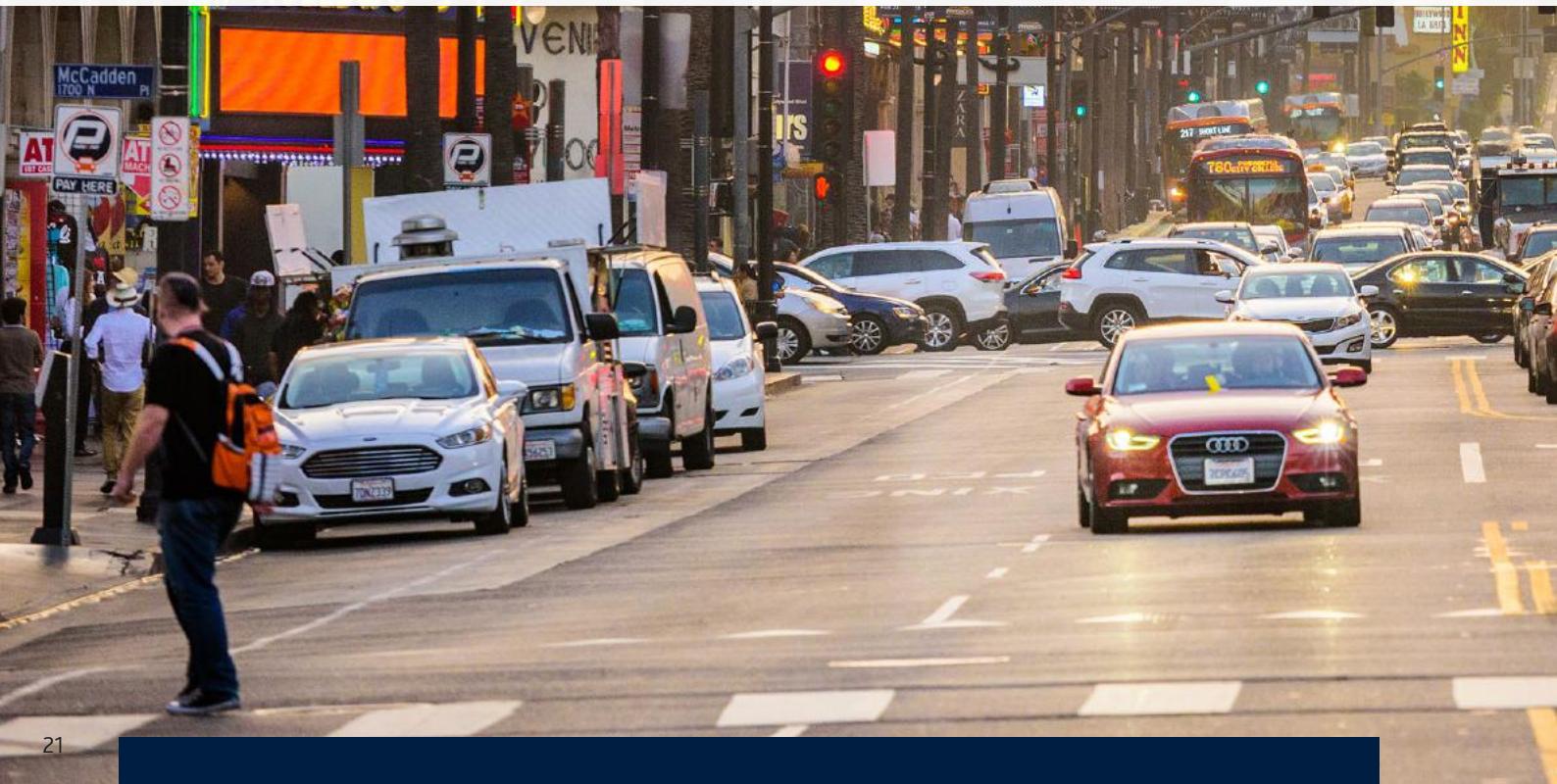
OPEN ECONOMIES

The Open Economies domain captures the extent to which the U.S. economy is open to competition, encourages innovation and investment, promotes business and trade, and facilitates growth with high levels of employment. For a society to be truly prosperous, it requires an economy that embodies these ideals. This domain consists of the Business Environment, Market Access and Infrastructure, and Economic Quality pillars, and it comprises 54 indicators captured within 12 elements.

EMPOWERED PEOPLE

The Empowered People domain captures the quality of people's lived experience in the United States and the associated aspects that enable individuals to reach their full potential through autonomy and self-determination. This domain consists of the Living Conditions, Health, Education and Natural Environment pillars, and it comprises 94 indicators across 22 elements.

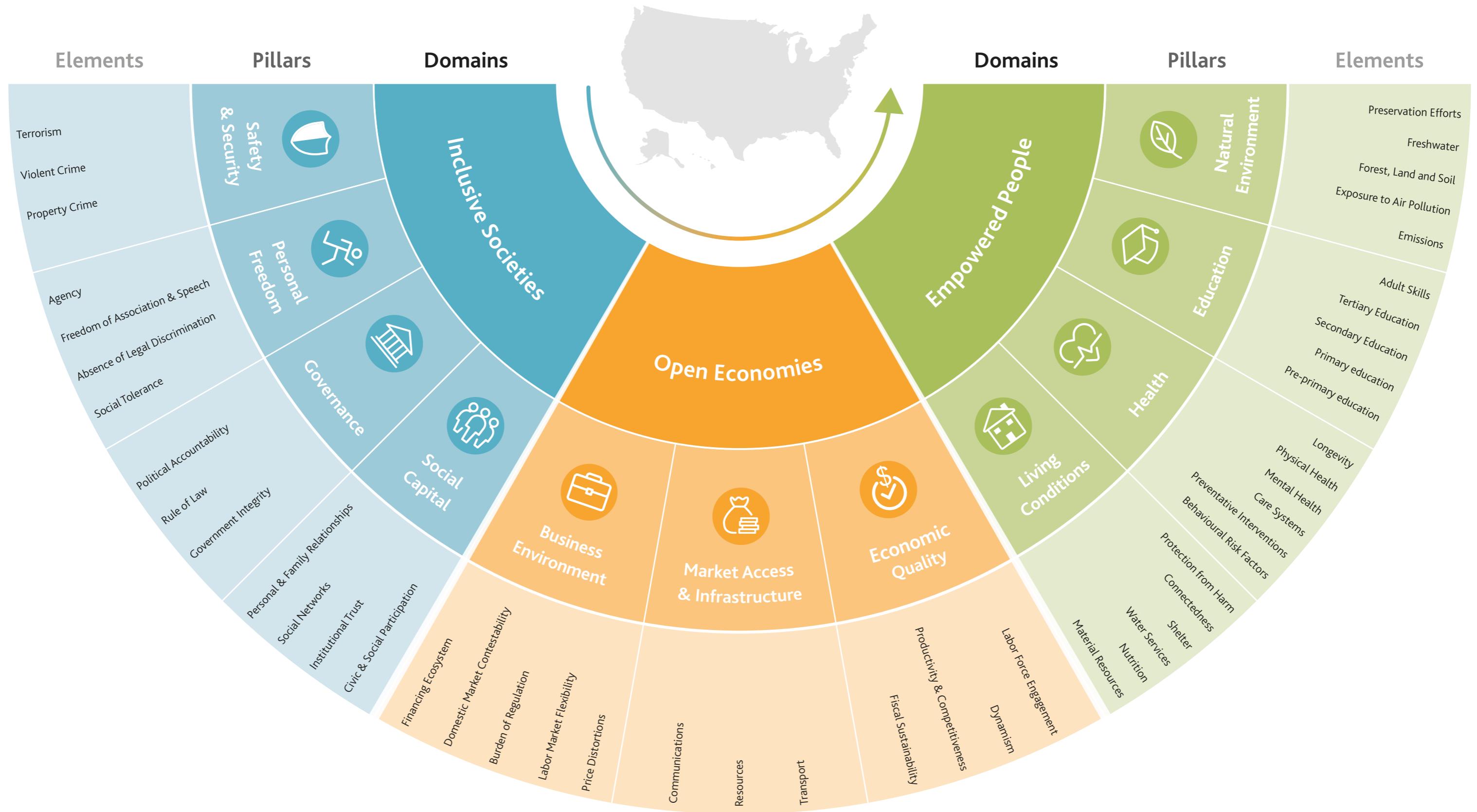
An infographic that sets out the taxonomy of the 2020 United States Prosperity Index, and the linking of the 3 domains, 11 pillars and 48 elements is illustrated on the next page. The pages that follow examine each of these domains, pillars, elements, and the indicators underpinning this structure, in more detail.





The building blocks of U.S. prosperity

The domains, pillars and elements of U.S. prosperity



Defining Inclusive Societies

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.

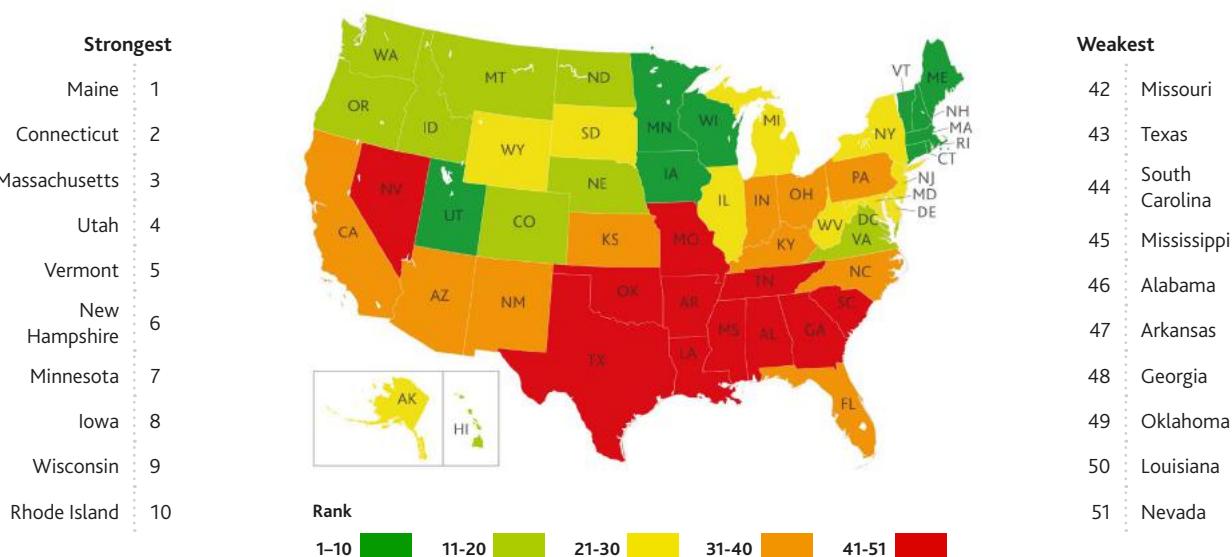
Personal Freedom measures basic legal rights (agency), individual liberties (freedom of assembly and association, freedom of speech and access to information), the absence of legal discrimination and the degree of social tolerance experienced in a society.

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 prosperity. 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.

Inclusive Societies 2020





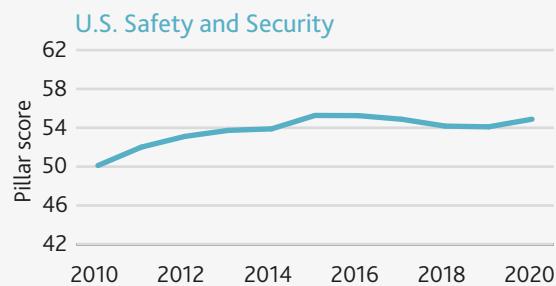
The Abraham Lincoln statue in front of the Illinois State Capital Building in Springfield, Illinois.

Thirty one states improved in Governance since 2010, with Illinois improving the most.



Safety and Security

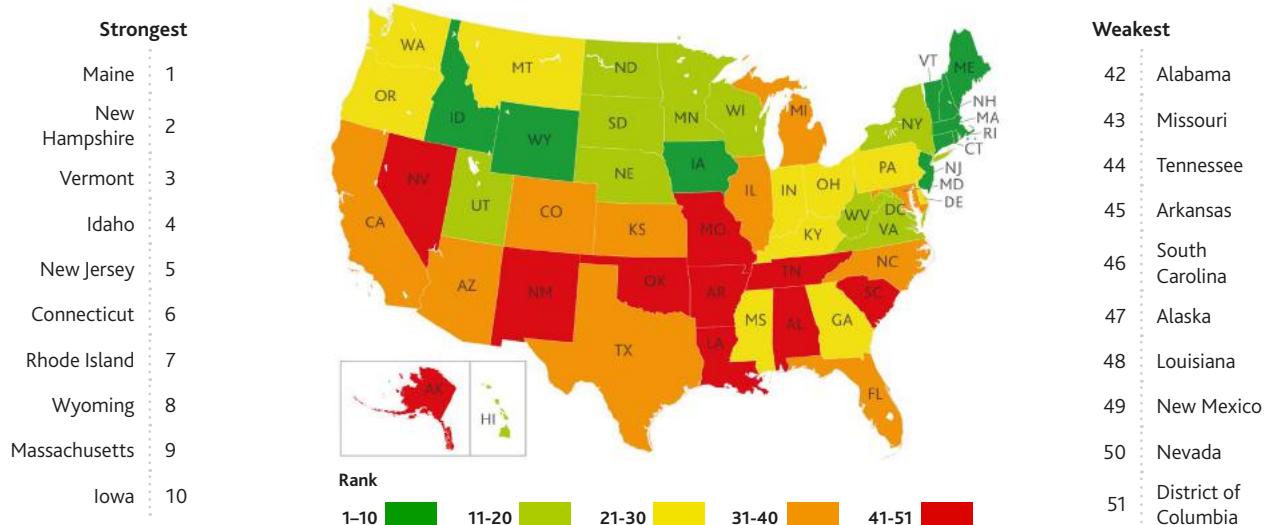
Safety and Security is an integral component of prosperity. Citizens' wellbeing is dependent on having personal safety, where their person and property are free from violence and theft. A secure and stable environment is necessary for attracting investment and sustaining economic growth. In short, a society can prosper only in an environment of security and safety for its citizens.



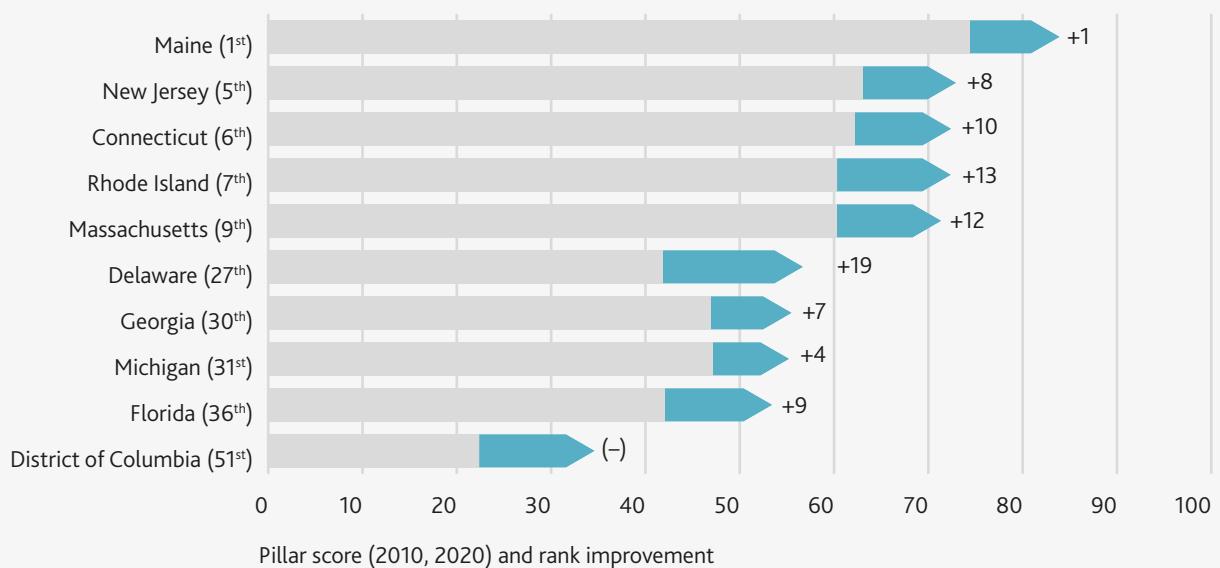
ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Terror-related crime (15%) measures the deliberate and targeted harm inflicted by non-state actors on a nation's population, taking into account the number of incidents, injuries and also deaths that result.	<ul style="list-style-type: none">• Mass shooting deaths (GVA)• Mass shooting injuries (GVA)• Terrorism deaths (GTD)• Terrorism injuries (GTD)• Terrorism events (GTD)	<ul style="list-style-type: none">• Mass shooting deaths (GVA)• Mass shooting injuries (GVA)• Terrorism deaths (GTD)• Terrorism injuries (GTD)• Terrorism events (GTD)
Violent Crime (50%) assesses the level of violent crime.	<ul style="list-style-type: none">• Murder (FBI)• Rape (FBI)• Aggravated assaults (FBI)• Robbery (FBI)	<ul style="list-style-type: none">• Murder (NACJD)• Rape (NACJD)• Aggravated assaults (NACJD)• Robbery (NACJD)
Property Crime (35%) captures the level of property crime, such as burglary.	<ul style="list-style-type: none">• Burglary (FBI)• Motor vehicle theft (FBI)• Larceny theft (FBI)• Identity theft (FTC)	<ul style="list-style-type: none">• Burglary (NACJD)• Motor vehicle theft (NACJD)• Larceny theft (NACJD)• Identity theft (FTC)



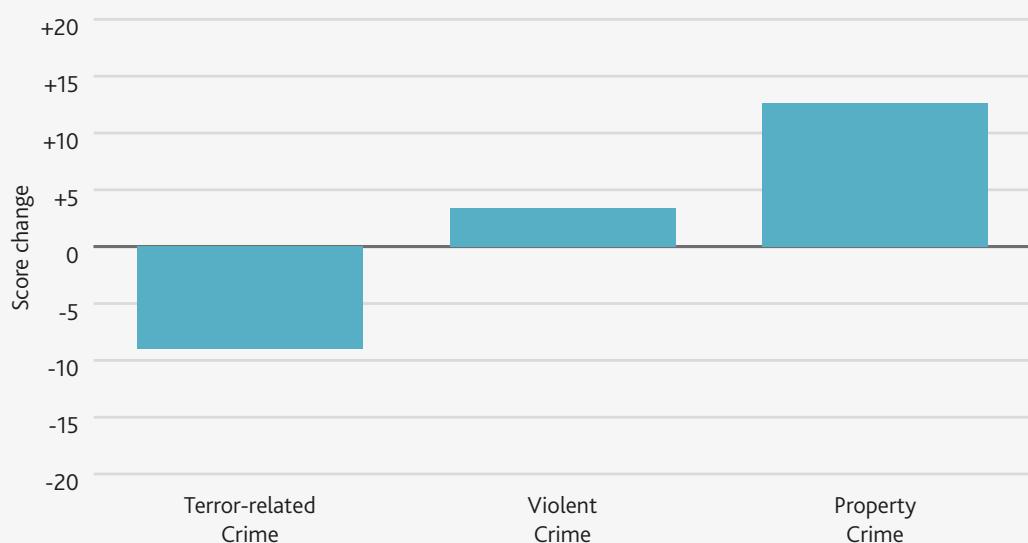
Safety and Security 2020



Safety and Security: Most improved states, 2010-2020



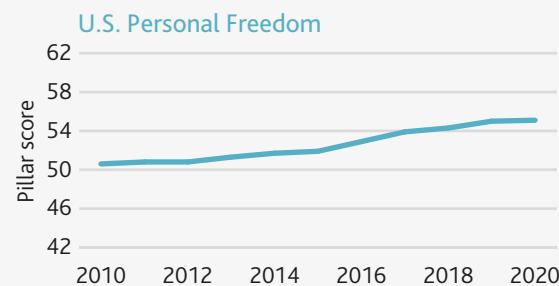
Score change 2010–2020, by element





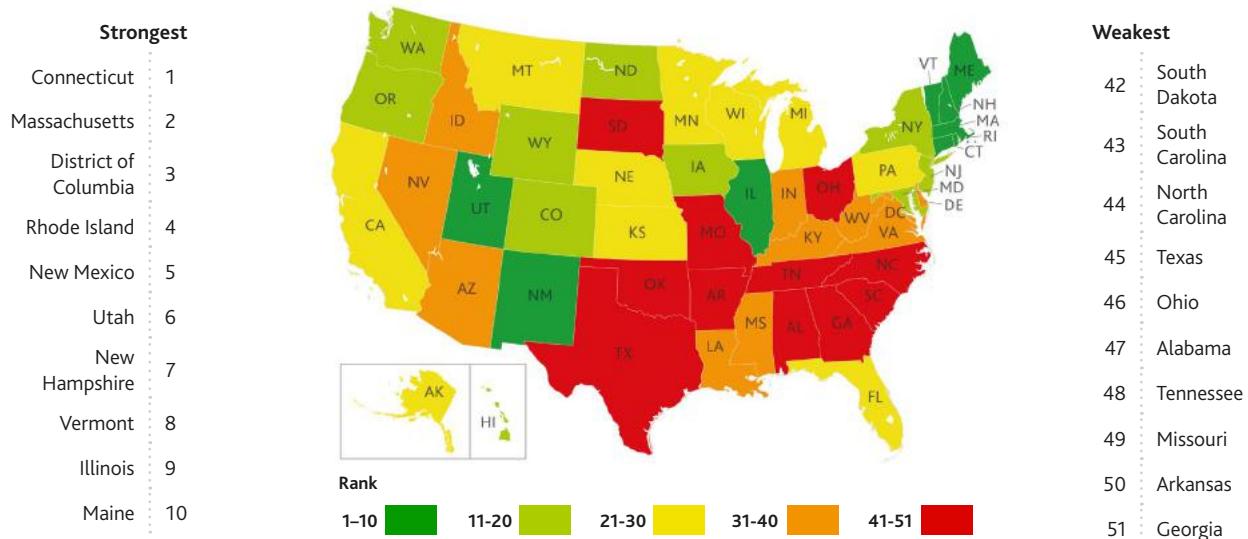
Personal Freedom

Personal Freedom captures the extent to which a society is free to determine the course of their lives without undue restrictions. This includes freedom from coercion and restrictions on movement, speech and assembly. Central to this is the level of agency an individual experiences, their freedom from discrimination, and how tolerant society is.

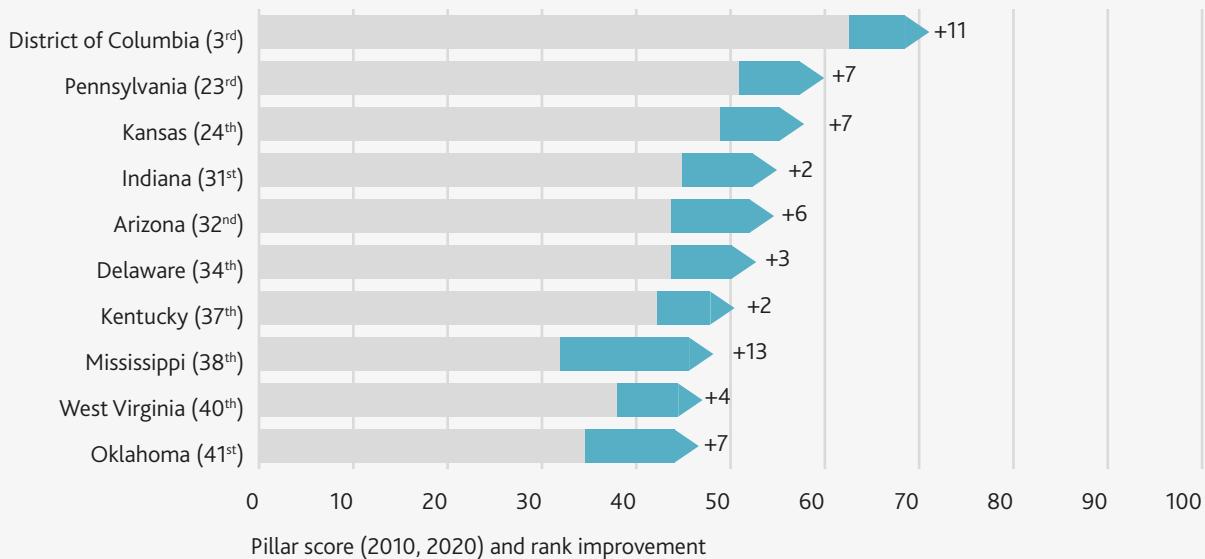


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Agency (30%) captures the degree to which individuals are free from coercion or restriction and are free to move. At its heart, an individual experiences agency if they have the freedom to act independently and make their own free choices. Excessive use of police force, imprisonment, and trafficking can act as impediments on agency.	<ul style="list-style-type: none"> <i>Fatal police shootings of unarmed civilians (Wash. Post.)</i> <i>Death row population (NAACP)</i> <i>Adult Incarceration (USBJS)</i> <i>Youth Incarceration (CJRP)</i> <i>Trafficking (Pol. Proj.)</i> 	<ul style="list-style-type: none"> <i>Fatal police shootings of unarmed civilians (Wash. Post.)</i> <i>Statewide death row population (NAACP)</i> <i>Statewide adult incarceration (USBJS)</i> <i>Statewide youth incarceration (CJRP)</i> <i>Statewide trafficking (Pol. Proj.)</i>
Freedom of Association and Speech (15%) measures the degree to which people have the freedom to engage with others to express opinions freely, with autonomy from the State.	<ul style="list-style-type: none"> <i>Free speech in public places (Cato)</i> <i>Right-to-work (NCSL)</i> <i>Press suppression (USPFT)</i> <i>Invasive cell phone surveillance (ACLU)</i> 	<ul style="list-style-type: none"> <i>Statewide free speech in public places (Cato)</i> <i>Statewide right-to-work (NCSL)</i> <i>Statewide press suppression (USPFT)</i> <i>Statewide invasive cell phone surveillance (ACLU)</i>
Absence of Legal Discrimination (25%) assesses the level of discrimination in law or by government and whether the law protects individuals and groups from suffering discrimination. This dimension captures multiple factors, including gender, sexuality, religion, ethnicity and economic background.	<ul style="list-style-type: none"> <i>Religious freedom restoration act enacted (Cato)</i> <i>Employment anti-discrimination law (Cato)</i> <i>Government discrimination based on sex prohibited (Cato)</i> <i>Affirmative action in public services banned (Cato)</i> <i>LGBT relationships & parenthood recognition (MAP)</i> <i>LGBT non-discrimination laws (MAP)</i> 	<ul style="list-style-type: none"> <i>Statewide religious freedom restoration act enacted (Cato)</i> <i>Statewide employment anti-discrimination law (Cato)</i> <i>Statewide government discrimination based on sex prohibited (Cato)</i> <i>Statewide affirmative action in public services banned (Cato)</i> <i>(Statewide) LGBT relationships & parenthood recognition (MAP)</i> <i>Statewide LGBT non-discrimination laws (MAP)</i>
Social Tolerance (30%) measures the degree to which societies are tolerant of, and the level of tension arising from, differences within the population. Societal discrimination and intolerance can engender serious issues within a society, and are a significant inhibitor of individuals' <i>de facto</i> freedoms.	<ul style="list-style-type: none"> <i>Hate group concentration (SPLC)</i> <i>Ethnic slur google traffic (GT)</i> <i>Same sex marriage support (PRRI)</i> <i>LGBT non-discrimination law support (PRRI)</i> 	<ul style="list-style-type: none"> <i>Hate group concentration (SPLC)</i> <i>Ethnic slur google traffic (GT)</i> <i>Statewide same sex marriage support (PRRI)</i> <i>Statewide LGBT non-discrimination law support (PRRI)</i>

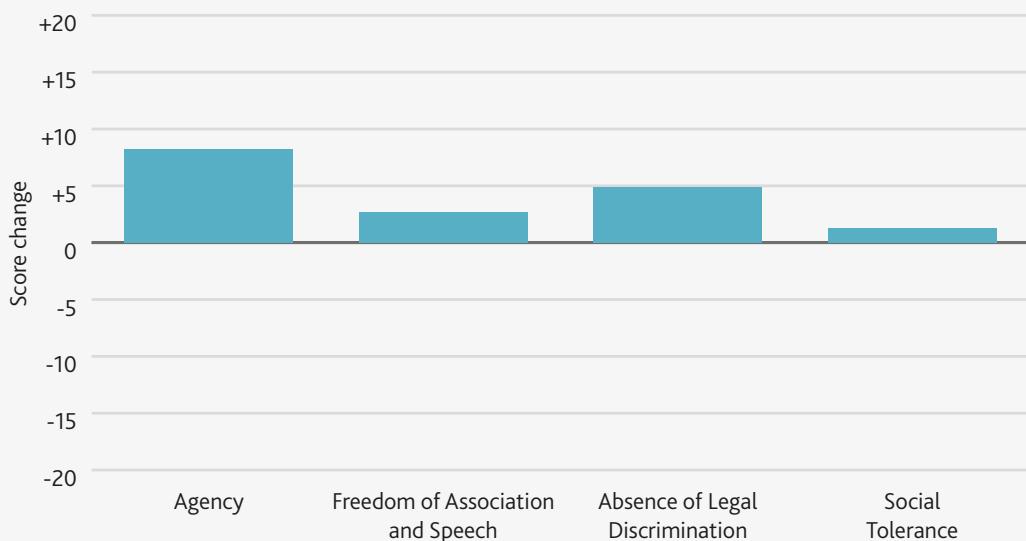
Personal Freedom 2020



Personal Freedom: Most improved states, 2010-2020

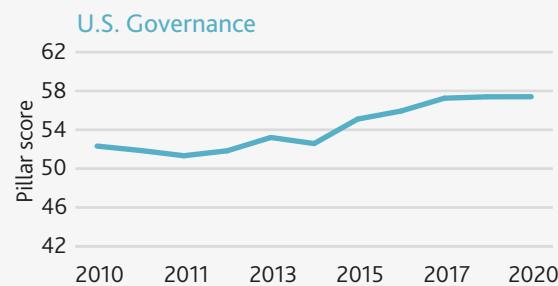


Score change 2010–2020, by element



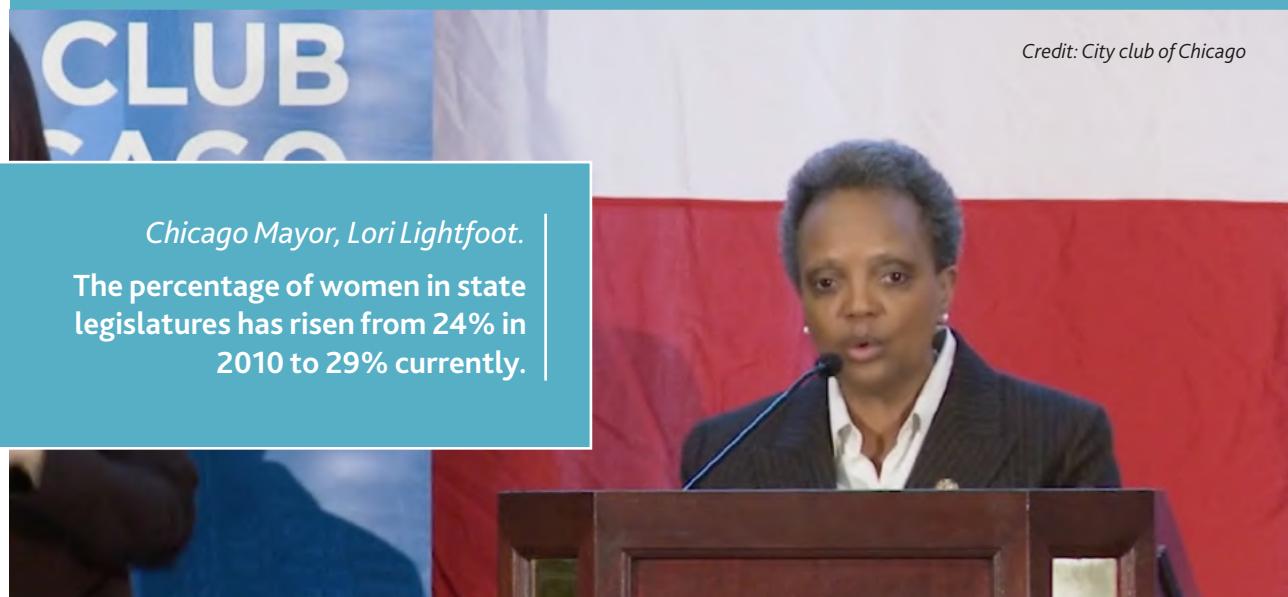
Governance

Governance measures the extent to which there are checks and restraints on political power and whether governments operate effectively and without corruption. The nature of a governance has a material impact on 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.

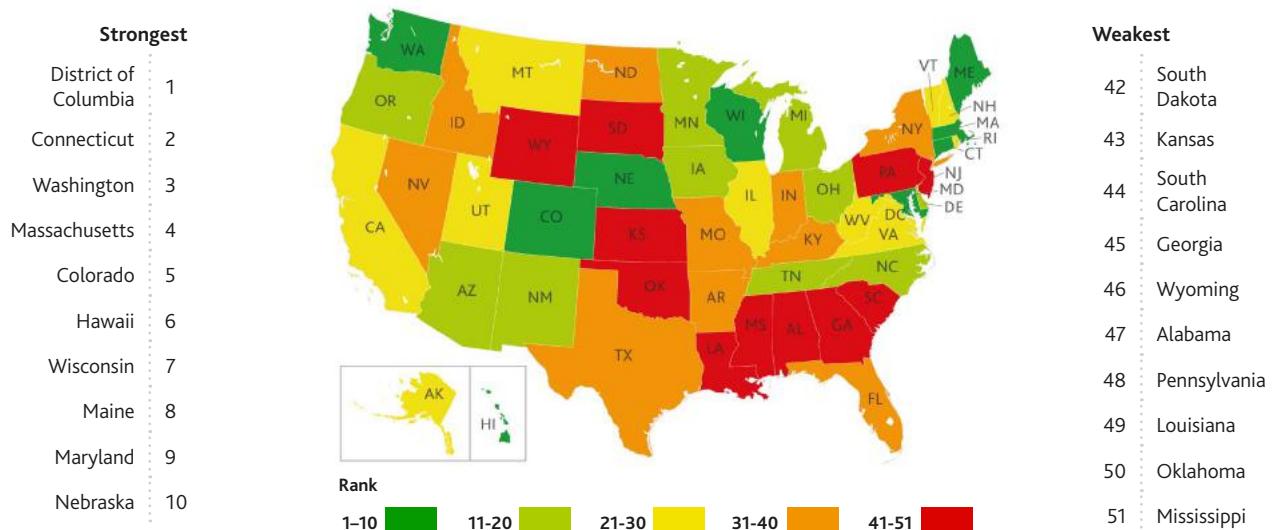


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Political Accountability (30%) is the degree to which the public can hold public institutions accountable, capturing the degree of political pluralism, and other mechanisms of accountability.	<ul style="list-style-type: none"> <i>Elections Performance Index (MIT)</i> <i>Gender balance in legislatures (CAWP)</i> <i>State campaign disclosure (NIMP)</i> <i>Term limits (NCSL)</i> 	<ul style="list-style-type: none"> <i>Statewide Elections Performance Index (MIT)</i> <i>Statewide gender balance in legislatures (CAWP)</i> <i>Statewide state campaign disclosure (NIMP)</i> <i>Statewide term limits (NCSL)</i>
Rule of Law (35%) is the fairness, independence and effectiveness of the judiciary (in applying both civil and criminal law), along with the accountability of the public to the law.	<ul style="list-style-type: none"> <i>Justice Index (NCAJ)</i> <i>Judicial integrity (ATRF)</i> 	<ul style="list-style-type: none"> <i>Statewide Justice Index (NCAJ)</i> <i>Statewide judicial integrity (ATRF)</i>
Government Integrity (35%) assesses the integrity of a government, encompassing both the absence of corruption, and the degree to which government fosters citizen participation and engagement, through open information and transparent practices.	<ul style="list-style-type: none"> <i>Legal corruption perceptions (ICS)</i> <i>Illegal corruption perceptions (ICS)</i> <i>Corruption Reflection Index (ICS)</i> <i>State Integrity Investigation (CPI)</i> <i>Public record request compliance (Cuil.)</i> <i>Online Spending Transparency Index (USPIRG)</i> 	<ul style="list-style-type: none"> <i>Statewide legal corruption perceptions (ICS)</i> <i>Statewide illegal corruption perceptions (ICS)</i> <i>Statewide Corruption Reflection Index (ICS)</i> <i>Statewide State Integrity Investigation (CPI)</i> <i>Statewide public record request compliance (Cuil.)</i> <i>Statewide Online Spending Transparency Index (USPIRG)</i>

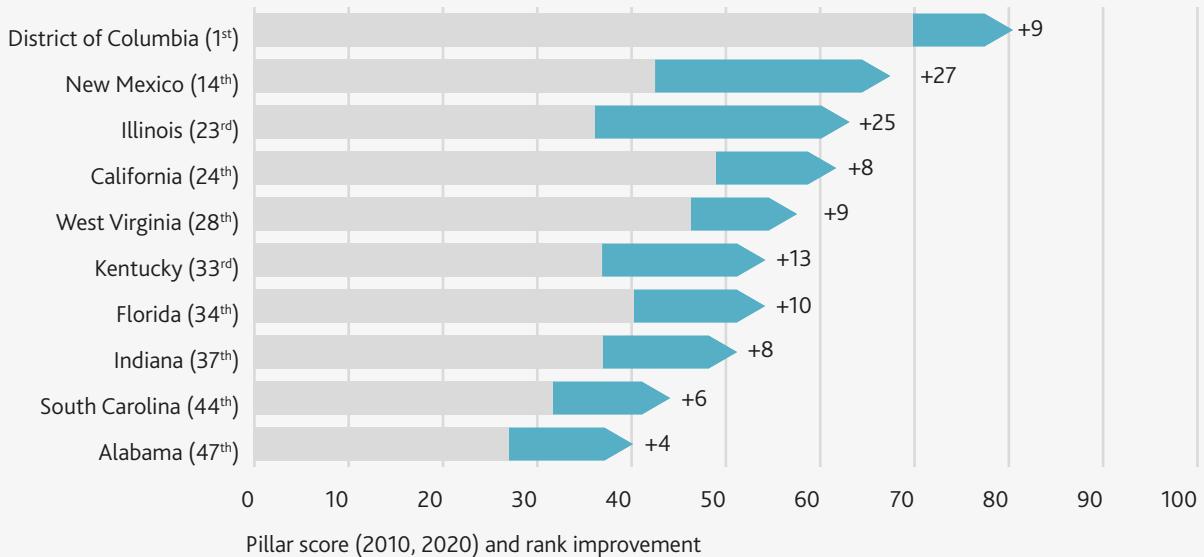
Chicago Mayor, Lori Lightfoot.
The percentage of women in state legislatures has risen from 24% in 2010 to 29% currently.



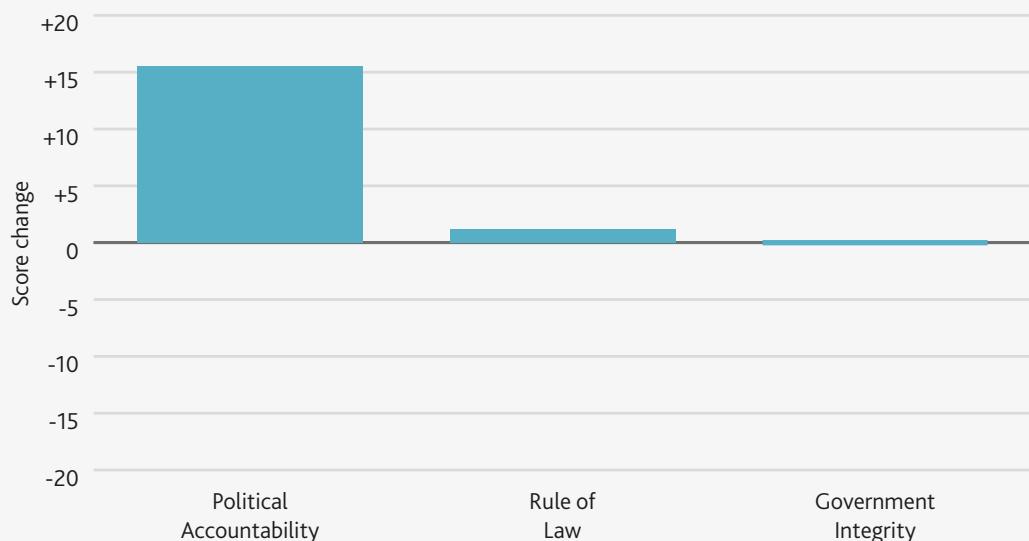
Governance 2020



Governance: Most improved states, 2010-2020



Score change 2010–2020, by element



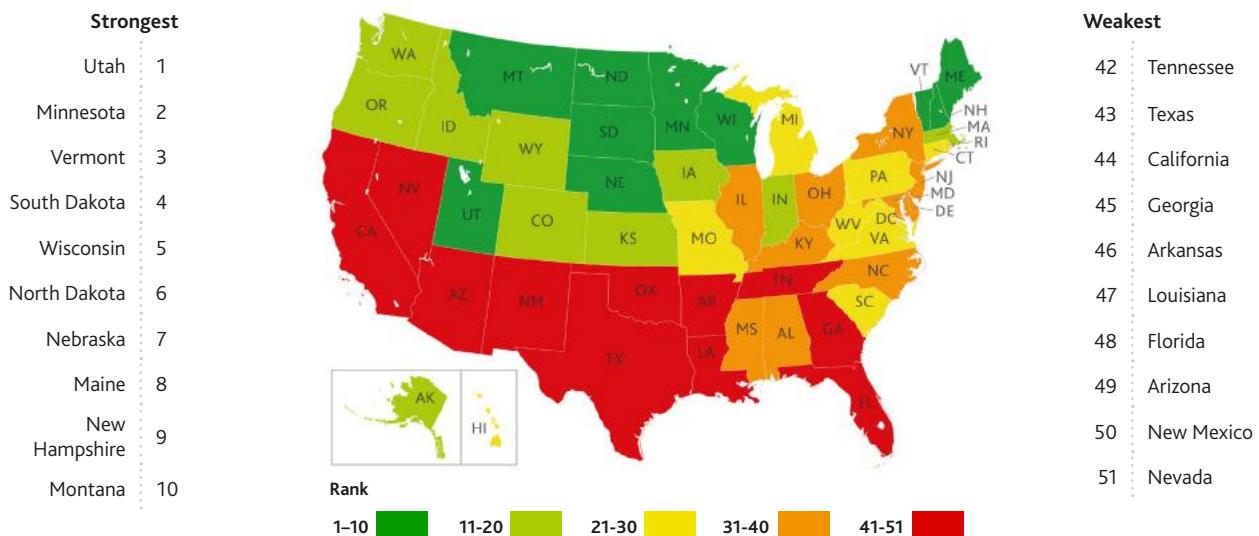
Social Capital

Social Capital measures how cohesive a society is in terms of people trusting, respecting and helping one another, and the institutional structures they interact with. 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 and social wellbeing. Thus, the word "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.

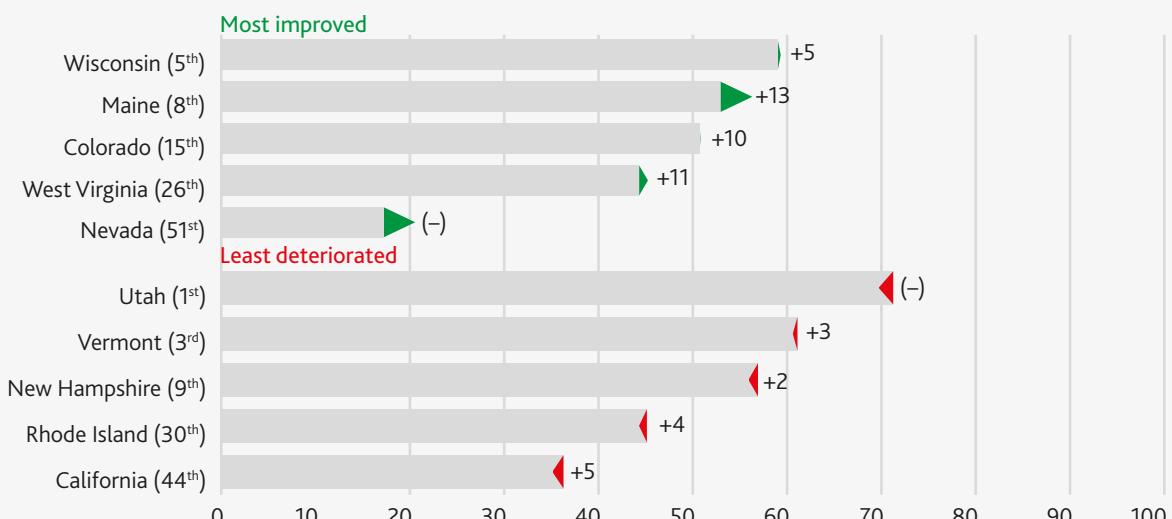


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Personal and Family Relationships (25%) captures the strength of the closest-knit personal relationships and family ties. These relationships form the crux of support that individuals can turn to, emotionally, mentally, and financially on a daily basis.	<ul style="list-style-type: none"> • Divorce (CDC) • Children in unmarried households (USCB) • Teen births (CDC) • Parent's attendance of children's activities (NSCH) • Shared meals with household members (CPS) • Frequently hear from family and friends (CPS) • Close friends (CPS) 	<ul style="list-style-type: none"> • Statewide divorce (CDC) • Children in unmarried households (USCB) • Teen births (CDC) • Statewide parent's attendance of children's activities (NSCH) • Shared meals with household members (CPS) • Frequently hear from family and friends (CPS) • Close friends (CPS)
Social Networks (25%) measures the strength of, and opportunities provided by, ties that an individual has with people in their wider network. These ties are a vital part of social support, and these networks can bolster bridging capital when social and community networks span different groups in society.	<ul style="list-style-type: none"> • Favors between neighbors (CPS) • Frequently talk with neighbors (CPS) • Trust in people in neighborhood (CPS) • Supportive neighborhood for a child (NSCH) • Trust in people (ANES) 	<ul style="list-style-type: none"> • Favors between neighbors (CPS) • Frequently talk with neighbors (CPS) • Trust in people in neighborhood (CPS) • Statewide supportive neighborhood for a child (NSCH) • Statewide trust in people (ANES)
Institutional Trust (20%) captures the degree to which individuals trust their institutions. Trust in institutions is an important foundation upon which the legitimacy and stability of political systems are built.	<ul style="list-style-type: none"> • Confidence in corporations (CPS) • Confidence in the media (CPS) • Trust in federal government (ANES) 	<ul style="list-style-type: none"> • Confidence in corporations (CPS) • Confidence in the media (CPS) • Statewide trust in federal government (ANES)
Civic and Social Participation (30%) measures the amount to which people participate within a society, broadly split into the civic and social spheres.	<ul style="list-style-type: none"> • Volunteer rate (CNCS) • Volunteering intensity (CNCS) • Active in neighborhood (CNCS) • Helping the community (CNCS) • (Non-religious) membership organizations (USCB) • Religious membership organizations (USRC) • Religious organization participation (CPS) • Sport or recreation organization participation (CPS) • School, neighborhood, or community association participation (CPS) 	<ul style="list-style-type: none"> • Statewide volunteer rate (CNCS) • Statewide volunteering intensity (CNCS) • Statewide active in neighborhood (CNCS) • Statewide helping the community (CNCS) • (Non-religious) membership organizations (USCB) • Religious membership organizations (USRC) • Religious organization participation (CPS) • Sport or recreation organization participation (CPS) • School, neighborhood or community association participation (CPS)

Social Capital 2020

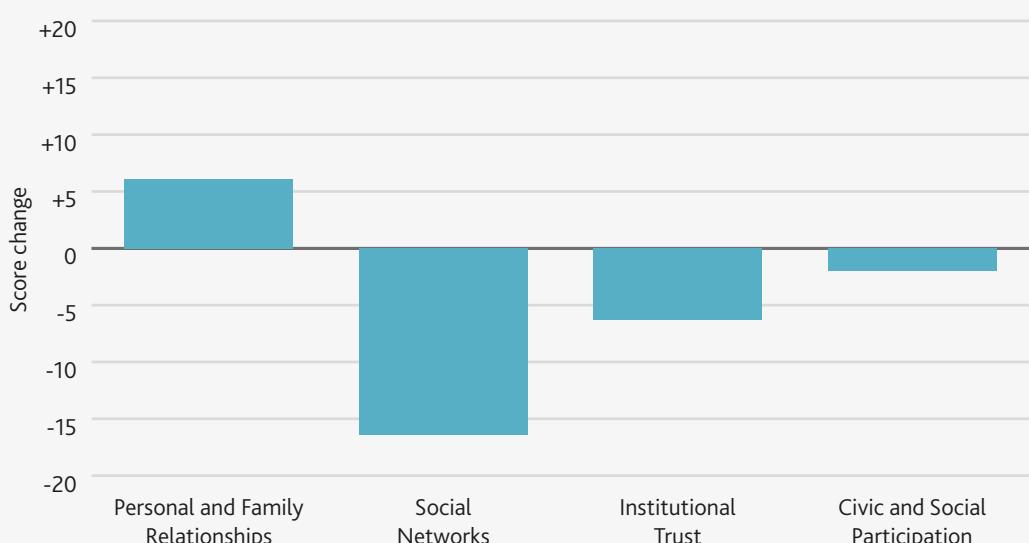


Social Capital: Most improved¹ states, 2010-2020



¹Only five states saw an improvement in Social Capital. The other five shown are those that experienced the least deterioration.

Score change 2010–2020, by element



Defining Open Economies

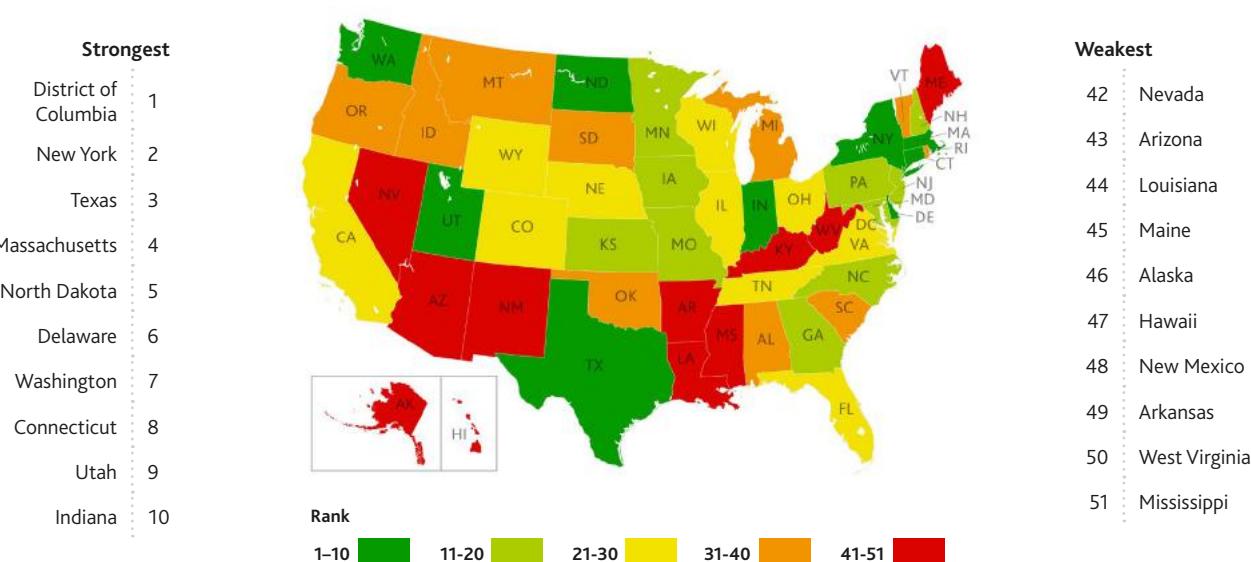
Open Economies encourage innovation and investment, promote business and trade, and facilitate inclusive growth. This domain captures the extent to which the economies of each state and county embody these ideals. Without an open, competitive economy, it is very challenging to create lasting social and 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.

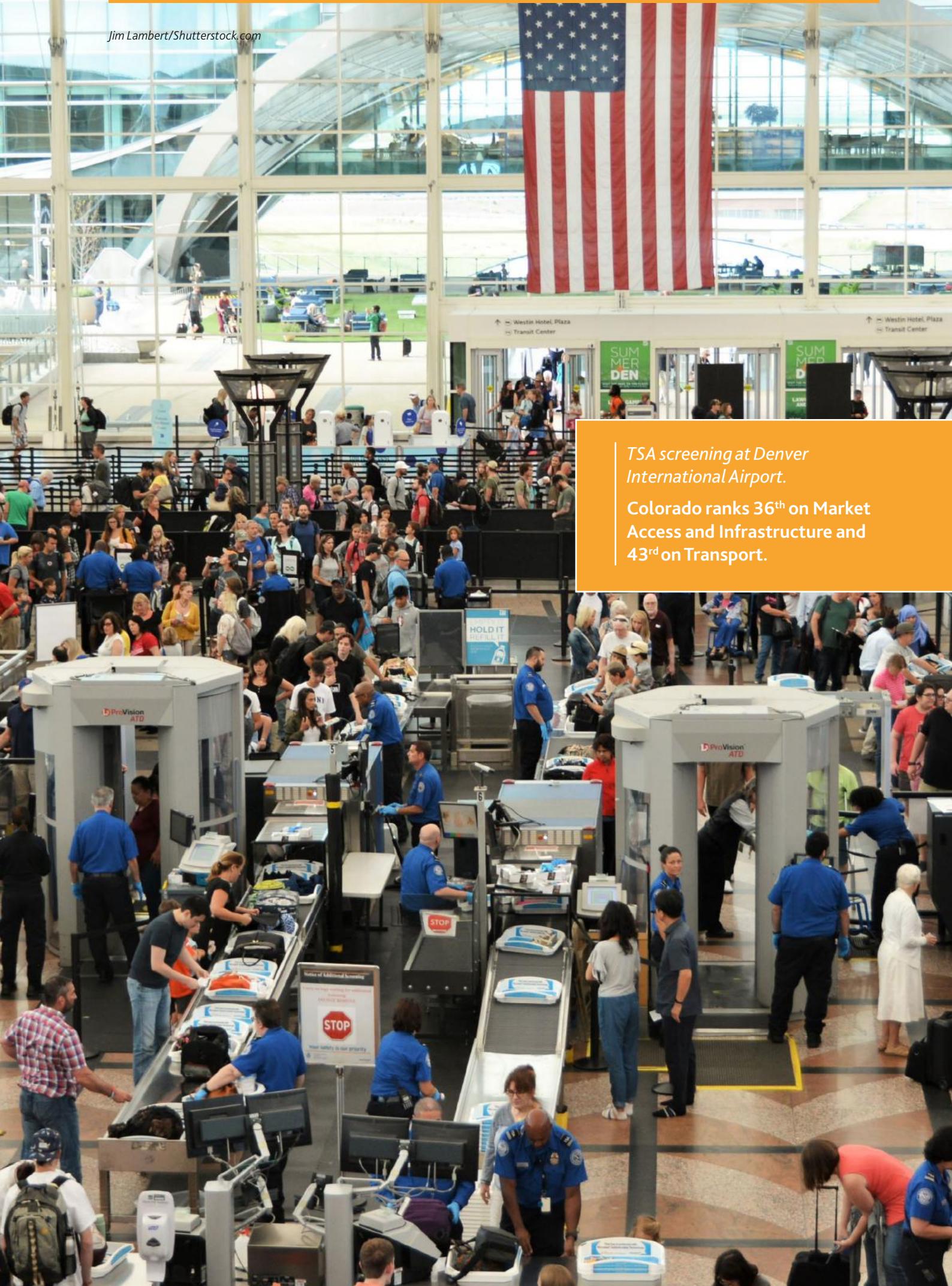
Business Environment measures the amount and variety of investment finance available (Financing Ecosystems) and how easy it is for businesses to start, compete, and expand (Domestic Market Contestability). Contestable markets with low barriers to entry and adequate pools of funding are important for 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.

Open Economies 2020





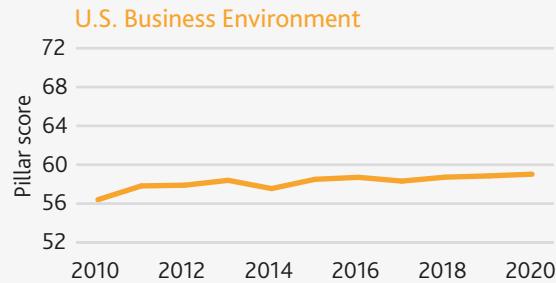
TSA screening at Denver International Airport.

Colorado ranks 36th on Market Access and Infrastructure and 43rd on Transport.



Business Environment

The Business Environment pillar measures the entrepreneurial environment, business infrastructure, access to credit, labor market flexibility, and price distortions for goods and services. It assesses how contestable the markets are and the number of barriers affecting how easy it is for businesses to start, compete, and expand.



ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Financing Ecosystems (40%) is the availability of money for investment from sources including banking and bank debt to corporate debt and more sophisticated financial markets.	<ul style="list-style-type: none"> Venture capital invested (NVCA) Number of venture capital deals (NVCA) Assets under management (NVCA) Venture capital fundraising (NVCA) New foreign direct investment (USBEA) Bank branch access (FDIC) 	<ul style="list-style-type: none"> Venture capital invested (NVCA) Number of venture capital deals (NVCA) Assets under management (NVCA) Venture capital fundraising (NVCA) New foreign direct investment (USBEA) Bank branch access (FDIC)
Domestic Market Contestability (30%) examines how open the market is to new participants versus protection of the incumbents.	<ul style="list-style-type: none"> Low-income licensed occupations (IJ) Occupational licensing training cost (IJ) Occupational licensing training time (IJ) Age requirements for license (IJ) Regulation Density Index (Cato) 	<ul style="list-style-type: none"> Statewide low-income licensed occupations (IJ) Statewide occupational licensing training cost (IJ) Statewide occupational licensing training time (IJ) Statewide age requirements for license (IJ) Statewide Regional Density Index (Cato)
Burden of Regulation (10%) captures how much effort and time are required to comply with regulations.	<ul style="list-style-type: none"> Federal Regulation and State Enterprise Index (QG) State regulation (QG) 	<ul style="list-style-type: none"> Statewide Federal Regulation and State Enterprise Index (QG) Statewide state regulation (QG)
Labor Market Flexibility (10%) measures how dynamic and flexible the workplace is for both employer and employee.	<ul style="list-style-type: none"> Collective bargaining agreement coverage (FI) Employee health insurance cost (HJK) Workers compensation premium rate (Oreg.) Minimum wage (USDOL) 	<ul style="list-style-type: none"> Statewide collective bargaining agreement coverage (FI) Statewide employee health insurance cost (HJK) Workers compensation premium rate (Oreg.) Statewide minimum wage (USDOL)
Price Distortions (10%) looks at how taxes and subsidies affect the 'level playing field'.	<ul style="list-style-type: none"> Subsidies to the private sector (USBEA) Corporate Tax Score (TF) 	<ul style="list-style-type: none"> Statewide subsidies to the private sector (USBEA) Statewide Corporate Tax Score (TF)

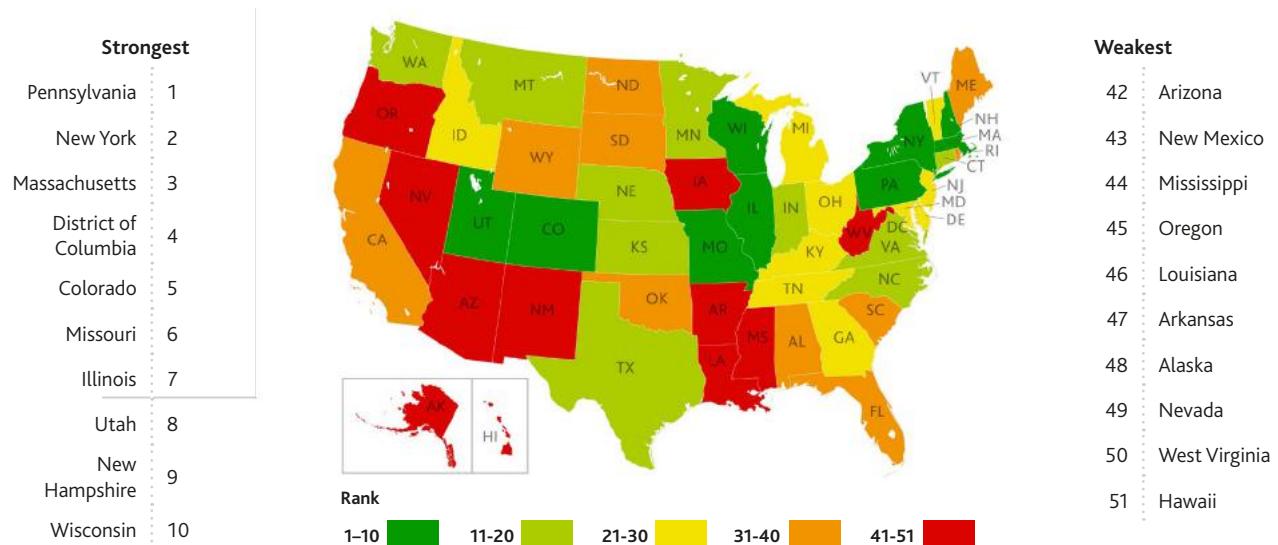


Factory workers in Clarksville, Tennessee.

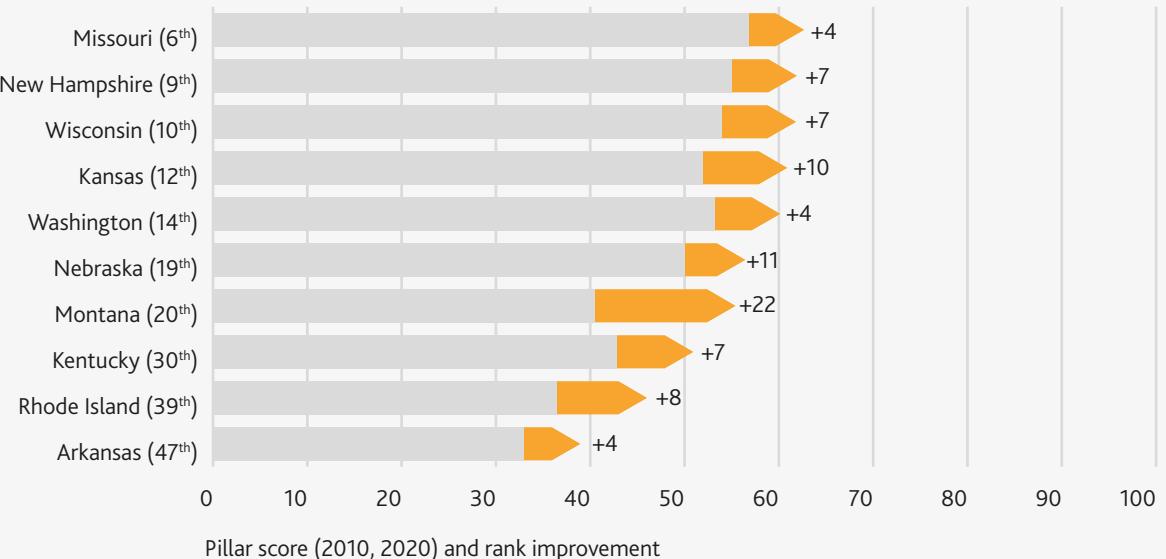
Tennessee ranks first for Labor Market Flexibility, due to having the lowest employee health insurance premium of any state.

Cara Siera/Shutterstock.com

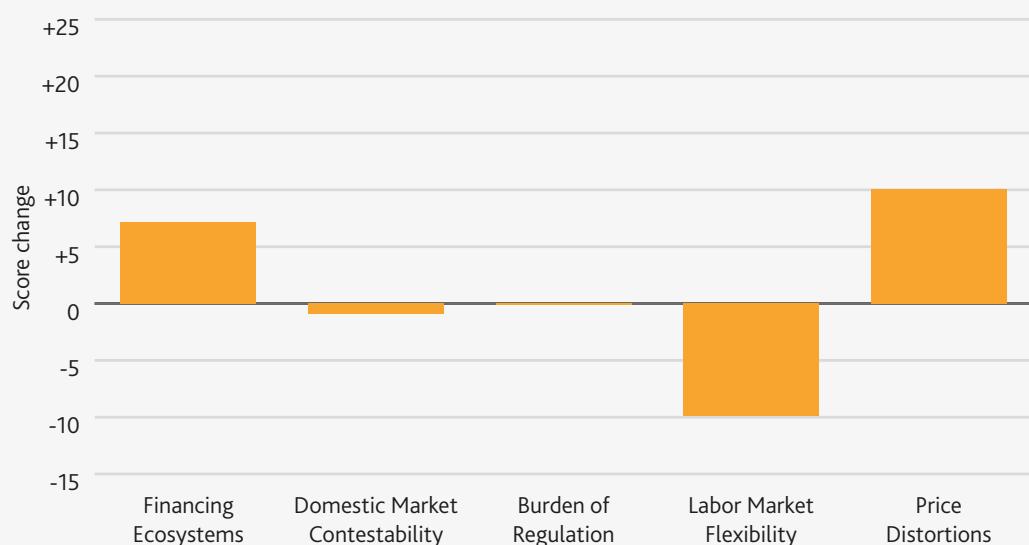
Business Environment 2020



Business Environment: Most improved states, 2010-2020

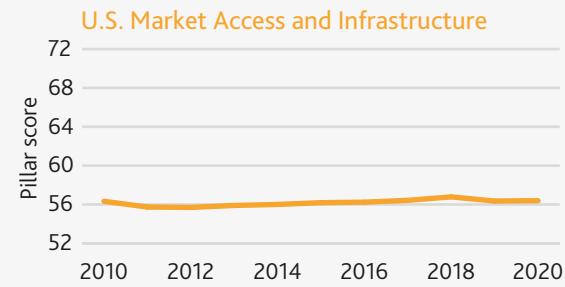


Score change 2010–2020, by element



Market Access and Infrastructure

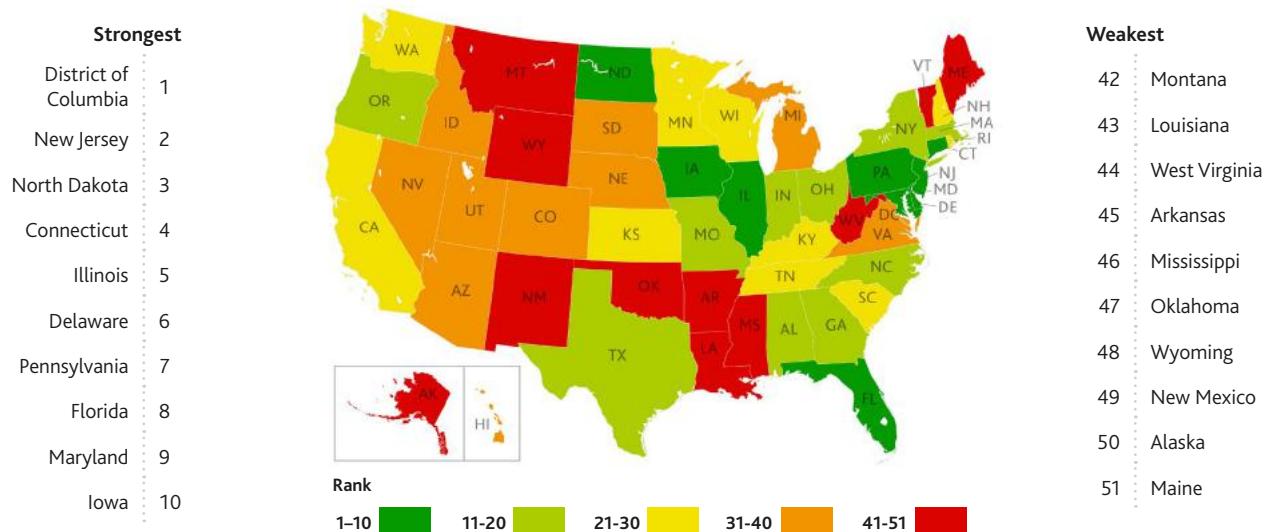
The Market Access and Infrastructure pillar measures the quality of the infrastructure, in terms of communications, transport and resources, that enables trade. Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient 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.



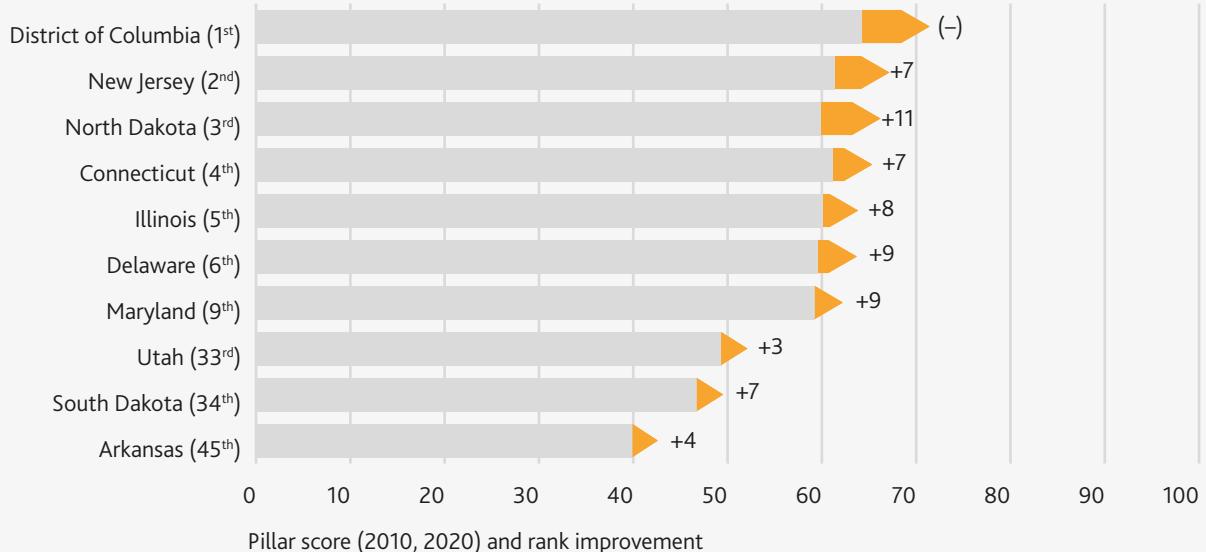
ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Communications (40%) assesses the means of communication and how widespread access to communication is.	<ul style="list-style-type: none">Mean download speed (BBN)Ultra-fast internet access (BBN)High speed internet access (NTIA)Internet providers (Business) (FCC)	<ul style="list-style-type: none">Mean download speed (BBN)Ultra-fast internet access (BBN)Fast internet access (BBN)Internet providers (Business) (FCC)
Resources (25%) assesses the quality, reliability and affordability of the energy network in a state, as well as the access to and use of water resources.	<ul style="list-style-type: none">Customers affected by electricity outages (Mukh.)Net electricity generation (USEIA)Water usage (USGS)Electricity outage duration (USEIA)Electricity outage frequency (USEIA)	<ul style="list-style-type: none">Customers affected by electricity outages (Mukh.)Statewide net electricity generation (USEIA)Water usage (USGS)Electricity outage duration (USEIA)Electricity outage frequency (USEIA)
Transport (35%) assesses the ease and efficiency with how people and goods travel between and within states. This is a measure of the quality, diversity, and penetration of all forms of transport.	<ul style="list-style-type: none">Number of airports (USBTS)Road condition (USBTS)Railroad length (AAR)Bus transit route mileage (USBTS)Public road length (USBTS)Bridge condition (USBTS)Distance to airport (USBTS)	<ul style="list-style-type: none">Statewide number of airports (USBTS)Road condition (USBTS)Statewide railroad length (AAR)Bus transit route mileage (USBTS)Public road density (USBTS)Bridge condition (USBTS)Distance to airport (USBTS)



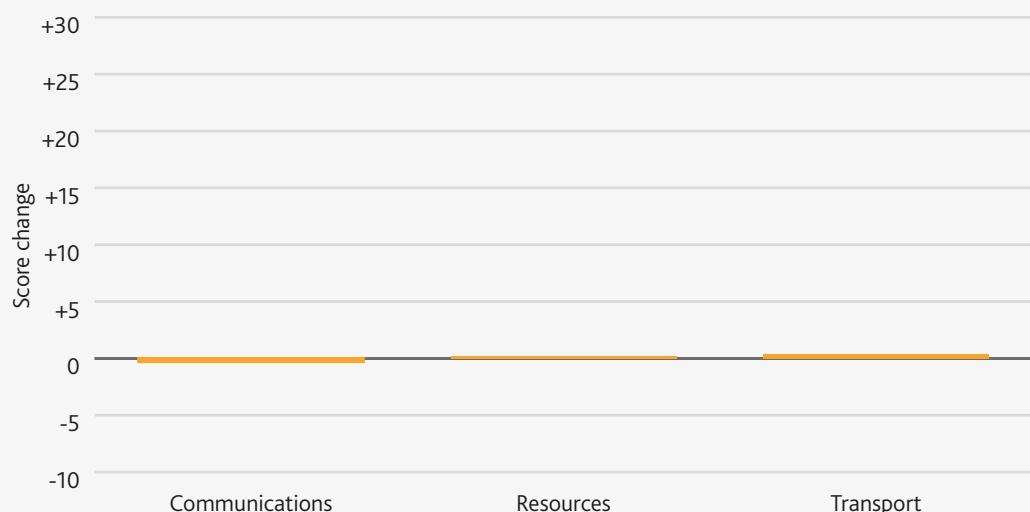
Market Access and Infrastructure 2020



Market Access and Infrastructure: Most improved states, 2010-2020

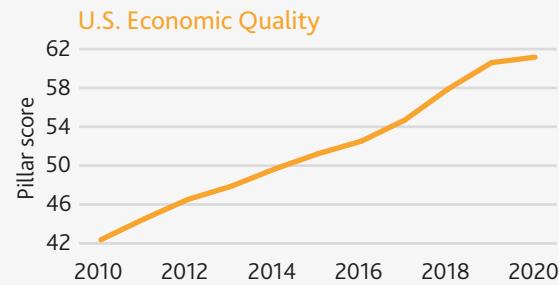


Score change 2010–2020, by element



Economic Quality

The Economic Quality pillar measures how well the economy is equipped to generate wealth sustainably and with the full engagement of its workforce. A strong economy is dependent on the production of a diverse range of valuable goods and services and high labor force participation.



ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Fiscal Sustainability (25%) assesses the ability of a government to sustain its current spending, tax, and other policies in the medium to long term.	<ul style="list-style-type: none"> Government credit rating (<i>BallotP</i>) State reserves capacity (<i>Pew</i>) Revenue to expenditure ratio (<i>Pew</i>) State budget balance (<i>Pew</i>) State pension funding (<i>FR</i>) 	<ul style="list-style-type: none"> Statewide government credit rating (<i>BallotP</i>) Statewide state reserves capacity (<i>Pew</i>) Government revenue to expenditure ratio (<i>USCB</i>) Statewide state budget balance (<i>Pew</i>) Statewide state pension funding (<i>FR</i>) Debt-to-GDP ratio (<i>USCB</i>)
Productivity and Competitiveness (25%) captures the efficiency of the labor force, as well as the export value of goods and services.	<ul style="list-style-type: none"> Manufactured export value (<i>USCB</i>) Non-manufactured export value (<i>USCB</i>) Labor productivity (<i>USBLS</i>) 	<ul style="list-style-type: none"> Export value (goods) (<i>BIEM</i>) Export value (services) (<i>BIEM</i>) Labor productivity (<i>USBLS</i>)
Dynamism (20%) measures the churn of businesses—the number of new start-ups entering and failed firms exiting an economy.	<ul style="list-style-type: none"> Startup concentration (<i>Kauf</i>) Startup early job creation (<i>Kauf</i>) Startup early survival rate (<i>Kauf</i>) Opportunity-driven startups (<i>Kauf</i>) Rate of new entrepreneurs (<i>Kauf</i>) Patent applications (<i>USPTO</i>) 	<ul style="list-style-type: none"> Startup concentration (<i>Kauf</i>) Startup early job creation (<i>Kauf</i>) Startup early survival rate (<i>Kauf</i>) Opportunity-driven startups (<i>Kauf</i>) Rate of new entrepreneurs (<i>Kauf</i>) Patent applications (<i>USPTO</i>)
Labor Force Engagement (30%) covers the intersection of demography and the workforce, including the rates of unemployment and underemployment.	<ul style="list-style-type: none"> Unemployment (<i>USBLS</i>) Youth unemployment (<i>USBLS</i>) Employee engagement (<i>Gallup</i>) Underemployment (<i>USBLS</i>) Labor force participation (<i>USBLS</i>) 	<ul style="list-style-type: none"> Unemployment (<i>USBLS</i>) Youth unemployment (<i>USCB</i>) Employee Engagement (<i>Gallup</i>) Statewide underemployment (<i>USBLS</i>) Labor force participation (<i>USCB</i>)



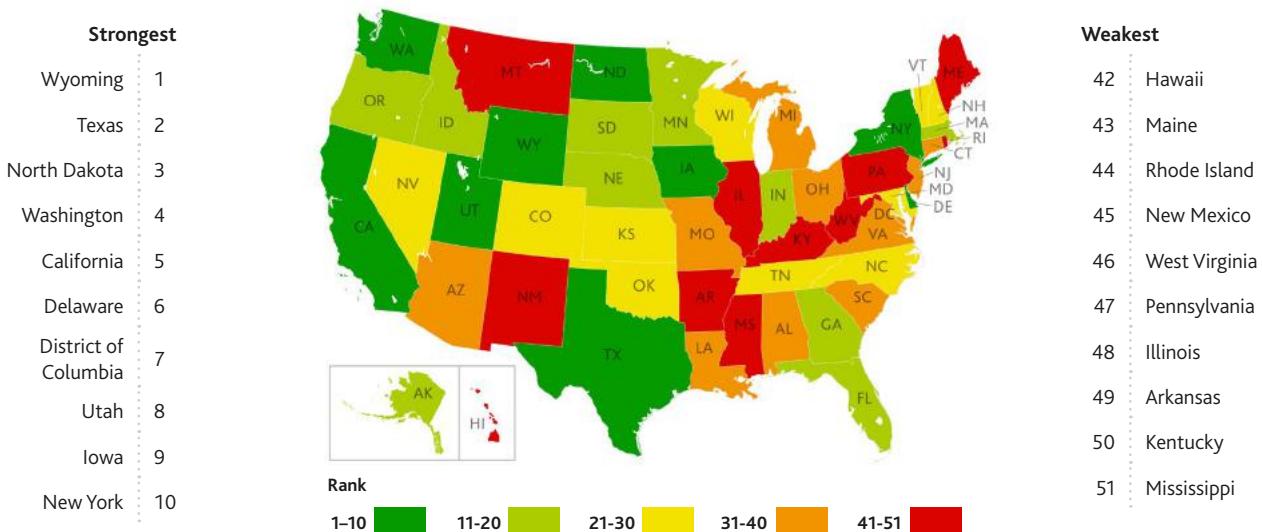
Sundry Photography/Shutterstock.com

Employees at Adobe's head office in San Francisco.

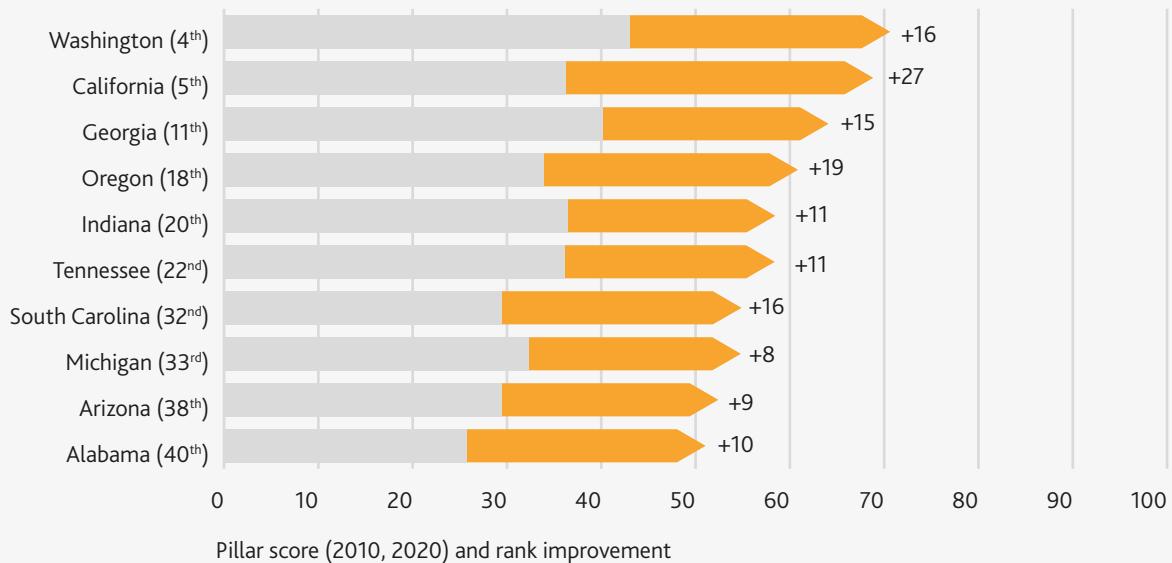
California ranks first for Dynamism owing to its thriving start-up environment and the highest per capita rate of patent applications across the U.S.



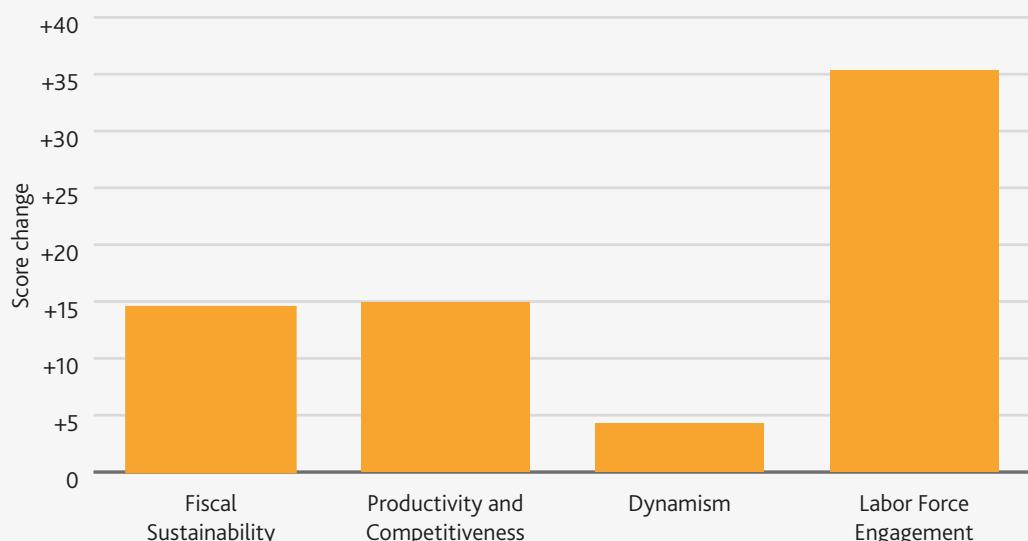
Economic Quality 2020



Economic Quality: Most improved states, 2010-2020



Score change 2010–2020, by element



Defining Empowered People

Empowered 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.

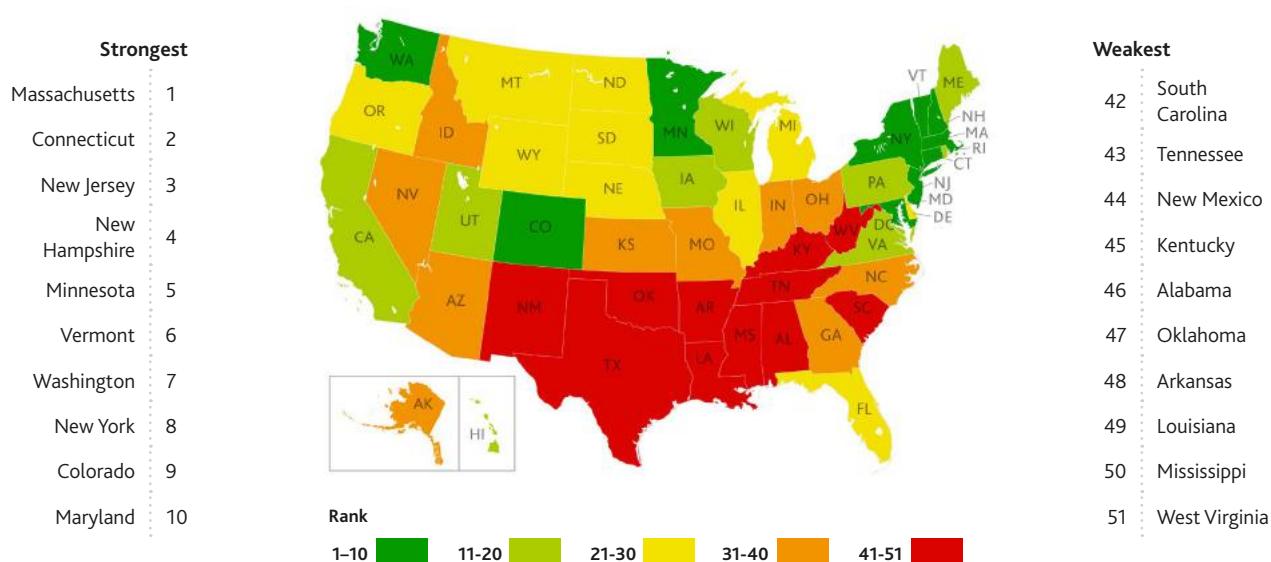
Health measures health service provision and the health outcomes of a population — including the quality of both mental health and

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.

Empowered People 2020



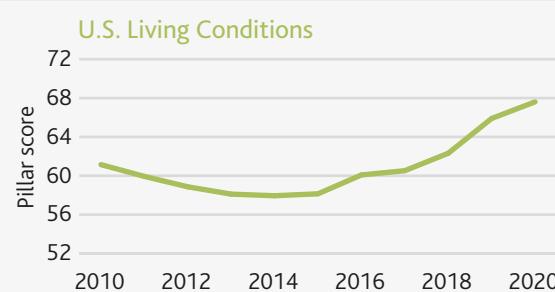
*A family enjoying the outdoors
in the suburbs.*

**Massachusetts ranks in the top
four for each of the Empowered
People pillars.**



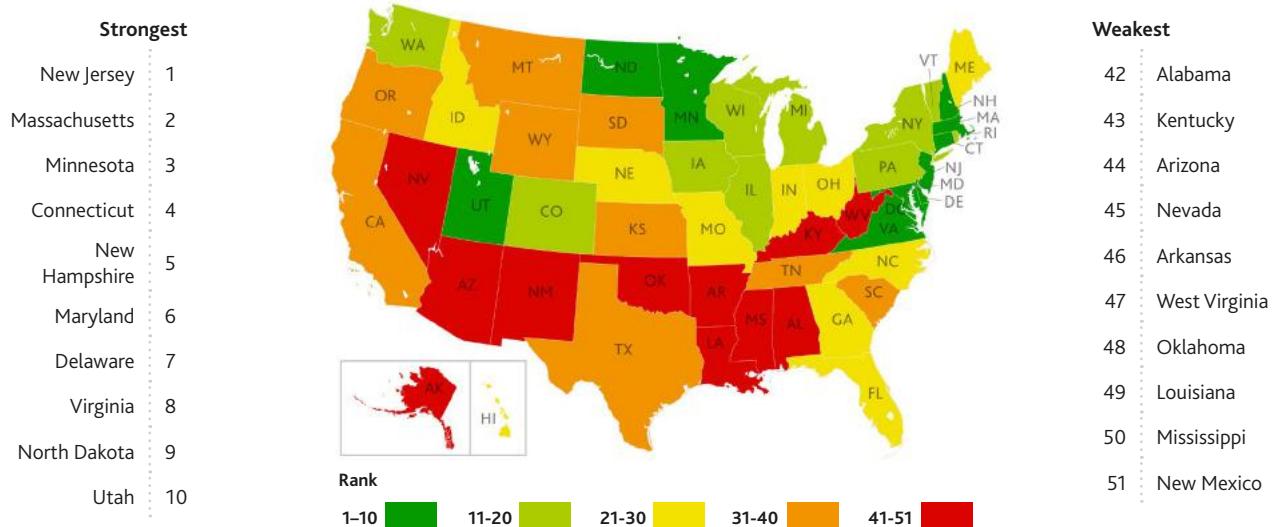
Living Conditions

The Living Conditions pillar measures whether a reasonable quality of life is extended to the whole population. This includes several key areas—in addition to material resources, people must also have access to adequate shelter and a healthy diet, basic services such as electricity, clean water, and sanitation, safety at work and in their lived environment, and the ability to connect and engage in core activities in society.

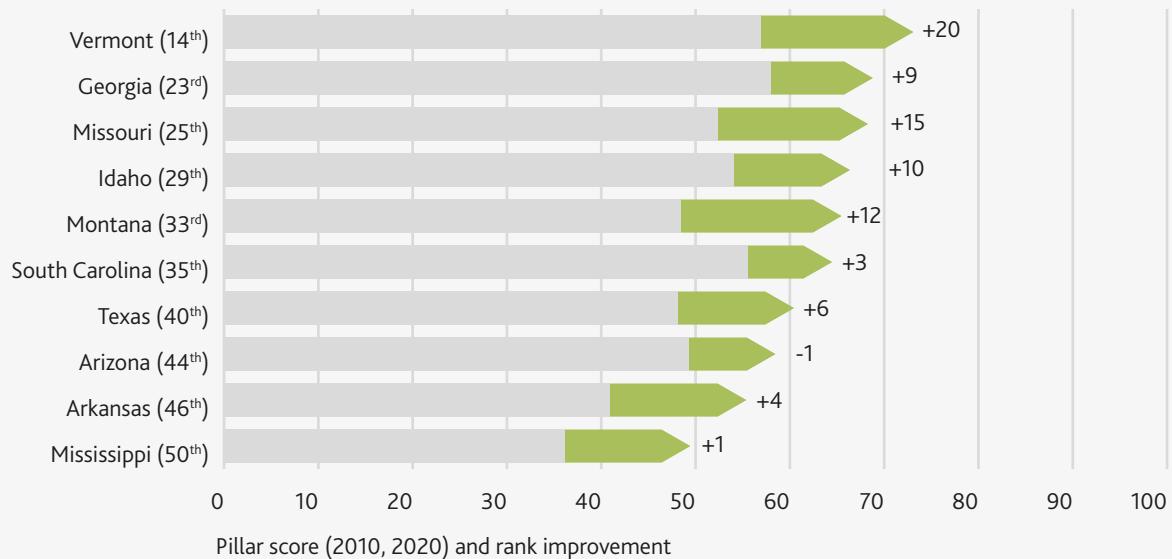


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Material Resources (25%) measures the proportion of individuals with the minimum amount of resources necessary to survive and attain wellbeing, including the reliability of income and resilience to economic shocks.	<ul style="list-style-type: none"> • <i>Low income (USACS)</i> • <i>Poverty (USACS)</i> • <i>Deep poverty (USACS)</i> • <i>Liquid asset poverty (PNS)</i> • <i>High risk loans (TP)</i> 	<ul style="list-style-type: none"> • <i>Low income (USACS)</i> • <i>Poverty (USACS)</i> • <i>Deep poverty (USACS)</i> • <i>Liquid asset poverty (PNS)</i> • <i>Statewide high risk loans (TP)</i>
Nutrition (15%) measures the availability, adequacy and diversity of food intake required for individuals to participate in society, ensure cognitive development, and avoid potentially long-term health impacts.	<ul style="list-style-type: none"> • <i>Food security (USDA)</i> • <i>Borderline food security (USDA)</i> • <i>Fruit consumption (BRFSS)</i> • <i>Vegetable consumption (BRFSS)</i> 	<ul style="list-style-type: none"> • <i>Food security (FA)</i> • <i>Statewide borderline food security (USDA)</i> • <i>Fruit consumption (BRFSS)</i> • <i>Vegetable consumption (BRFSS)</i>
Water Services (15%) captures the access to, as well as the availability and quality of, the basic utility services necessary for human wellbeing.	<ul style="list-style-type: none"> • <i>Clean and safe water (Gallup)</i> • <i>Public drinking water violations (USEPA)</i> • <i>Complete kitchen and plumbing facilities (USHUD)</i> 	<ul style="list-style-type: none"> • <i>Statewide clean and safe water (Gallup)</i> • <i>Public drinking water violations (CHR)</i> • <i>Complete kitchen and plumbing facilities (USHUD)</i>
Shelter (15%) reflects the availability and affordability of accommodation as well as the population without any shelter.	<ul style="list-style-type: none"> • <i>Homelessness (USHUD)</i> • <i>Unsheltered homeless rate (USHUD)</i> • <i>Households with overcrowding (USHUD)</i> • <i>Availability of affordable housing (NLIHC)</i> 	<ul style="list-style-type: none"> • <i>Homelessness (USHUD)</i> • <i>Unsheltered homeless rate (USHUD)</i> • <i>Households with overcrowding (USHUD)</i> • <i>Availability of affordable housing (UI)</i>
Connectedness (15%) captures the extent to which individuals are able to participate in the normal activities in which citizens of a society engage, digitally and physically.	<ul style="list-style-type: none"> • <i>Urban access to broadband (FCC)</i> • <i>Rural access to broadband (FCC)</i> • <i>Households with a smartphone (USACS)</i> 	<ul style="list-style-type: none"> • <i>Access to broadband (FCC)</i> • <i>Households with a smartphone (USACS)</i>
Protection from Harm (15%) captures the safety of the environment that individuals live and work in, measuring automotive and workplace injuries and accidental deaths.	<ul style="list-style-type: none"> • <i>Fatal unintentional injuries (CDC)</i> • <i>Traffic deaths (CDC)</i> 	<ul style="list-style-type: none"> • <i>Fatal unintentional injuries (CDC)</i> • <i>Traffic deaths (CDC)</i>

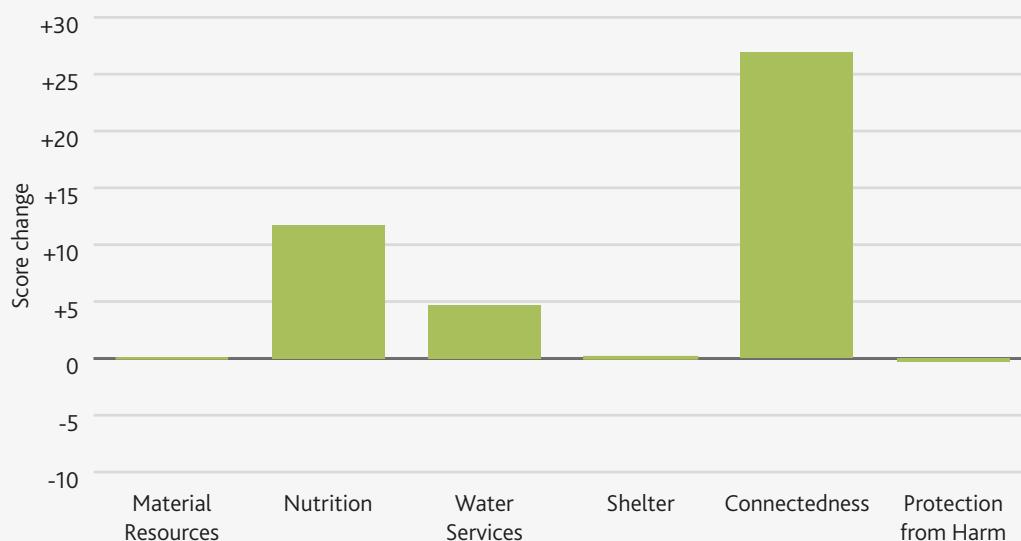
Living Conditions 2020



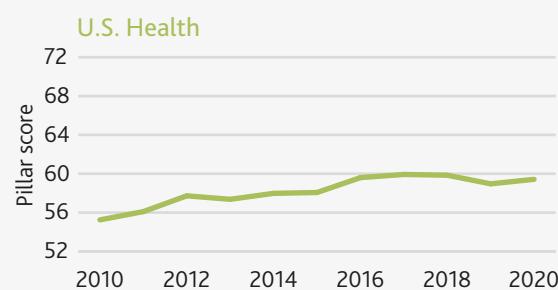
Living Conditions: Most improved states, 2010-2020



Score change 2010–2020, by element

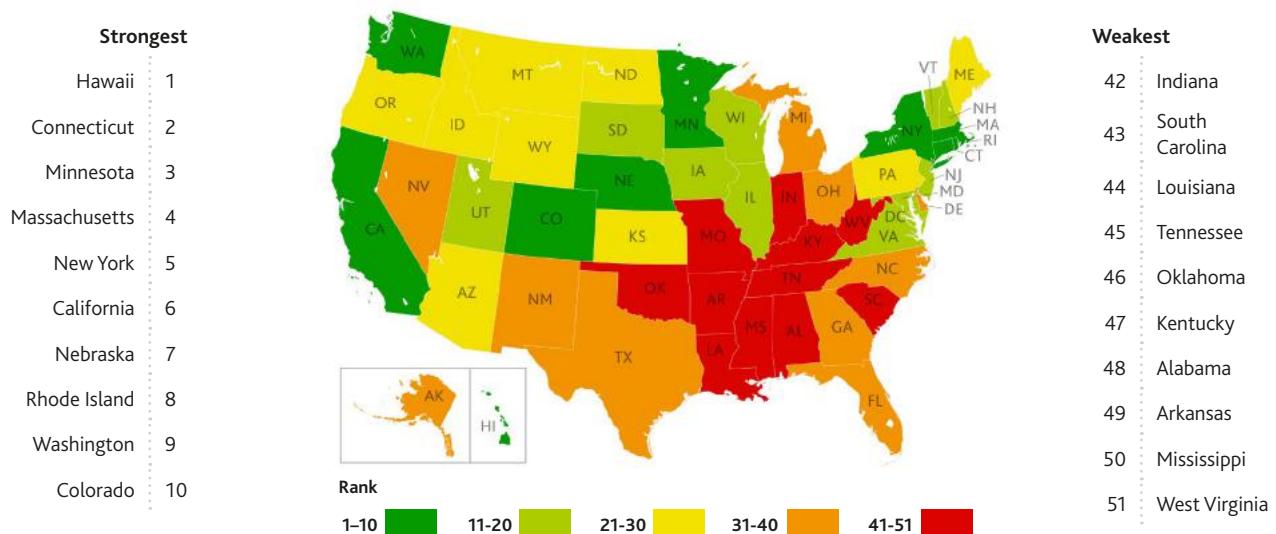


The Health pillar measures the extent to which people are healthy and have access to the necessary services to maintain good health. Those who enjoy good physical and mental health report high levels of wellbeing, whilst poor health provides a major obstacle to people fulfilling their potential. The coverage and accessibility of effective healthcare, combined with behaviors that sustain a healthy lifestyle, are critical to both individual and societal prosperity.

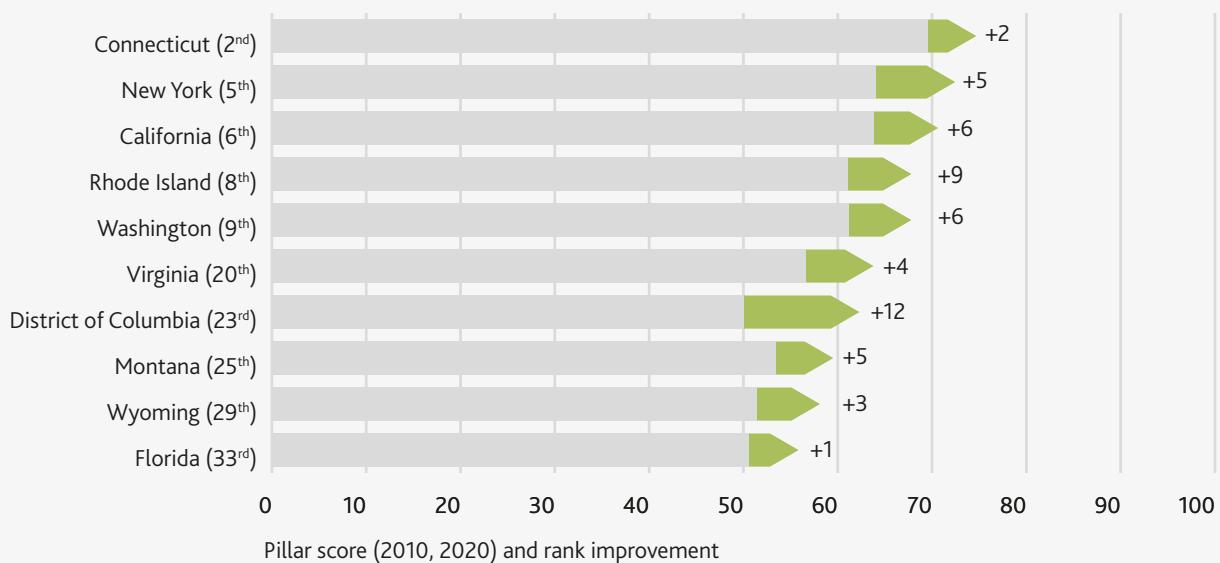


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Behavioral risk factors (15%) assesses the set of lifestyle patterns molded by a complex set of influences that increase the likelihood of developing disease, injury or illness, or of suffering from premature death.	<ul style="list-style-type: none"> • Obesity (BRFSS) • Smoking (BRFSS) • Alcohol use disorder (SAMHSA) • Illicit drug use disorder (SAMHSA) • Pain reliever misuse (SAMHSA) 	<ul style="list-style-type: none"> • Obesity (CDC) • Smoking (CHR) • Alcohol use disorder (SAMHSA) • Illicit drug use disorder (SAMHSA) • Pain reliever misuse (SAMHSA)
Preventative Interventions (15%) measures the extent to which a health system prevents diseases, illnesses and other medical complications from occurring, to improve quality of life and avoid premature death.	<ul style="list-style-type: none"> • Adult dentist visits (BRFSS) • Adult doctor visits (BRFSS) • Colorectal cancer screening (BRFSS) • Child medical visits (NSCH) • HPV immunizations (NCIRD) • Pap smear test (BRFSS) • Child Immunization (NCIRD) • Child dentist visits (NSCH) 	<ul style="list-style-type: none"> • Adult dentist visits (BRFSS) • Adult doctor visits (BRFSS) • Colorectal cancer screening (BRFSS) • Statewide child medical visits (NSCH) • Statewide HPV immunizations (NCIRD) • Pap smear test (BRFSS) • Statewide child immunization (NCIRD) • Statewide child dentist visits (NSCH)
Care systems (15%) assesses the accessibility to the health care system, as well as the capacity of that health system to treat and cure diseases and illnesses once they are present in the population.	<ul style="list-style-type: none"> • Child mental health access (NSCH) • Adults with no health care coverage (BRFSS) • Avoided medical care due to cost (BRFSS) • Hospital rating (HCAHPS) • Preventable hospitalizations for medicare enrollees (CMS) 	<ul style="list-style-type: none"> • Statewide child mental health access (NSCH) • Adults with no health care coverage (CHR) • Avoided medical care due to cost (BRFSS) • Hospital rating (HCAHPS) • Preventable hospitalizations for medicare enrollees (CHR)
Mental Health (15%) captures the level and burden of mental illness on the living population, using self-reported and objective measures.	<ul style="list-style-type: none"> • Suicide (CDC) • Drug overdose deaths (CDC) • Serious mental illness (SAMHSA) • Disability weighted prevalence from mental illness (IMHE) • Self-reported mental health not good (BRFSS) 	<ul style="list-style-type: none"> • Suicide (CDC) • Drug overdose deaths (CDC) • Serious mental illness (SAMHSA) • Statewide disability weighted prevalence from mental illness (IMHE) • Self-reported mental health not good (CHR)
Physical Health (20%) captures the level and burden of physical illness on the living population, using self-reported and objective measures.	<ul style="list-style-type: none"> • High blood pressure (BRFSS) • Diabetes (BRFSS) • Heart attack (BRFSS) • Disability weighted prevalence of infectious diseases (IHME) • Self-reported poor physical health (BRFSS) 	<ul style="list-style-type: none"> • High blood pressure (BRFSS) • Diabetes (CDC) • Heart attack (BRFSS) • Statewide disability weighted prevalence of infectious diseases (IHME) • Self-reported poor physical health (CHR)
Longevity (20%) measures the mortality rate of the population through different stages of life.	<ul style="list-style-type: none"> • Under 5 mortality (CDC) • 5-14 mortality (CDC) • 15-64 mortality (CDC) • Maternal mortality (IMHE) • Mortality risk 65-85 (IMHE) 	<ul style="list-style-type: none"> • Under 5 mortality (CDC) • 5-14 mortality (CDC) • 15-64 mortality (CDC) • Maternal mortality (IMHE) • Mortality risk 65-85 (IMHE)

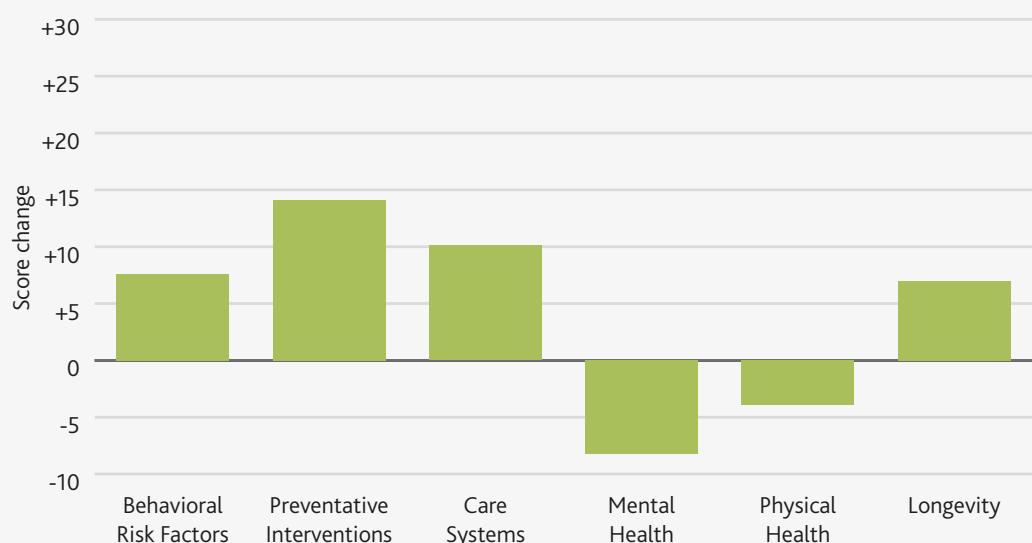
Health 2020



Health: Most improved states, 2010-2020

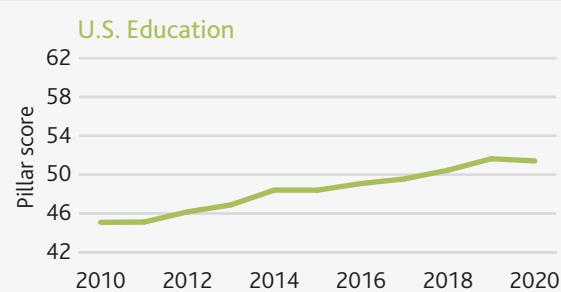


Score change 2010–2020, by element



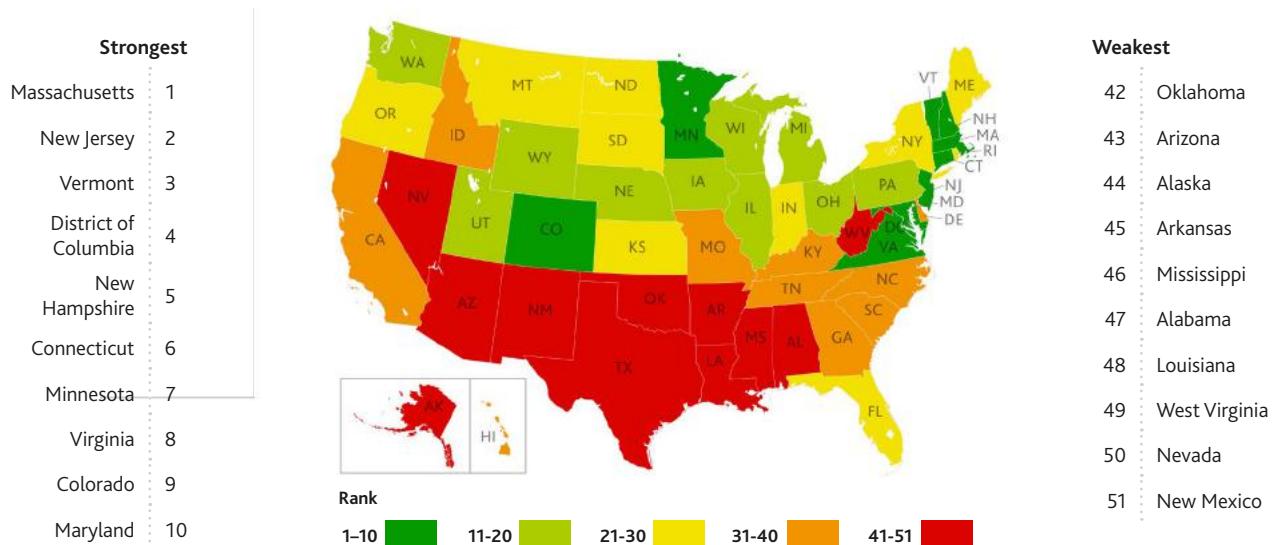
Education

The **Education pillar** is a building block for prosperous societies; the accumulation of skills and capabilities contributes to economic growth. Education provides the opportunity for individuals to reach their potential, and a more fulfilled and prosperous life. A better-educated population also leads to greater civic engagement and improved social outcomes — such as better health and lower crime rates.

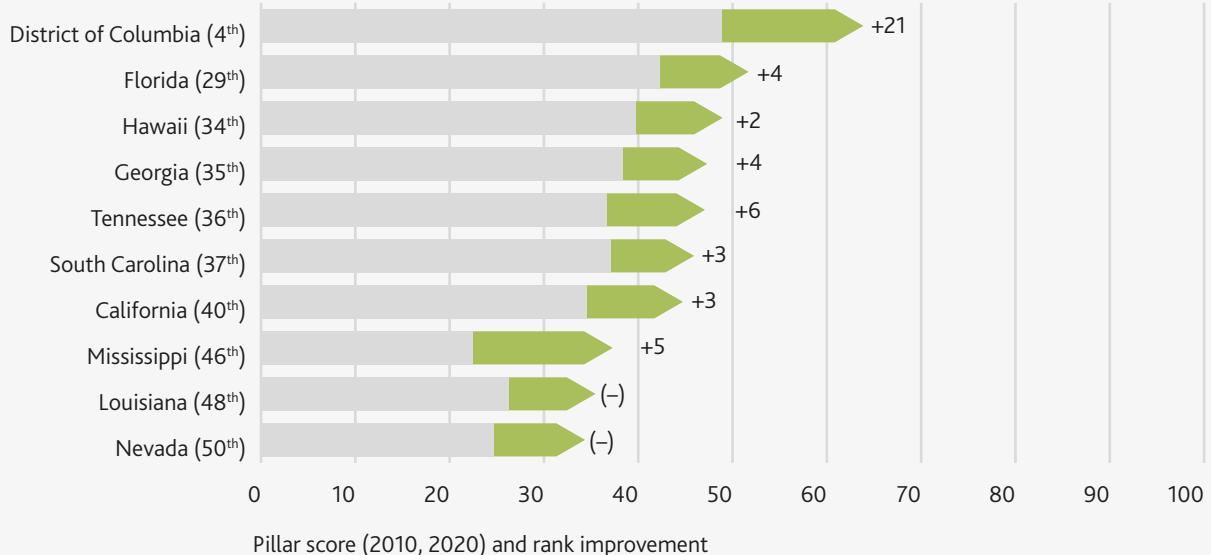


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Pre-primary Education (5%) measures enrollment and quality of early years (Pre-K) education.	<ul style="list-style-type: none"> • <i>Pre-primary enrollment (USACS)</i> • <i>State pre-K quality (NIEER)</i> 	<ul style="list-style-type: none"> • <i>Pre-primary enrollment (USACS)</i> • <i>Statewide state pre-K quality (NIEER)</i>
Primary Education (20%) measures the enrollment, completion and the quality of education at the primary school (K-12 Middle School) stage of education.	<ul style="list-style-type: none"> • <i>Primary enrollment (USACS)</i> • <i>Math grade 4 score (NAEP)</i> • <i>Science grade 4 score (NAEP)</i> • <i>Reading grade 4 score (NAEP)</i> 	<ul style="list-style-type: none"> • <i>Primary enrollment (USACS)</i> • <i>Math grade 4 level (SEDA)</i> • <i>Statewide science grade 4 score (NAEP)</i> • <i>English, language and arts grade 4 level (SEDA)</i>
Secondary Education (25%) measures the enrollment, completion and the quality of education at the secondary school (K-12 High School) stage of education.	<ul style="list-style-type: none"> • <i>Secondary enrollment (USACS)</i> • <i>Math grade 8 score (NAEP)</i> • <i>Science grade 8 score (NAEP)</i> • <i>Reading grade 8 score (NAEP)</i> • <i>High school graduation rate (USDE)</i> 	<ul style="list-style-type: none"> • <i>Secondary enrollment (USACS)</i> • <i>Math grade 8 level (SEDA)</i> • <i>Statewide science grade 8 score (NAEP)</i> • <i>English, language and arts grade 8 level (SEDA)</i> • <i>High school graduation rate (CHR)</i>
Tertiary Education (25%) measures enrollment, graduation, and quality of education at the tertiary stage, which includes community colleges and universities.	<ul style="list-style-type: none"> • <i>College enrollment (USACS)</i> • <i>College graduation rate (NCES)</i> • <i>University quality for enrolled students (QS)</i> • <i>Community college graduation rate (NCES)</i> 	<ul style="list-style-type: none"> • <i>College enrollment (USACS)</i> • <i>Statewide college graduation rate (NCES)</i> • <i>Statewide university quality for enrolled students (QS)</i> • <i>Community college graduation rate (NCES)</i>
Adult Skills (25%) captures the level of education of the adult population, reflecting historical education outcomes.	<ul style="list-style-type: none"> • <i>Adult population with at least a high school diploma (USACS)</i> • <i>Adult population with bachelor's degree or higher (USACS)</i> 	<ul style="list-style-type: none"> • <i>Adult population with at least a high school diploma (USACS)</i> • <i>Adult population with bachelor's degree or higher (USACS)</i>

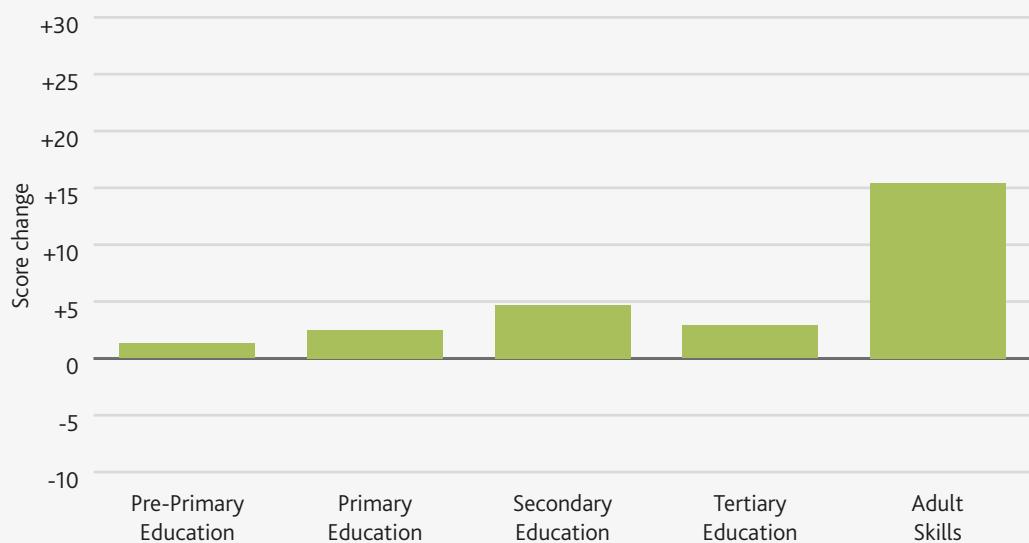
Education 2020



Education: Most improved states, 2010-2020

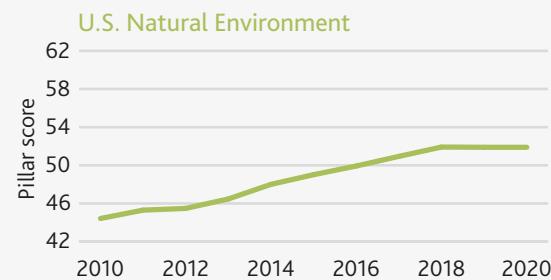


Score change 2010–2020, by element



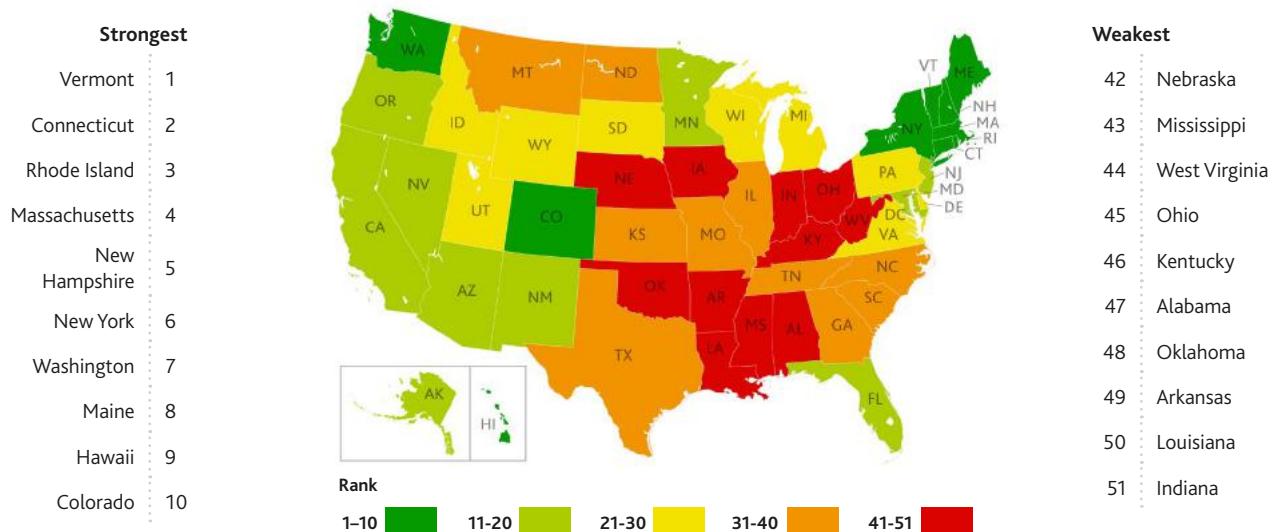
Natural Environment

Natural Environment captures the parts of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations. A well-managed natural environment benefits a nation by yielding crops, material for construction, wildlife and food, and sources of energy, while clean air leads to a higher quality of living for all.

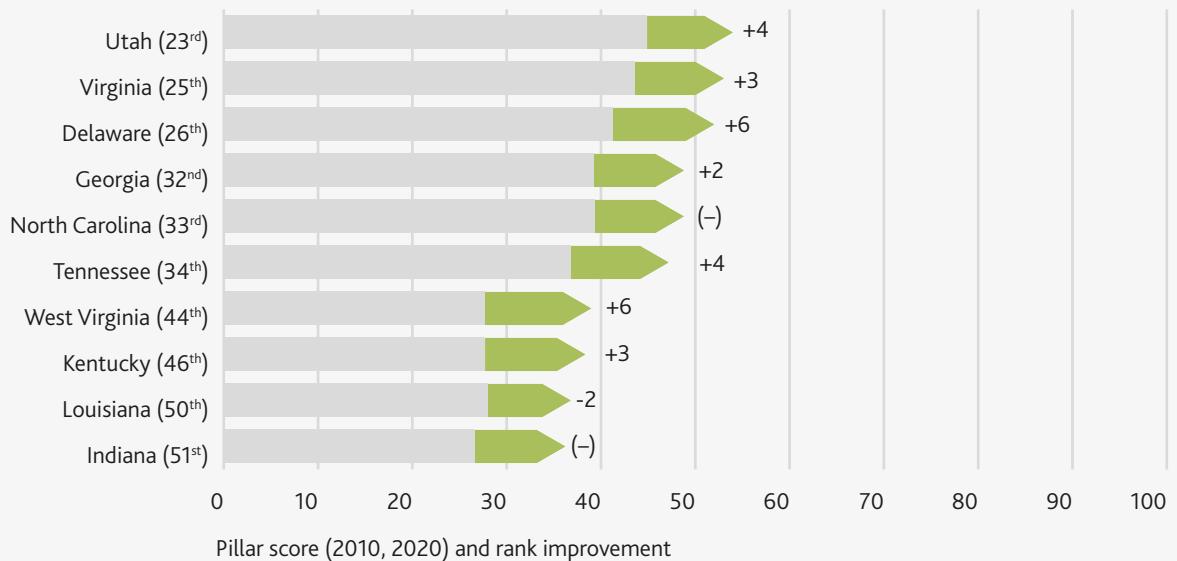


ELEMENT (WEIGHT %)	STATE INDICATORS	COUNTY INDICATORS
Emissions (25%) measures the level of emissions of greenhouse gases such as CO ₂ and other pollutants such as PM2.5.	<ul style="list-style-type: none"> Toxic air releases (USEPA) CO₂ emissions (USEIA) Nitrous oxide emissions (USEPA) Carbon monoxide emissions (USEPA) PM2.5 emissions (USEPA) Sulfur dioxide emissions (USEPA) Ozone emissions (USEPA) Lead emissions (USEPA) 	<ul style="list-style-type: none"> Toxic air releases (USEPA) CO₂ emissions (USEPA) Nitrous oxide emissions (USEPA) Carbon monoxide emissions (USEPA) PM2.5 emissions (USEPA) Sulfur dioxide emissions (USEPA) Ozone emissions (USEPA) Lead emissions (USEPA)
Exposure to Air Pollution (25%) captures the level of emissions to which the population is physically exposed, and the resulting longevity impact.	<ul style="list-style-type: none"> Life years lost from air pollution (IMHE) Fine particulate matter exposure (OECD) 	<ul style="list-style-type: none"> Life expectancy loss from air pollution (JBEN) Fine particulate matter exposure (OECD)
Forest, Land and Soil (20%) assesses the quality of forest, land, and soil by looking at the extent of natural habitats and the disposal of pollutants into the ground.	<ul style="list-style-type: none"> Toxic land releases (USEPA) Rural parks and wildlife areas (USDA) Compliant underground storage tanks facilities (USEPA) Exposure to pesticides (CDC) Tree canopy cover (NLCD) Wetlands and deepwater habitats (USFWS) 	<ul style="list-style-type: none"> Toxic land releases (USEPA) Statewide rural parks and wildlife areas (USDA) Statewide compliant underground storage tanks facilities (USEPA) Statewide exposure to pesticides (CDC) Tree canopy cover (NLCD) Wetlands and deepwater habitats (USFWS)
Freshwater (20%) assesses the availability and quality of freshwater and the demands placed on that water availability.	<ul style="list-style-type: none"> Good quality rivers and streams (USEPA) Good quality lakes, reservoirs and ponds (USEPA) Total freshwater withdrawals per capita (USGS) Toxic water releases (USEPA) 	<ul style="list-style-type: none"> Statewide good quality rivers and streams (USEPA) Statewide good quality lakes, reservoirs and ponds (USEPA) Total freshwater withdrawals per capita (USGS) Toxic water releases (USEPA)
Preservation Efforts (10%) captures the extent of efforts to preserve and sustain the environment for future generations.	<ul style="list-style-type: none"> GAP 1 Protected areas (USGS) GAP 2 Protected areas (USGS) GAP 3 Protected areas (USGS) 	<ul style="list-style-type: none"> Statewide GAP 1 protected areas (USGS) Statewide GAP 2 protected areas (USGS) Statewide GAP 3 protected areas (USGS)

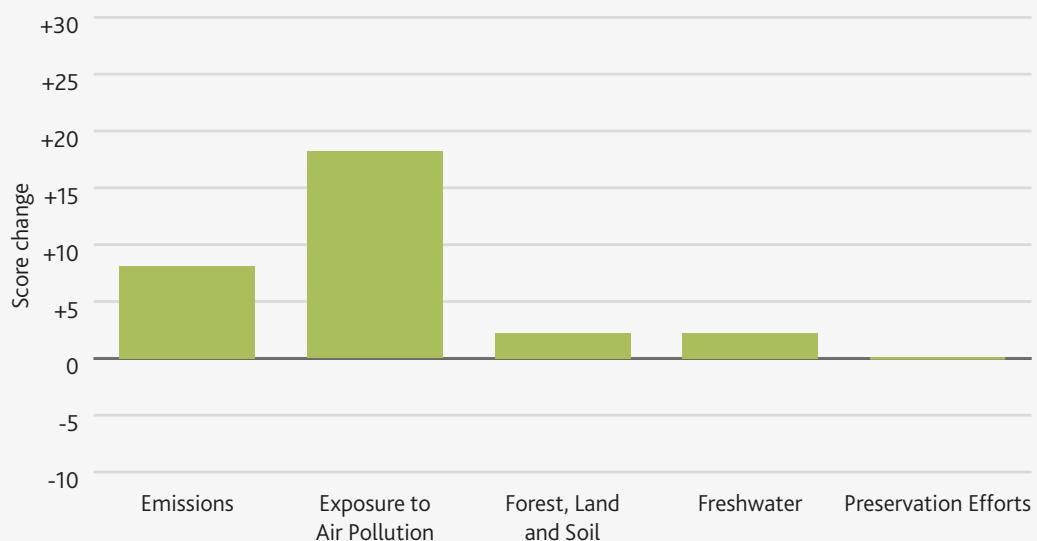
Natural Environment 2020



Natural Environment: Most improved states, 2010-2020



Score change 2010–2020, by element



County level findings

Developed over the past year, and included in the report for the first time, is the county level Prosperity Index. The county level Index 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 92)

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.

This next section provides an overview of prosperity and its characteristics as it is experienced across the counties within the eight selected states, illustrated in map form, and in three essays that provide an analysis of county prosperity. The first essay looks at the structural drivers of prosperity, assessing the different prosperity characteristics within urban counties as compared to their rural counterparts. The second essay looks at the three different archetypes of urbanization (Metropolitan core, Large southern cities, and Small southern cities) and investigates the differences between them, identifying their relative strengths and weaknesses. The third and final essay considers a similar archetypal approach for the rural counties.

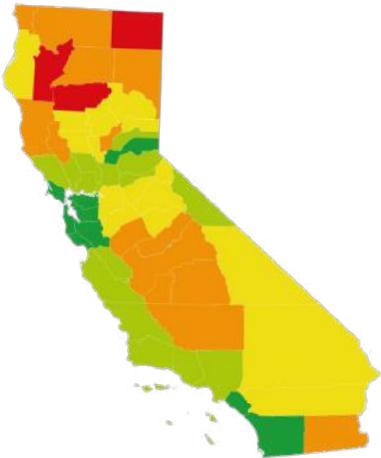




Nick Fox/Shutterstock.com

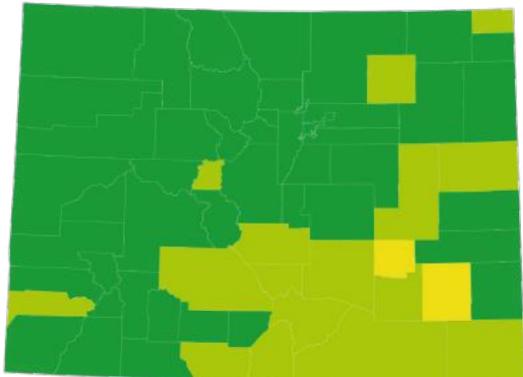
Selected states

CALIFORNIA



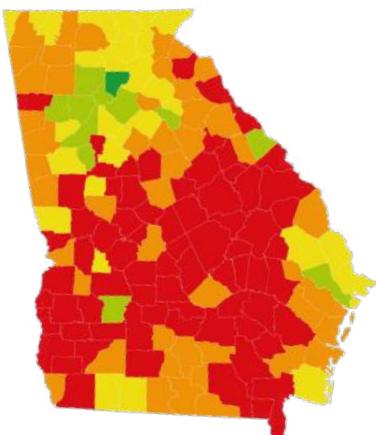
California (26th) is the most improved state over the past decade. It has increased the amount of its financial reserves and has a more balanced budget, leading to a 27-rank rise in Economic Quality. California's counties exhibit the highest degree of variation in prosperity of the eight selected states, and one of the largest disparities between its most prosperous county, San Mateo, and its least prosperous, Trinity.

COLORADO



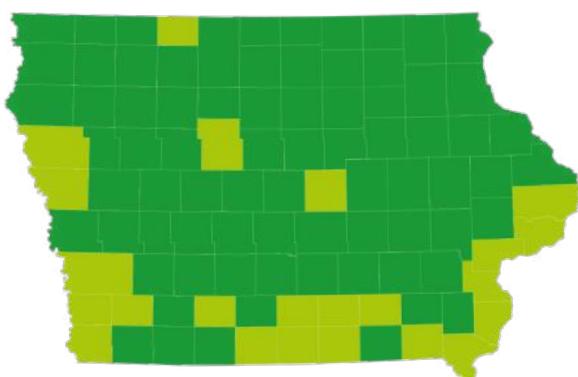
Colorado ranks 10th in overall prosperity. The state attracts high amounts of investment, has limited regulation and consequently ranks 5th on Business Environment. There is strong political accountability and the state also ranks 5th on Governance. Over 80% of Colorado's 64 counties rank in the top quartile. The counties in the southern region are weaker than those around the Denver metropolitan area and the resort towns in the state's west-central area.

GEORGIA



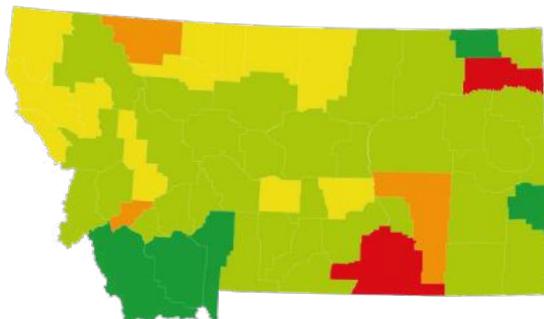
Georgia's (38th) strength lies in its economy, ranking 11th for Open Economies, but it has a weak performance on Empowered People (35th) and Inclusive Societies (48th). It has some of the highest rates of business start-ups and new entrepreneurs in the country and consequently ranks 11th in Economic Quality. With good communication and transport infrastructure, it ranks 15th on Market Access and Infrastructure, and 36% of its counties rank in the top quartile for this pillar.

IOWA



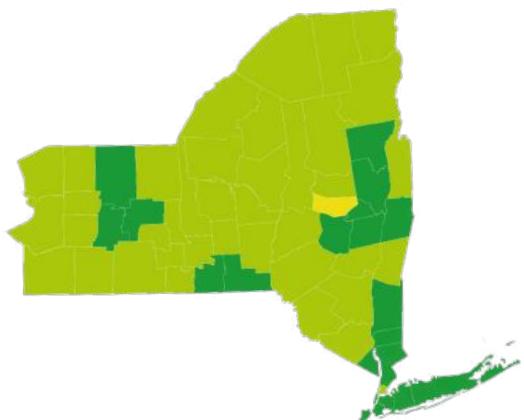
Iowa (14th) performs well across all pillars apart from Business Environment (41st), due to high regulation and lack of investment, and Natural Environment (41st), due to high levels of emissions and poor-quality forest, land, and soil. The state has low levels of crime and ranks 10th for Safety and Security and 11th for Social Capital. Iowa's prosperity is relatively homogeneous across its counties and nearly 85% of Iowa's 99 counties rank in the top quartile.

MONTANA



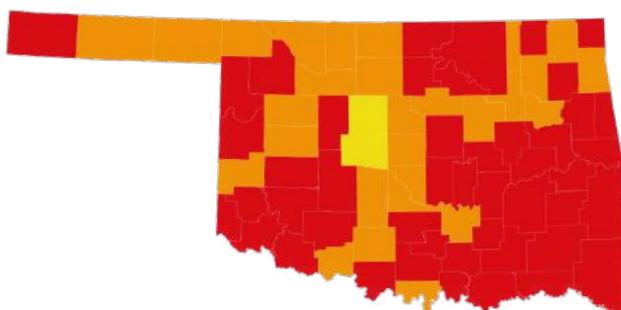
Montana ranks 32nd for prosperity. Trust in institutions is weak, but residents are actively involved in society, and relationships with family, friends, and others are strong. This results in the state ranking 10th for Social Capital and 55 counties in the state rank in the top quartile of the County Index for Social Capital. This strength is not shared elsewhere — the state has poor communications and transport infrastructure, and just 9% of Montana's counties rank in the top quartile for Market Access and Infrastructure.

NEW YORK



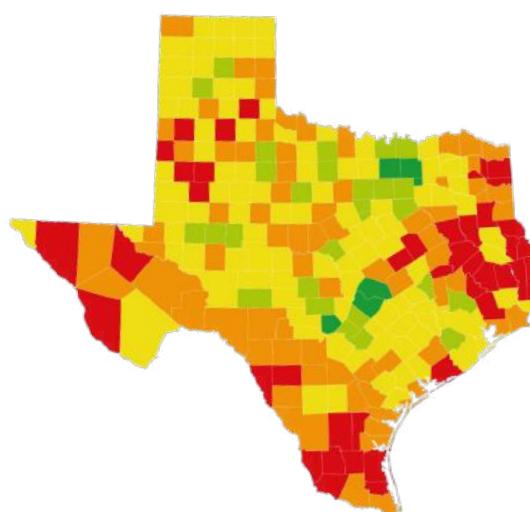
New York's (9th) strong performance, with nearly 60% of counties in the 1st quartile for prosperity, is driven by its economy. It attracts the highest amount of venture capital and FDI of any state and ranks 1st on Financing Ecosystems. Internet accessibility and speed are also good, providing support to the significant number of business start-ups in the state. The stagnation in Governance (40th) and weak Social Capital (40th) is holding back increased prosperity.

OKLAHOMA



Oklahoma (48th) ranks poorly across Empowered People (47th) and Inclusive Societies (49th). The state ranks 25th for Economic Quality, its strongest pillar, due principally to high rates of business start-ups and entrepreneurship. Prosperity within Oklahoma is clustered around the metropolitan areas of Oklahoma City and Tulsa as well as the Panhandle. The state's weakest pillar is Natural Environment, for which 92% of its counties rank in the bottom quartile.

TEXAS

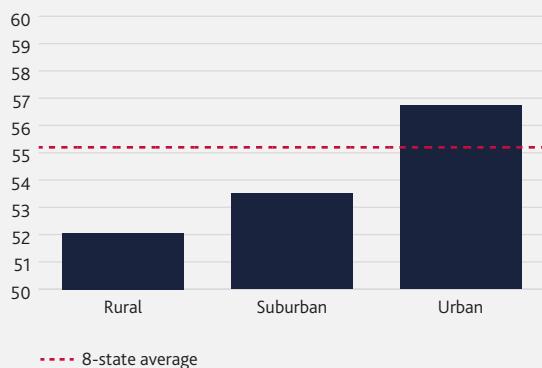


Texas (36th) exhibits a stark contrast between the levels of economic wellbeing compared with institutional and social wellbeing. Its high-value exports and ability to attract new business start-ups into the state mean it ranks 2nd for Economic Quality. However, education outcomes are weak at most stages of the education system; pre-K enrollment rates are low at just 42%, test scores at grade 8 have declined since 2010, and only 84% of adults have a high-school diploma — higher than only California.

Structural drivers of prosperity

Far from *A Tale of Two Cities*, American prosperity is better described as a tale of the big city and the small town. Across the nation, urban counties are generally more prosperous than their rural counterparts (see figure 1), equivalent to the difference between Maine (18th) and Wyoming (25th) in the State Index. The key difference between urban and rural counties is in the composition of that prosperity. This is exhibited in terms of both better economic performance and social wellbeing in urban counties. However, rural counties do compensate somewhat by having lower crime rates and stronger social networks on average.

Figure 1. County prosperity by level of urbanisation, 2020



The overall structure and higher population density of a city confer many economic advantages. Most affected by urbanization is physical infrastructure. The quality of transport, as well as the coverage and efficiency of communications infrastructure, is far better in urban counties. The urban environment also provides the basis for better healthcare — people generally live in closer proximity to medical facilities such as hospitals and clinics. The proportion of people who report having been to the dentist and the doctor for routine check-ups in the last year is higher in cities. A greater proportion of people in rural counties have high rates of behavioral risk factors such as obesity and smoking.

There are, of course, health drawbacks associated with the high-density environment of a city, as we have seen with devastating effect in recent months; as of early May: the greater New York City area alone accounted for nearly a quarter of all COVID-19 deaths in the United States.¹ Rural counties, however, are in no way

immune to pandemics, and though the crowded nature of city life clearly accelerates infection, the fact that “cities bring together people from different walks of life” also means that they “foster the transmission of ideas.”^{2,3}

On average, smoking rates are 4 percentage points higher in rural counties compared to urban counties, and rates of obesity are 7.5 percentage points higher.

In cities, tertiary education and the skills of the adult population are substantially better than in rural areas; by far the most differentiating factor is the proportion of adults who hold at least a bachelor’s degree. In urban counties, 36% of people on average have at least this level of qualification, whereas in rural counties the figure is only 18%. This is often because high-skilled economic migrants — whether they are from other countries, other states, or even from within the same state — tend to move to cities where there are better universities and a greater range of employment opportunities.⁴ At other stages of the education system (pre-K through high school), there can be some benefits to living in cities, such as a shorter distance to travel to school, though the difference in the quality of education at this level is minor in comparison.

In the average urban county, over 99% of people have access to internet speeds of at least 100Mbps compared to just 69% in the average rural county.

The high-density nature of life in cities is a facilitator of many things, but it changes the way that bonds of trust are formed between groups and can lead to more transactional, rather than personal, relationships. Institutional trust is higher in urban counties, with residents relying more heavily on the police. Other institutions, such as the media and government, are more salient in an urban environment.⁵ Consequently, these institutions earn a greater degree of trust from the people they serve. Further to this, social tolerance

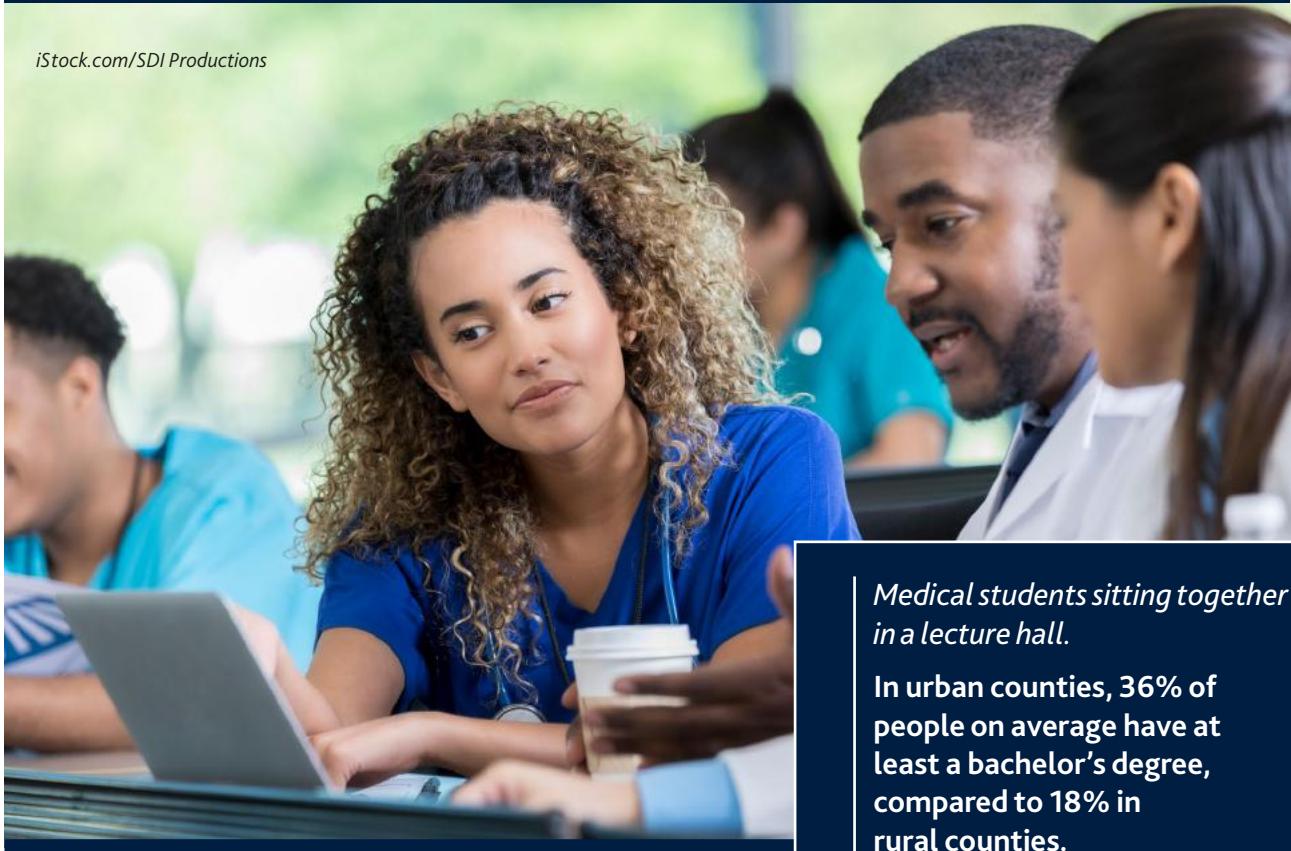
1. Smith, Tara C., “The Pandemic Will Soon Test Rural America”, *Foreign Affairs*, May 6, 2020. <https://www.foreignaffairs.com/articles/united-states/2020-05-06/pandemic-will-soon-test-rural-america>.

2. Ranscombe, Peter. “Rural areas at risk during COVID-19 pandemic.” *The Lancet Infectious Diseases* 20, no. 5 (2020): 545.

3. Glaeser, Edward L., Hedi D. Kallal, Jose A. Scheinkman, and Andrei Shleifer. “Growth in cities.” *Journal of political economy* 100, no. 6 (1992): 1126-1152.

4. Glaeser, Edward L., and David C. Mare. “Cities and Skills.” *Journal of Labor Economics* 19, no. 2 (2001): 316-42.

5. Glaeser, Edward L., and Bryce Millett Steinberg. “Transforming cities: does urbanization promote democratic change?” *Regional studies* 51, no. 1 (2017): 58-68.



Medical students sitting together in a lecture hall.

In urban counties, 36% of people on average have at least a bachelor's degree, compared to 18% in rural counties.

is typically higher in cities, evidenced by a lower incidence of hate groups and use of ethnic slurs.^{6,7,8,9}

That said, the way people interact with those in more intermediate circles, such as their neighborhoods and community organizations, differs depending on the level of urbanization. Levels of civic and

social participation and the amount of time that people spend engaging in community activities are both lower in cities.¹⁰ Nonetheless, close personal relationships, such as those that people form with their most proximate social circles — family and friends — appear to be independent of the population density and are as strong in cities as they are in rural counties.

OTHER URBANIZATION PATTERNS

While urbanization clearly plays a part in the story of prosperity in the United States, it is far from the only factor — and other drivers correlated with urbanization may confound this factor. Not only do cities have a distinct physical structure, but their residents and the lives they lead also differ from those in rural America. For example, cities tend to have a greater share of working-age residents, more 'knowledge' workers, and a higher degree of ethnic diversity.

While two-thirds of urban counties have a disproportionately large working-age population share, half of rural counties have a disproportionately small share. These rural counties that have lower working-age population shares generally have a very high number of those aged over 65 — i.e. those that have retired

and already left the workforce — rather than a high proportion of children.

The proportion of knowledge workers — those working in such sectors as finance and insurance or professional, scientific, and technical services — varies dramatically with rurality. However, knowledge workers make up only 10% of employment in rural counties on average, while 28% of employment in urban counties falls in this category. In contrast, government workers are proportionally evenly spread across rural to suburban counties, though they make up a lower share of the urban workforce. Similarly, there is no substantive pattern in the distribution of retail workers; much as every community needs representation in government, everyone needs access to shops.

6. Abrahamson, Mark, and Valerie J. Carter. "Tolerance, urbanism and region." *American Sociological Review* (1986): 287-294.
7. Tuch, Steven A. "Urbanism, Region, and Tolerance Revisited: The Case of Racial Prejudice." *American Sociological Review* 52, no. 4 (1987): 504-10.
8. Abrahamson, Mark, and Valerie J. Carter. "Tolerance, urbanism and region." *American Sociological Review* (1986): 287-294.
9. Tuch, Steven A. "Urbanism, Region, and Tolerance Revisited: The Case of Racial Prejudice." *American Sociological Review* 52, no. 4 (1987): 504-10.
10. Oliver, J. Eric. "City Size and Civic Involvement in Metropolitan America." *American Political Science Review* 94, no. 2 (2000): 361-73.

The greater proportion of seniors in rural populations (see box) explains some differences in levels of civic and social participation between urban and rural counties. The average urban county falls in the 41st percentile for this measure, whereas the average rural county is in the 63rd. The idea that older adults living in rural places have “stronger ties to their communities and [retain] high-quality relationships with friends” has been present in the American narrative for decades and is evidenced by many studies.^{11,12,13}

Exposure to fine particulate matter is 24% higher in cities than in rural areas, and the number of ‘life years’ lost due to pollution is commensurately 32% higher.

While the organization of cities confers many structural advantages, the lower-density nature of life in rural areas also has its merits. Most prominently, violent crime is lower outside cities, as is property crime.¹⁴ For example, rates of robbery are on average 89% lower in rural counties than in urban counties, and rates of larceny are similarly 42% lower. Additionally, air quality in rural areas is higher.

Disparities in many aspects of prosperity also correlate with the ethnic composition of each county. For example, at any level of urbanization, the rate of poverty is higher in more ethnically diverse counties, with the greatest difference in rural areas. Residents of

counties with larger minority populations are also more likely to lack healthcare coverage. Over 17% of people in the most ethnically diverse counties avoided medical care due to the cost, compared to 14% in the least ethnically diverse counties. The proportion of people who hold at least a bachelor’s degree — which represents historical access to higher education — is lower in more ethnically diverse counties. That said, the current college enrollment rate shows no relationship with racial diversity.

We have seen that different types of people live in urban and rural counties (see box), though even accounting for demographics, much of the variation in prosperity remains unexplained. Therefore, it is helpful to not only look at *who* is living in urban and rural environments, but also the functions they carry out — their employment type.

At any point on the urban-rural spectrum, we find that a higher proportion of ‘knowledge’ workers in a county corresponds with a greater degree of prosperity. This relationship is strongest in urban areas, where it is correlated with better education and health as well as economic dynamism. The incidence of smoking, drug use, and obesity is lower in urban counties with a larger share of knowledge workers. Additionally, the skill level of the adult population is higher in counties with a large share of knowledge workers, as these jobs typically require at least a bachelor’s degree. In urban counties with large knowledge worker shares, almost 40% of adults have a bachelor’s degree, but in urban counties with low shares, only 18% do. The level of social tolerance is also higher in counties with

11. Keating, Norah C., ed. *Rural ageing: A good place to grow old?*. Policy Press, 2008.

12. Vogelsang, Eric M. "Older adult social participation and its relationship with health: Rural-urban differences," *Health & place* 42 (2016): 111–119.

13. Delli Carpini, Michael X. "Gen.com: Youth, Civic Engagement, and the New Information Environment." *Political Communication* 17, no. 4 (2000): 341-349.

14. Glaeser, Edward L., and Bruce Sacerdote. "Why is there more crime in cities?" *Journal of Political Economy* 107, no.S6 (1999): S225-S258.

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large knowledge worker shares, part of which can be explained by the generally higher education levels.¹⁵

There is a slight negative correlation between the proportion of government workers and prosperity. The magnitude of this interaction is small, but it permeates through many aspects of prosperity, including living conditions, the business environment, and crime rates.

Prosperity does not seem to be correlated with the share of retail workers. However, rural areas that are retail hubs have prosperity profiles that are more akin to urban counties. For example, a larger share of retail workers in a rural county is correlated with higher quality transport and telecommunications infrastructure, but also with higher rates of violent crime.

The mean download speed in rural counties with high shares of retail workers is double that of rural counties with low shares.

CONCLUSION

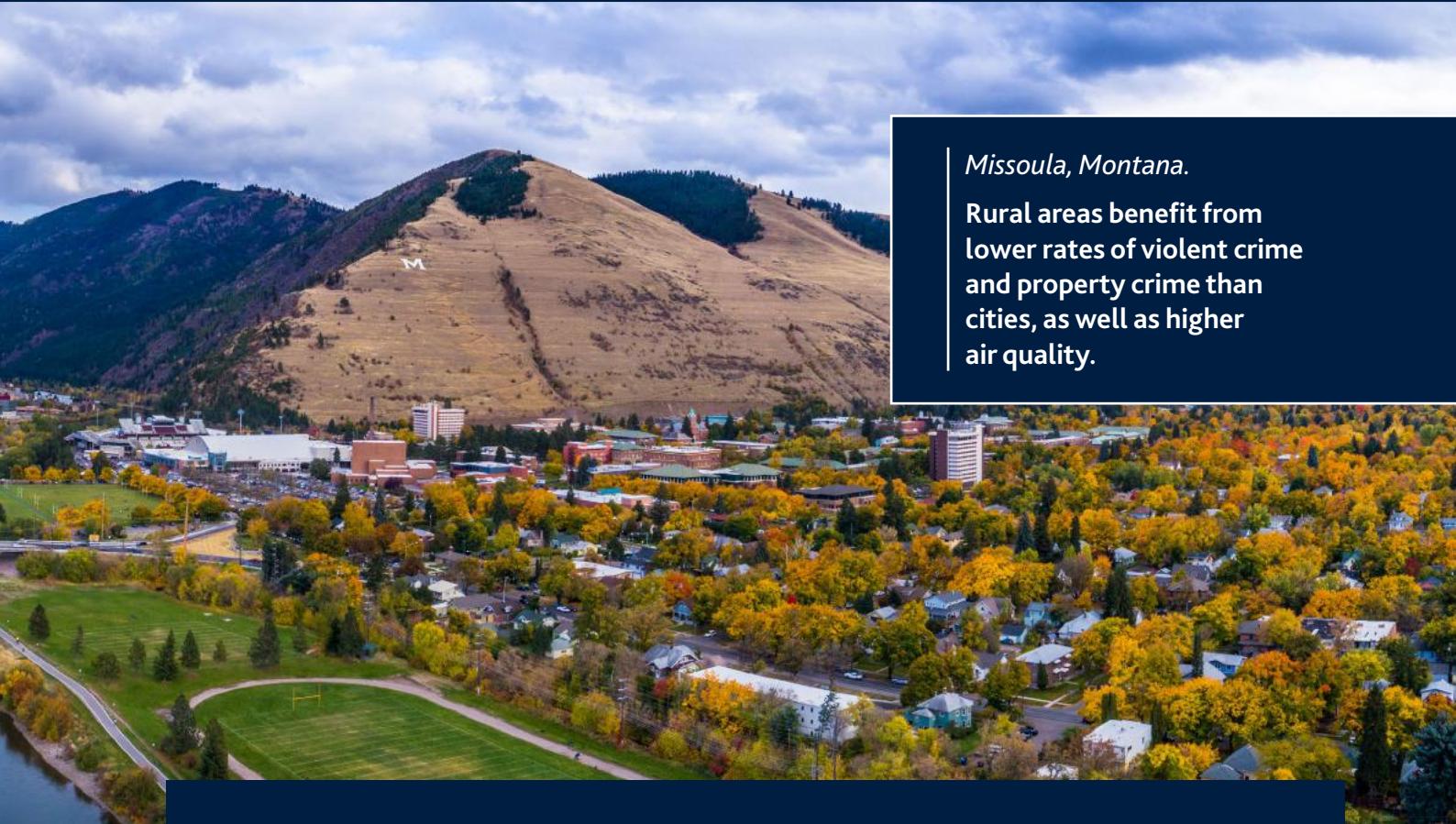
The confluence of so many structural drivers results not only in many different *levels* of prosperity but also in so many different *types* of prosperity. This means that no single factor is a prosperity

panacea; this fact is evident in the structural diversity of the highest-ranked counties of the eight profiled states. For example, urban Nassau County (NY), with a population density of over 4,500 people per square mile, is roughly as prosperous as rural Mineral County (CO), which has fewer than 1 person per square mile. Likewise, San Mateo County (CA), with almost 40% of its workers in knowledge jobs, is as prosperous as Winneshiek County (IA), which has fewer than 5% of its workforce in equivalent jobs.

The greatly varied composition of demographics, employment type, and urbanization of the counties we have analyzed shows there is no single path to prosperity. That the counties of those states we have profiled resemble a patchwork quilt is partly a result of, and gives the opportunity for, individual choice. People are likely to live where their 'ideal' blend of prosperity is greatest; some people highly value clean air and space, others place the most value in low crime rates, and still others value an environment that is good for business.

Despite this variation, we do see broad patterns emerging, particularly in relation to levels of urbanization. However, the factors we have explored here are not the only dimensions across which prosperity varies. We have therefore undertaken a deeper dive into different prosperity archetypes, examining how urban and rural counties cluster together. Please see page 60 and page 66 respectively.

15. Vogt, W. Paul. "Education and Tolerance in Comparative Perspective." *The Review of Education* 12, no. 1, (1986): 9-18.

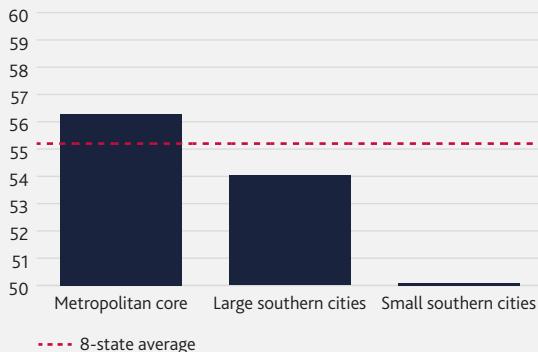


Missoula, Montana.

Rural areas benefit from lower rates of violent crime and property crime than cities, as well as higher air quality.

Archetypes of urban prosperity

Figure 1. The archetypes of urban prosperity

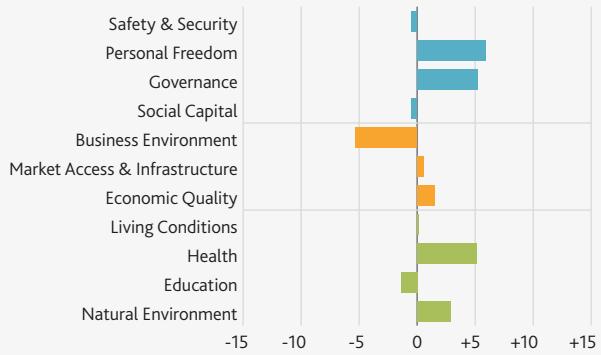


working-age residents and a commensurately low share of seniors. Additionally, there tends to be a low share of government workers — especially in larger cities — and a greater share of employment in knowledge industries, retail, and services.

All three types of urban county have good economic infrastructure (finance, communication, transport), and their populations exhibit high levels of social tolerance and good mental health. On the other hand, social capital is weak, crime rates are high, as is air pollution. For many cities, ensuring adequate and affordable housing is an ongoing challenge.

METROPOLITAN CORE

Figure 2. Metropolitan core vs 8-state average



In general, the urban counties of America are more prosperous than their rural counterparts. However, not only do urban areas vary in the magnitude of prosperity, but also in the composition of their prosperity. Across the eight states profiled in the Index, three distinct urban archetypes emerge. The most prosperous is the metropolitan core, comprising New York City (although not the Bronx), Denver, Dallas, the Bay Area, and Southern California. Slightly less prosperous is a collection of large southern cities such as Atlanta, Houston, and Austin. The third and least prosperous of our urban archetypes includes smaller cities in Georgia as well as the Bronx in New York.

COMMON CHARACTERISTICS OF URBAN ARCHETYPES

Each of these city groupings tends to be much more ethnically mixed than the average across all counties, with a high share of



Two friends jogging in San Diego, California.

Public health campaigns, such as the Live Well, San Diego! Initiative, have seen success in addressing behavioral risk factors like tobacco use and poor diet.

Areas of strength	Areas for Improvement
• Strong Economic Infrastructure	• Business regulations
• High Social Tolerance	• K-12 Education
• Good Governance	• Crime
• Healthy Population	• Housing

Counties in the metropolitan core, such as New York City, Dallas, and Denver, as well as much of southern California, possess many institutional, economic, and social advantages. Overall, residents of these areas are the healthiest of those states reviewed — both physically and mentally — and have low mortality rates in each stage of life. There are also particularly high levels of social tolerance; the number of hate groups that are based in these areas is much lower than average.

The obesity rate* in the metropolitan core is 23.4% compared to the national average of 39.0%.¹ Additionally, the smoking rate is 11.7% compared to the national average of 13.7%.²

In terms of education, the metropolitan core demonstrates a mixed performance. They attract talent from all around the world and have particularly strong tertiary education outcomes, but primary and secondary education outcomes are poor. Improving these levels of education would develop the talent of local children. Studies have shown that improved education outcomes can also result in reducing crime rates — high levels of which are found in many of the cities.³

Over 99% of residents in the metropolitan core have access to internet speeds of over 100Mbps, compared to a national average of 86%.

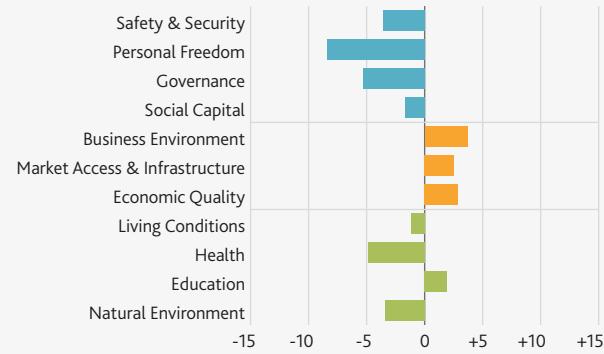
Encompassing some of the largest metropolitan hubs in the world, these counties deliver some of the highest productivity levels in the country, as well as high levels of entrepreneurship, which are underpinned by strong financing ecosystems. For example, New

York City is the nation's financial hub, the Bay Area alone accounts for nearly half of all venture capital investment in the country and the investment scenes in Dallas and Denver are burgeoning.^{4,5} These metropolitan cores are also poised to facilitate future business growth with reliable electricity supplies and the requisite telecommunications infrastructure.

Despite these advantages, counties in the metropolitan core tend to have an inflexible labor market and high rates of both taxes and subsidies. Housing is also a major challenge for these cities, with some of the highest levels of overcrowding, homelessness, and unaffordable housing across the eight states profiled.

LARGE SOUTHERN CITIES

Figure 3. Large southern cities vs 8-state average



Areas of strength	Areas for Improvement
• Business-friendly Environment	• Social Engagement
• Economic Dynamism	• Crime
• Skilled Workforce	• Health Care Access
• High Social Tolerance	• Governance

Further to the south is another metropolitan archetype that comprises cities including Atlanta, Austin, Houston, and El Paso. In contrast to the metropolitan core, these counties have more business-friendly regulations and are more goods-oriented as opposed to service-oriented — though their service industries are still stronger than average. These cities have a high share of retail

1. Craig M. Hales et al., "Prevalence of obesity and severe obesity among adults: United States, 2017–2018." *NCHS Data Brief*, no 360 (Hyattsville, MD: National Center for Health Statistics, 2020)

2. MeLisa R. Creamer et al., "Tobacco Product Use and Cessation Indicators Among Adults — United States, 2018." *Morbidity and Mortality Weekly Report* 68, no. 45 (2019);1013.

3. Hjalmarsson, Randi, and Lance Lochner. "The impact of education on crime: international evidence." *CESifo DICE Report* 10, no. 2 (2012): 49-55.

4. Richard Florida, "The Extreme Geographic Inequality of High-Tech Venture Capital," *Bloomberg CityLab*, March 27, 2018, <https://www.citylab.com/life/2018/03/the-extreme-geographic-inequality-of-high-tech-venture-capital/552026/>.

5. Ashton Nichols, "Dallas stands out among the 'Might Middle' in venture capital investment growth." *The Dallas Morning News*, May 13, 2020, <https://www.dallasnews.com/business/entrepreneurs/2020/05/13/dallas-stands-out-among-the-mighty-middle-for-investment-growth/>.

*The state level obesity rates are from the BRFSS survey. The nationally reported figure of 42.4% is from the NHANES survey, which doesn't provide state level rates. The difference between these two sources is well documented.

workers, and low share of government workers. They also have a particularly high share of families with children.

Much like the metropolitan core, these cities generally have good communications and transport infrastructure, which helps to facilitate business establishment and expansion. This strength underpins a business environment that is conducive to competition and a labor market that is flexible, allowing employers to do what is best for their businesses. Typically set at the state level, occupational licensing regulations play a large part: in large southern cities, 37 low-income occupations require licenses on average, compared to 67 in the metropolitan core counties. The confluence of these factors resulted in high levels of productivity and economic dynamism, as well as low rates of unemployment as 2020 began.

The amount of venture capital invested in large southern cities has increased from approximately \$50 to \$115 per capita since 2010.

Further bolstering the economic credentials of the large southern cities is a flourishing financial scene, a prime example of which is Atlanta. It is the economic hub of Georgia, generating 65% of the state's GDP, and has exhibited economic growth at more than twice the rate of the rest of the state since 2012.⁶ In 2019, the Atlanta metro area attracted \$1.8 billion investment from venture capital firms — an 86% increase since 2018.⁷ Similarly in Texas, San Antonio has benefited from its innovation zone, which has been designed to attract businesses and talent and secured an estimated 66 venture capital deals in 2019, while Austin secured an estimated \$2.2 billion invested across 263 deals in 2018.^{8,9}

18%: Proportion of adults in large southern cities without healthcare coverage (compared with 9% in the core metropolitan archetype).

19%: Proportion of adults in large southern cities reporting they avoided healthcare due to the cost (compared with 12% in the core metropolitan archetype).

Much like the metropolitan core, residents of these counties have generally healthy lifestyles, with low rates of smoking, alcohol, and drug abuse. They also have the second-lowest rate of mental health problems across all archetypes, including rural and semi-urban groups. However, access to healthcare systems is much more limited than in the core metropolitan archetype, evidenced by the lower proportion of adults with healthcare coverage.

Rates of crime — especially violent crime — are high, even for urban areas. For example, although crime in Atlanta peaked in the 1990s and the number of murders has fallen since then, it remains high relative to other U.S. cities, with gangs playing a significant role; in 2014, 17% of all prosecuted homicides were gang-related.¹⁰ Additionally, there are low levels of civic participation and social networks are weak; fewer than half of respondents say they frequently talk with (or trust) their neighbors, compared to 54% nationally.

SMALL SOUTHERN CITIES

Figure 4. Small Southern cities vs 8-state average



Areas of strength	Areas for Improvement
• Strong Business Infrastructure	• Education beyond Pre-K
• Good Pre-K Education	• Health
	• Employment
	• Crime

The least prosperous urban archetype is found in small southern cities, the counties of which are mostly in Georgia, but notably exclude the central counties of Atlanta. A member of this archetype is New York's Bronx County, as it has more characteristics in common with these Georgian counties than its geographic neighbors. The population of these urban areas has a particularly high African American share and a commensurately lower white and Asian American share.

Fewer than half of residents in small southern cities trust other members of their neighborhoods.

6. Coe, Erica, Neel Gandhi, Greg Kelly, Sara Prince, and Steve Reis. "Expanding the economic pie in the Peach State," *McKinsey & Company*, May 16, 2019, <https://www.mckinsey.com/industries/public-sector/our-insights/expanding-the-economic-pie-in-the-peach-state#>
7. Madison Hogan, "Record \$1.8B year for metro Atlanta venture capital," *Atlanta Business Chronicle*, January 31, 2020, <https://www.bizjournals.com/atlanta/news/2020/01/31/record-1-8b-year-for-metro-atlanta-venture-capital.html>.
8. LIF estimates.
9. Brent Wistrom, "Austin's \$2.2B in venture capital funding in 2019 was a record for post-dot-com era," *Austin Business Chronicle*, January 14, 2020, <https://www.bizjournals.com/austin/news/2020/01/14/austins-2-2b-in-venture-capital-funding-in-2019.html>.
10. "The First Safest/Most Dangerous City Listing," Morgan Quitno Press, accessed June 18, 2020, http://www.morganquitno.com/1st_safest.htm.

These counties experience very high levels of crime and weak bonds of trust between people. This has become an increasingly urgent issue, with rates of murder increasing by 15% over the last decade and the number of injuries resulting from mass shootings almost doubling in the same time frame.

Education is also an issue across these counties. Georgia's pre-K education system was established in 1992 and is now among the best in the country, but the investment and high enrollment rates have not yet translated into improved results in the K-12 system.¹¹ High-school grades and graduation rates are some of the lowest in the country. Although these rates have been steadily climbing over the last decade, improving educational attainment further could help to improve the job prospects of residents and reduce the high crime rates found in these cities.¹²

A combination of factors means that residents of small southern cities have some of the worst health outcomes of all counties analyzed. The high prevalence of behavioral risk factors, such as smoking and illicit drug use disorder, contribute to some of the highest rates of mortality at each stage of life. Furthermore, in 2017 almost 18% of people experienced food insecurity which has been linked with high rates of diabetes — a condition from which 11.7% (up from 10.6% in 2010) of people living in these counties suffer.¹³

Obesity rates in these cities have increased from 29% in 2006 to over 32% in 2016.

Poverty rates are also disproportionately high in these counties, with 24% of people living below the federal poverty line. So too is the rate of homelessness very high, at 35 for every 10,000 people, over double the national average of 17 per 10,000.¹⁴ This problem is compounded by a severe lack of affordable housing; in 2018, approximately 9,000 total houses were added in Georgia outside of the greater Atlanta metropolitan area. Most of those were student accommodation and covered only half the resident population growth from 2017 to 2018.^{15,16} The failure to build enough affordable housing is stifling economic development; for firms to move

into cities outside of the state capital, affordable housing must be available in numbers it currently isn't.¹⁷

The human cost of unavailable and unaffordable housing has been brought into sharp relief with the coronavirus pandemic; the Bronx, for example, hosts nearly a third of New York City's shelter population — a demographic who are unable to take precautions such as social distancing and are particularly vulnerable as a result.^{18,19} This is the major challenge for small southern cities, and home builders are already lobbying to loosen 'over-reaching' government restrictions on residential buildings in Georgia.²⁰ Doing so would contribute to alleviating many of the housing issues these cities face, as well as opening the door for business expansion and economic growth.

CONCLUSION

Despite the large differences that exist across urban America, the urban archetypes of prosperity display many similar patterns. Transport and communications infrastructure is high-quality and well-connected. The population of these cities, which is made up of a large share of working-age people, demonstrates a high degree of social tolerance. However, there are also challenges which are pervasive across each of these urban environments: crime rates are high and increasingly problematic, education outcomes tend to be weak, and the availability of affordable housing is an ongoing problem.

However, the solution to these problems is not necessarily the same for each archetype, and there is the potential for learning between communities. If the metropolitan core cities, for example, adopted more business-friendly regulations that are more prominent in the large southern cities, they could capitalize on their already high levels of economic dynamism.

Similarly, small southern cities could implement similar public health campaigns as those used in the metropolitan core. These include the Los Angeles Healthy Community Neighborhood Initiative, a successful community-academic partnership, or the Live Well, San Diego! initiative which has seen success in addressing behavioral risk factors, such as tobacco use and poor diet,

11. Barnett, W., et al., "Implementing 15 Essential Elements for High Quality: A State and Local Policy Scan." National Institute for Early Education Research (2016).

12. Lochner, Lance. "Education and crime." In *The Economics of Education*, pp. 109-117. Academic Press, 2020.

13. Gucciardi, E., Vahabi, M., Norris, N., Del Monte, J. P., & Farnum, C. (2014). The Intersection between Food Insecurity and Diabetes: A Review. *Current nutrition reports*, 3(4), 324–332. <https://doi.org/10.1007/s13668-014-0104-4>

14. "The State of Homelessness in America," *The Council of Economic Advisors*, September 2019, <https://www.whitehouse.gov/wp-content/uploads/2019/09/The-State-of-Homelessness-in-America.pdf>.

15. Clay Neely, "Georgia has a new housing crisis: Affordability," *The Newnan Times-Herald*, March 2, 2020, <https://times-herald.com/news/2020/03/georgia-has-a-new-housing-crisis-affordability>.

16. "Population," Open Data Network, last accessed June 18, 2020, <https://www.opendatanetwork.com/entity/0400000US13-310M200US12060/>.

17. Clay Neely, "Georgia has a new housing crisis: Affordability," *The Newnan Times-Herald*, March 2, 2020, <https://times-herald.com/news/2020/03/georgia-has-a-new-housing-crisis-affordability>.

18. Nikita Stewart, "'It's a Time Bomb': 23 Die as Virus Hits Packed Homeless Shelters," *New York Times*, April 13, 2020, <https://www.nytimes.com/2020/04/13/nyregion/new-york-coronavirus-homeless.html>.

19. Jarrett Murphy, "Data Drop: Which NYC Neighborhoods Host the Most Homeless-Shelter Beds?," *City Limits*, September 10, 2019, <https://citylimits.org/2019/09/10/data-drop-which-nyc-neighborhoods-host-the-most-homeless-shelter-beds/>.

20. Dave Williams, "Georgia home builders push back against 'over-reaching' government rules," *Atlanta Business Chronicle*, August 16, 2019, <https://www.bizjournals.com/atlanta/news/2019/08/16/georgia-home-builders-push-back-against-over.html>.

as well as raising community awareness of low-cost sources of healthcare.^{21,22,23}

Beyond policy learning between archetypes, there is also the opportunity for policy learning within archetypes. For example, The Creative Learning Initiative (CLI) based in Austin aims to transform education in the city by creating community networks that

increase social participation and support holistic child development, as well as implementing creative teaching strategies. These have already seen success, with CLI students nearly 10% more likely to pass Texas' state reading assessments.²⁴ Similar initiatives in other large cities could not only improve education outcomes, but also improve rates of civic and social participation.

21. King, Keyonna. M., et al., "The Los Angeles Healthy Community Neighborhood Initiative: A Ten Year Experience in Building and Sustaining a Successful Community-Academic Partnership." *HSOA Journal of Community Medicine & Public Health Care* 2, no. 2 (2015).

22. "Live Well San Diego," San Diego County, last accessed June 19, 2020, https://www.sandiegocounty.gov/content/sdc/live_well_san_diego.html.

23. Lisa Zamosky, "San Diego County's 10-Year Public Health Initiative Shows Early Progress," *California Healthline*, September 23, 2013, <https://californiahealthline.org/news/san-diego-countys-10-year-public-health-initiative-shows-early-progress/>.

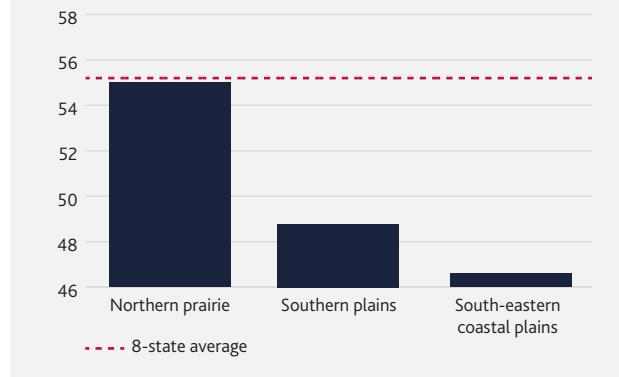
24. "About," Creative Learning Institute, last accessed June 19, 2020, <https://www.creativelearninginitiative.org/>





Archetypes of rural prosperity

Figure 1. The archetypes of rural prosperity



Generally, America's rural counties are less prosperous than urban counties. However, much as urban prosperity can have many compositions (see 'Archetypes of urban prosperity' on page 60 for details), so too can rural prosperity — both in the overall level of prosperity and in its nature. We explore three distinct types of rural prosperity that have emerged from analysis of the 829 counties of the eight states profiled in the Index. The most prosperous of these archetypes is found across the prairies of Montana and Colorado. In Texas there is a slightly less prosperous

group of rural counties, comprising 196 of the 254 counties in the state, and in southern Georgia we find the least prosperous of the rural archetypes. Compared with urban archetypes, rural archetypes are much more localized in their composition, evident in the archetypes of rural Texas and southern Georgia.

COMMON CHARACTERISTICS OF RURAL ARCHETYPES

Each of these rural archetypes is typically less ethnically diverse than the urban archetypes studied and have a higher share of seniors in their populations, with fewer working-age residents. The public sector is a comparatively bigger employer and a lower share of the population works in the retail and knowledge sectors.

Unsurprisingly, the strengths of these counties are their more abundant natural resources and social capital. Residents have access to plenty of clean air, water, and power. Family relationships and civic participation are also strong. However, the business environment tends to be weaker, and transport links and communications infrastructure tends to be of lower quality. Furthermore, the mental health of rural communities tends to be lower than in urban counties, the effects of which are compounded by less-accessible healthcare.

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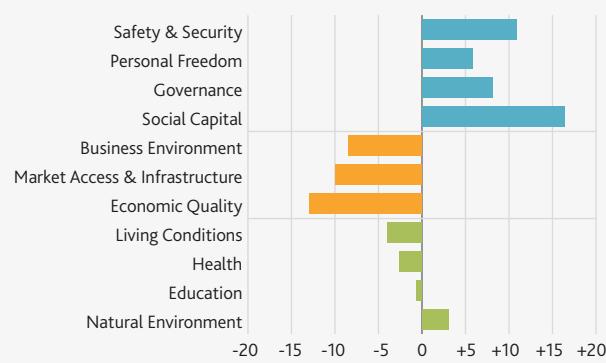
A family enjoying the outdoors in the Rocky Mountains National Park, Colorado.

People in rural areas have access to plenty of clean air, water and power, and family relationships and civic participation are strong.



NORTHERN PRAIRIE

Figure 2. Northern prairie vs 8-state average



Areas of Strength	Areas for Improvement
• Strong Social Capital	• Financing Ecosystems
• Low Crime	• Communications and Transport infrastructure
• Good Physical Health	• Mental Health
• Clean Air	• Freshwater resources

This prosperous rural archetype comprises counties that are concentrated across Montana's plains and in parts of Colorado. The population density is very low at an average of just four people per square mile, compared to a population density of 150 people per square mile across the southern plains. These counties have a near mirror-image profile to that of the 'large southern cities' urban archetype; they have strong institutions and high levels of social wellbeing, but weak economic structures. The major strength of these counties is social capital: the strength of bonds within communities across the northern prairie is strong, and rates of civic and social participation are the highest of all urban and rural archetypes.

Northern prairie counties have the highest incidence of serious mental illness (5%) and alcohol abuse disorder (7%) of any archetype.

Residents in northern prairie counties have good physical health, with low rates of infectious disease and chronic disorders, such as diabetes. The mental health of the community, however, is problematic and access to healthcare facilities can be difficult for those in more isolated areas. Particularly in the Montana prairie, it is "common for people to drive hundreds of miles to [...] go to a doctor's appointment."¹ There are a number of health programs that specifically target such areas to help address these challenges. For example, the Community Health Association of Mountain/Plains States (CHAMPS) works across Montana, Colorado, and other states in the region to support and advocate for community-based providers of primary care in underserved communities.² More local efforts, such as Montana State University's Rural Health Initiative (RHI), which aims to link prevention and community-based wellness programs across Montana, provides a platform for sharing ideas and expertise, as well as offering incubator mini-grants to assist community projects.³ Gunnison County in Colorado is a successful example of a very local health initiative. The county, which ranks in the top 5% of counties for its overall health, runs a number of health programs such as the Gunnison County Substance Abuse Prevention Project (GCSAPP).⁴ This program allows all students in grades 6 through 12 to apply for a "Choice Pass", which gives discounted access to healthy recreational activities and skill-based programs in collaboration with nearly 40 community business partners to promote healthy lifestyle choices.⁵

Colorado's domestic visitor numbers increased by 41% from 2009 to 2017, twice the national average.⁶

Another pressing challenge faced in northern prairie counties is economic stimulation. While agriculture, cattle ranching and forestry remain important, residents have looked once again to the states' natural environment, the abundance of mountains, forests, lakes and rivers, to boost the economy by creating a thriving tourism sector.⁷ Concerted efforts are being made to leave no one behind, with initiatives in both Colorado and Montana recognizing the economic challenges faced by rural communities. For example, efforts in Rock County (MN) to expand broadband infrastructure and connectivity, as well as directed investment, have resulted in access to high speed internet for over 99.9% of the population.⁸ The Rock County economic development office capitalized on this to attract businesses,

¹ Beth Saboe, "A majority of Montana counties face primary care shortages," *High Country News*, January 11, 2018, <https://www.hcn.org/articles/the-montana-gap-a-majority-of-montana-counties-face-primary-care-shortages>.

² "Overview," CHAMPS, last accessed June 19, 2020, <http://champsonline.org/about/champs-overview>.

³ "Overview," Montana's Rural Health Initiative, last accessed June 19, 2020, <http://healthinfo.montana.edu/health-wellness/rhi/index.html#:~:text=The%20Montana%20Rural%20Health%20Initiative,support%20communities%20in%20improving%20health>.

⁴ "Overview," GCSAPP, last accessed June 19, 2020, <https://www.gunnisoncounty.org/156/Gunnison-County-Substance-Abuse-Preventi>.

⁵ Ibid.

⁶ "Colorado tourism sets all-time records for eighth consecutive year," *Colorado Tourism Office*, June 28, 2018, <https://www.colorado.com/news/colorado-tourism-sets-all-time-records-eighth-consecutive-year>.

⁷ Ibid.

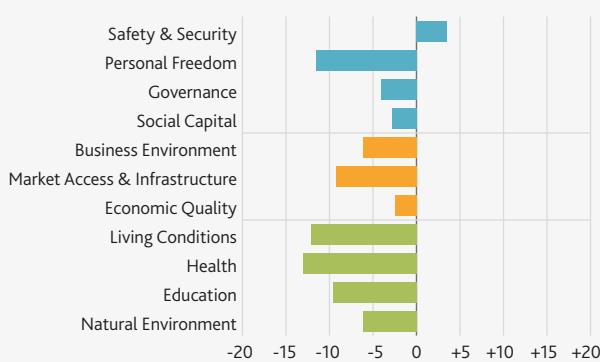
⁸ Ann Treacy, "Rock County Broadband Profile," *Blandin Foundation*, October 23, 2018, <https://blandinonbroadband.org/2018/10/23/rock-county-broadband-profile-current-ranking-1/>

as well as establishing an “e-visit” scheme with a nearby hospital to improve healthcare accessibility for its residents.⁹

The Accelerate Montana, Rural Innovation Initiative (AMRII) and the Rural Technical Assistance Project (RTAP, formerly Blueprint 2.0) in Colorado both have strong community focuses in their economic stimulation strategies.^{10,11} This focus has already effected some degree of success. Accelerate Montana has established connections in Helmsville, White Sulphur Springs, and Harlowton (among others), each of which stands to benefit from the recent five-year \$730,000 consultation grant awarded by the U.S. Economic Development Administration.¹²

SOUTHERN PLAINS

Figure 3. Southern plains vs 8-state average



the South and West of the state typically have better performance across the Open Economies domain, but higher rates of crime and lower levels of social capital than the rural counties that surround the large cities in the East of the state.

The labor force participation rate in the southern plains has declined to 56%, far below the national average of 77%. Unemployment rates before the pandemic were also high at 4.7%, compared to a national average of 3.7%.

Historically, the economy of the southern plains was focused on cattle, cotton and timber. Today, these industries are still important (Texas has more farms than any other state), but oil has become the principal industry since the Texas oil boom in the early 20th century; gasoline, fuel oils, and petroleum are now the largest contributors to the state’s GDP and account for over a third of the state’s exports.^{13,14} Despite the high productivity of this industry, unemployment rates across the southern plains remain high, and labor force participation rates have declined since 2010.

The reliability of electricity is poor in these rural counties, with the typical customer experiencing 30% more outages per year than the national average, each lasting for 20 minutes longer than the national average.

Areas of Strength	Areas for Improvement
• Good Labor Market Flexibility	• Communications Infrastructure
• High Labor productivity	• Social Tolerance / Civic Participation
• Strong Fiscal Sustainability	• Education beyond K-12
• Low Violent Crime (very rural)	• Health Care

Counties of the southern plains, which lie across rural Texas, typically have poor social outcomes and similar economic characteristics to the urban ‘large southern cities’ archetype, though there are slight variations depending on location. Rural counties in

A study conducted for the Texas Rural Funders Collaborative found that building on the unique assets of these rural communities to diversify their economies should be a main priority.¹⁵ However, a considerable obstacle is poor quality infrastructure, particularly in the way of telecommunications. Perhaps surprisingly, this is more of a problem in those counties in the east of Texas, closer to the metropolitan centers. A comparatively small proportion of the population of these counties — just 76% — have connections to fixed broadband internet. Low download speeds are pervasive and problematic for businesses and individuals alike. The Texas division of Connected Nation, a national non-profit that aims to improve broadband access for all Americans, received additional funding in 2019 from the Texas Rural Funders Collaborative and has begun to address some of these issues, supporting disconnected and underserved rural communities across Texas.¹⁶

⁹ Neil A. Belson, “Promoting Rural Entrepreneurship and Rural Economic Development,” *Third Way*, January 7, 2020, <https://www.thirdway.org/report/promoting-rural-entrepreneurship-and-rural-economic-development>.

¹⁰ “RTAP,” Colorado OEDIT, last accessed June 19, 2020, <https://choosecolorado.com/programs-initiatives/rural-technical-assistance-program/>.

¹¹ “Rural Partners, Main Street Montana, last accessed June 19, 2020, <https://mainstreetmontanaproject.com/rural-partners/>.

¹² Renata Birkenbuel, “UM: %730K consultation grant kicks in for rural Montana startups,” *Missoula Current*, October 4, 2019, <https://missoulacurrent.com/business/2019/10/montana-rural-startups/>.

¹³ Daniel Workman, “Top 10 Exports from Texas,” *World’s Top Exports*, March 8, 2020, <http://www.worldstopexports.com/top-10-exports-from-texas/>

¹⁴ “Texas,” Data USA, last accessed June 19, 2020, <https://datausa.io/profile/geo/texas>.

¹⁵ Boston Consulting Group, “Rural Texas Development Report,” In *The Future of Rural Texas*, November 12, 2018.

¹⁶ “Broadband Coverage Maps for Every Texas County Released,” *Globe Newswire*, February 6, 2020, <https://www.globenewswire.com/news-release/2020/02/06/1981015/0/en/Broadband-Coverage-Maps-for-Every-Texas-County-Released.html>.

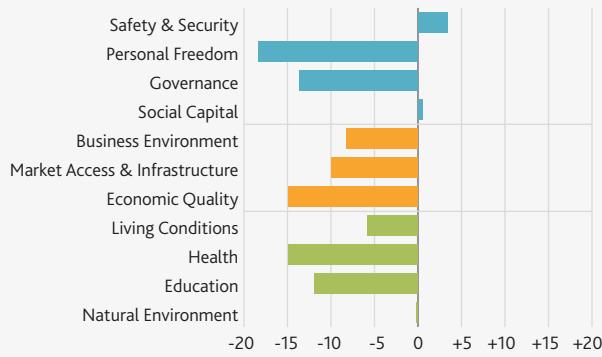
The Texas Rural Health and Economic Development Advisory Council has outlined the major challenges for improving healthcare in these counties. They identified that improved communications infrastructure would increase the opportunity for telemedicine and telehealth, while better quality roads would help reduce transportation times for emergency medical services.¹⁷

Non-religious membership organizations are only 40% as prevalent in the southern plains than the average in the eight featured states.

Across these counties, there is generally a low level of social tolerance and rates of civic participation are low. The Creative Learning Initiative based in Austin has seen success in bringing together many different community organizations to promote student engagement and improve student achievement.¹⁸ Not only has this approach improved education outcomes — which has in turn been shown to increase social tolerance — but it also has the potential to increase community engagement.¹⁹ This is important, because not only are the education outcomes of rural Texan schoolchildren poor, but there is also a disconnect between rural education and rural workforce requirements.²⁰

SOUTH-EASTERN COASTAL PLAINS

Figure 4. South-eastern coastal plains vs 8-state average



The rural counties across the south-eastern coastal plains are the least prosperous of all urban and rural archetypes. However, they do have a number of strengths, including a preponderance of high-quality freshwater reserves and low levels of toxic land releases. Furthermore, social capital is strong, with high levels of institutional trust and close community connections.

Areas of Strength	Areas for Improvement
• Low Levels of Violent Crime	• Business Regulations
• Flexible Labor Market	• Government Integrity
• Good Pre-K Education	• Health
• Abundance of Forests / Rivers / Wetlands	• High-School (and above) Education

In contrast, many aspects of social wellbeing, such as health, living conditions, and education outcomes, are weak, indicating that the base of human capital on which a strong economy can be built is not yet sufficient for substantial business expansion.

The college enrollment rate in the counties of the south-eastern coastal plains is just 24%, just over half the national average of 42%.

Georgia's pre-K schooling initiative 'Bright from the start', headed by the Georgia Department of Early Care and Learning, is a holistic approach to preparing children for future school achievements and has seen much success. However, as these children progress to K-12, the quality of education is substantially lower than average and is particularly weak in these rural areas to the south of the state. To address these challenges, the Georgia Department of Education has launched the Partnership for Rural Growth, which aims to expand the resources available to school districts in these underserved communities.²¹ Not only is the goal of this initiative to provide students with a well-rounded education, but also to provide them with STEM qualifications and entrepreneurship tutoring.

The labor force participation rate in the south-eastern coastal plains is just 51%, compared to an average of 63% across the eight featured states of the Index.

Developing and retaining ambitious and innovative local talent will be key to addressing many of the economic challenges faced in south Georgia's rural counties, including low rates of labor force engagement. As noted by the Georgia Chamber of Commerce, this will mean harnessing the latent natural resources available in these rural counties and reinvigorating the economic dynamism that has been lost over the course of the last decade.²²

¹⁷ "Rural Policy Plan." Texas Rural Health and Economic Advisory Council, December 2018.

¹⁸ "Mission," Creative Learning Initiative, last accessed June 19, 2020, <https://www.creativelearninginitiative.org/about>.

¹⁹ Vogt, W. Paul. "Education and Tolerance in Comparative Perspective." *The Review of Education* 12, no. 1, (1986): 9-18

²⁰ Boston Consulting Group, "Rural Texas Development Report," In *The Future of Rural Texas*, November 12, 2018

²¹ Mary Anne Lane, "Georgia Department Of Education Launches Partnership For Rural Growth, Dedicating An Additional \$1.6 million To Education In Rural Georgia," *GPB Media*, October 25, 2018, <https://www.gpb.org/blogs/education-matters/2018/10/25/georgia-department-of-education-launches-partnership-for-rural>.

²² "Challenges in Rural Georgia," Georgia Chamber, last accessed June 19, 2020, <https://www.gachamber.com/challenges-rural-georgia/>.

Across the south-eastern coastal plains, 18% of adults have no healthcare coverage, compared to a national average of 13%.

Healthcare provision for the residents of these counties is also a major challenge. Analysis by the Chartis Center for Rural Health shows that 27% of rural hospitals in Georgia are vulnerable to closure — among the most vulnerable in the country.²³ This vulnerability has already been observed with seven rural hospitals closing since 2010.²⁴ The strain under which the rural Georgia healthcare system operates has been further highlighted by the coronavirus pandemic.^{25,26} For example, Phoebe Putney Memorial hospital in Albany serves many of the residents of surrounding rural counties and has been particularly hard-hit by COVID-19, with the highest number of deaths per capita in the state found in this region.²⁷ Other rural counties such as Hancock — which had a hospital closure a few years ago — have also been “swamped” by outbreaks.²⁸ A way to maintain the financial stability of rural hospitals, help avoid future closures and provide healthcare coverage to the state’s most vulnerable, the non-profit Georgia Watch suggests, would be to expand the Medicaid eligibility.^{29,30} Additionally, supporting the rural healthcare system is vital to stimulating economic recovery as it is estimated that for every one hospital job in Georgia, more than two jobs are created in the local community.³¹

CONCLUSION

Rural counties share many strengths upon which they can build; crime rates are low, there is a profusion of natural resources for both extraction and ‘Big Sky Country’ tourism, and the bonds of community are strong. However, the challenges they face — typically in

the way of healthcare access, physical infrastructure, and economic growth — require significant focus.

Though the challenges faced by rural counties are similar in nature, the heterogeneity of rural America is often overlooked in policymaking. This heterogeneity is why specific, community-led initiatives that address local needs can have such a powerful impact on education, healthcare and business creation: they facilitate a more targeted strategy for each individual area.

That said, there are many examples of successful development across rural America from which these communities can take inspiration. For example, the coalition of community stakeholders in Gunnison (Colorado) may provide inspiration to other northern prairie counties with weaker health outcomes, such as Big Horn County in Montana. Similarly, counties across the southern plains could address challenges in their pre-K education systems by learning from the strategies and implementation of the nationally recognized ‘Bright from the start’ initiative in Georgia.

The opportunities for learning are not limited to those counties that have been explored in this County Index. The improvement of broadband access in Rock County (Minnesota) — which shares many characteristics typical of the rural counties we have examined — is one such example. Improving broadband access is a challenge faced by many of the rural communities we have reviewed and this best-practice example can be used as a template for development in many of them.

The United States Prosperity Index provides the basis for identifying the binding constraints to prosperity as well as offering opportunities for policy-learning. Detailed data profiles of each of the 829 counties we have examined are available at www.usprosperity.net.

²³ Topchik, Michael, et al., “The Rural Health Safety Net Under Pressure: Rural Hospital Vulnerability.” *Chartis Center for Rural Health*, February 2020.

²⁴ Ibid.

²⁵ Khushbu Shah, “Georgia’s rural hospitals were already strained. Then coronavirus came,” *The Guardian*, April 2, 2020, <https://www.theguardian.com/world/2020/apr/02/us-coronavirus-outbreak-hospitals-resources-georgia>.

²⁶ Topchik, Michael, et al., “The Rural Health Safety Net Under Pressure: Rural Hospital Vulnerability.” *Chartis Center for Rural Health*, February 2020.

²⁷ Charles Bethea, “What the coronavirus is doing to rural Georgia,” *The New Yorker*, April 4, 2020, <https://www.newyorker.com/news/news-desk/what-the-coronavirus-is-doing-to-rural-georgia>.

²⁸ Ariel Hart, “COVID-19 swamps another rural Georgia county,” *The Atlanta Journal-Constitution*, May 20, 2020, <https://www.ajc.com/news/state--regional/covid-swamps-another-rural-georgia-county/2KxYEndBNpQDEnvb1NSbSN/>

²⁹ Laura Harker, “Fast Facts on Medicaid Expansion,” *Georgia Budget & Policy Institute*, April 23, 2020, <https://gbpi.org/fast-facts-on-medicaid-expansion/>.

³⁰ “Strengthening Georgia’s rural hospitals and increasing access to care,” *Georgia Watch*, 2014, <https://www.georgiawatch.org/wp-content/uploads/2015/01/RHSC-Formal-Report-1.pdf>.

³¹ Ibid.



A farmers market in Georgia, with vendors and customers wearing face masks due to the COVID-19 pandemic.

Rural counties benefit from low crime rates, an abundance of natural resources, tourism and strong communities. However, they face challenges in healthcare access, particularly since the COVID-19 outbreak.

Focus on counties within selected states

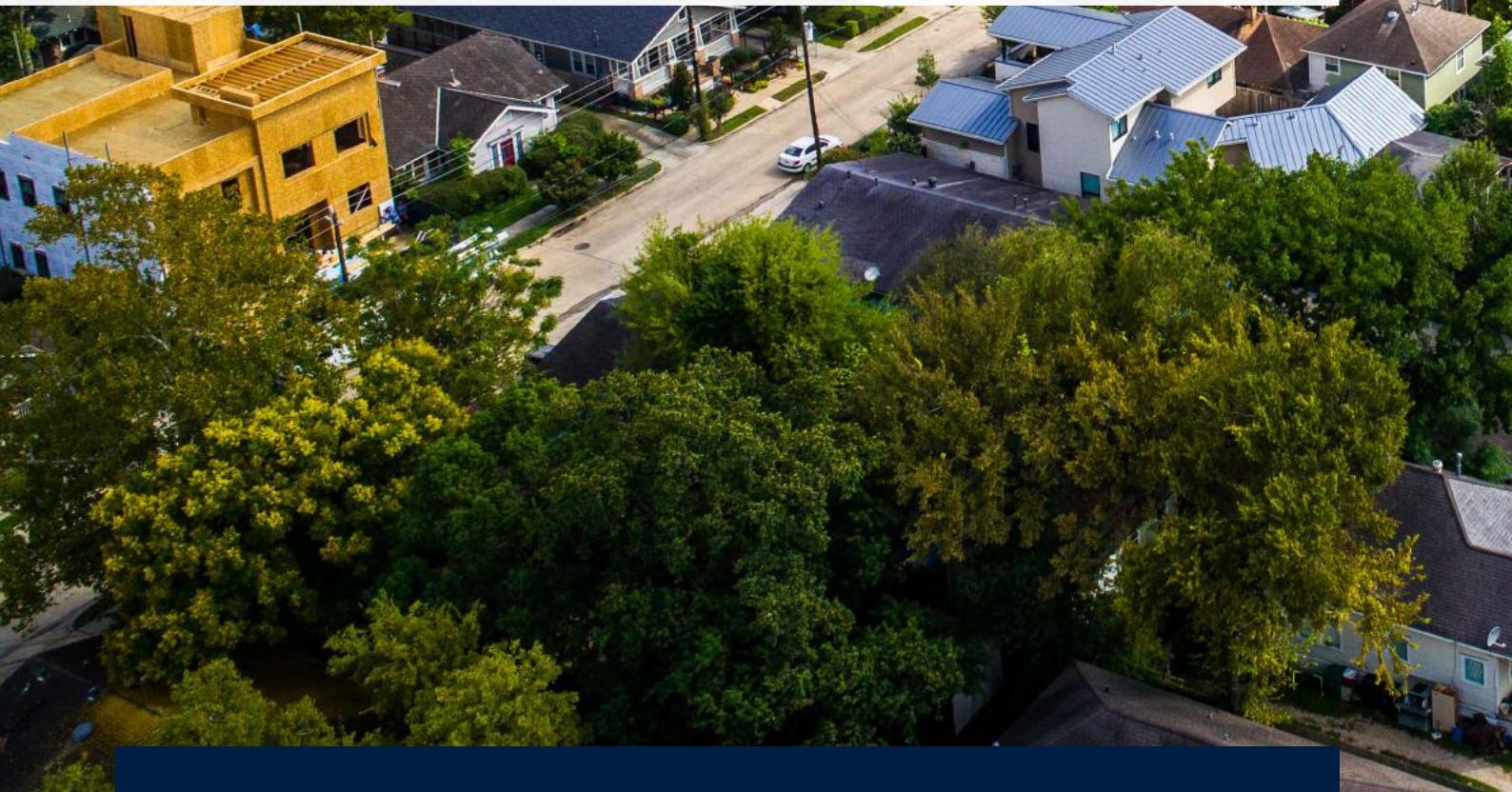
The United States county-level Prosperity Index covers 829 counties for eight selected states — California, Colorado, Georgia, Iowa, Montana, New York, Oklahoma, and Texas — and enables a deeper understanding of how prosperity is distributed within these states. The state-level Prosperity Index reveals the characteristics of prosperity across the whole state, identifying its strengths and weakness and how this has changed over time. The county-level Index enables a more localized understanding of prosperity and how each county performs on prosperity and its underlying characteristics. The two indexes have been constructed using the same approach and indicators, such that they can be used hand-in-hand to identify areas for investment and policy action.

This next section provides a two-page analytical assessment of how the counties in each of eight states perform. The analysis for each state provides an overview of the state's performance on prosperity over the past decade, across the 11 pillars, which is followed by a map showing the relative positioning of the state's counties in the

county Index, with the 10 strongest and weakest counties highlighted, together with two charts that illustrate the most and least improved counties over the past decade.

The final page for each state provides, across each domain and pillar, an assessment in bar chart form of the performance of the state's counties relative to all counties in the Index. This is achieved by assessing the positioning of the counties in each domain and pillar and whether it is in the top (1st), middle or bottom (4th) quartiles of the county Index.¹ For counties in a state to exhibit an 'average' performance, they should be equally distributed across the Index (i.e. 25% of counties in the 1st quartile, 25% in the 2nd quartile and similarly for the 3rd and 4th quartile). Where a higher percentage of counties are in the first quartile, they are showing a 'stronger' performance and where it is less, or there are a higher percentage of counties in the 4th quartile, they are showing a 'weaker' performance. This analysis is a little subjective, but it is intended to guide the reader as to the performance of the counties in one state relative to the other states.

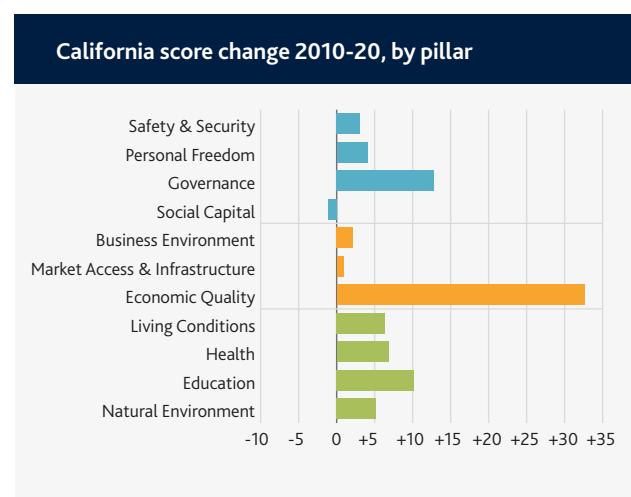
1. There is little variation in Governance scores at the county level, therefore all counties have the same score as their state. For this reason, the Governance pillar is not included in the bar chart analysis.





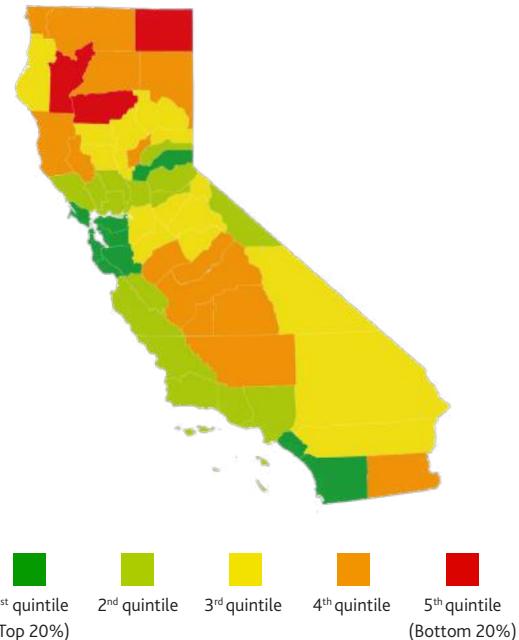


California (26th)

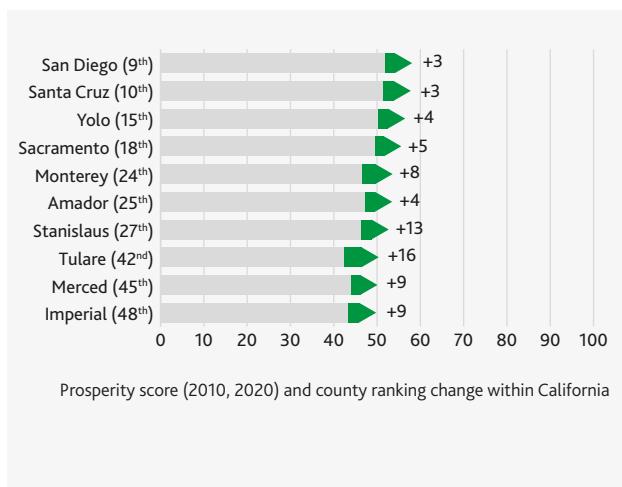


Prosperity of California's counties

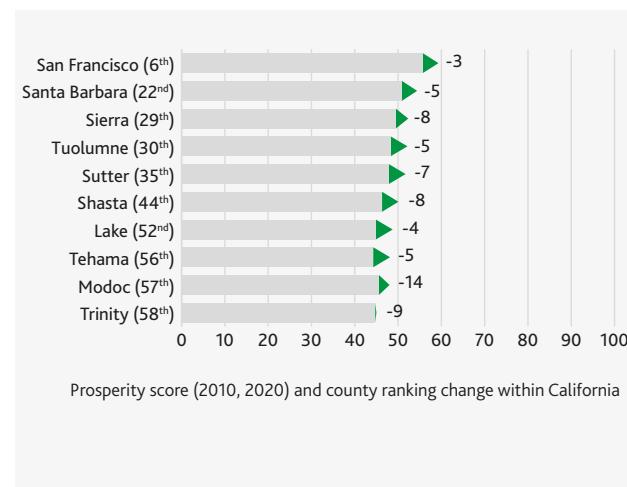
Strongest		Weakest	
1	San Mateo	49	Del Norte
2	Marin	50	Yuba
3	Santa Clara	51	Madera
4	Orange	52	Lake
5	Placer	53	Kings
6	San Francisco	54	Siskiyou
7	Alameda	55	Kern
8	Contra Costa	56	Tehama
9	San Diego	57	Modoc
10	Santa Cruz	58	Trinity



Most improved counties in California, 2010-2020

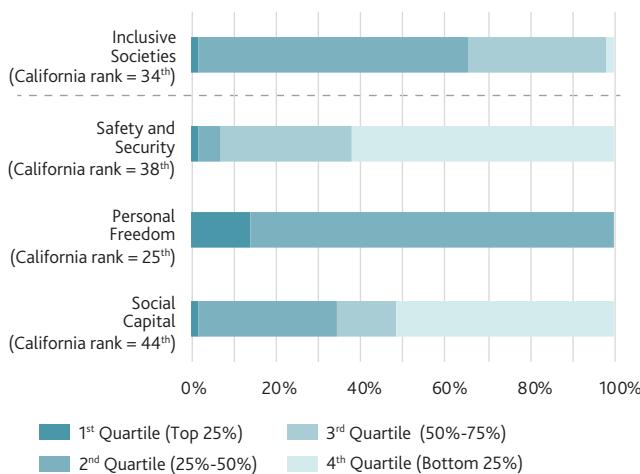


Least improved counties within California, 2010-2020



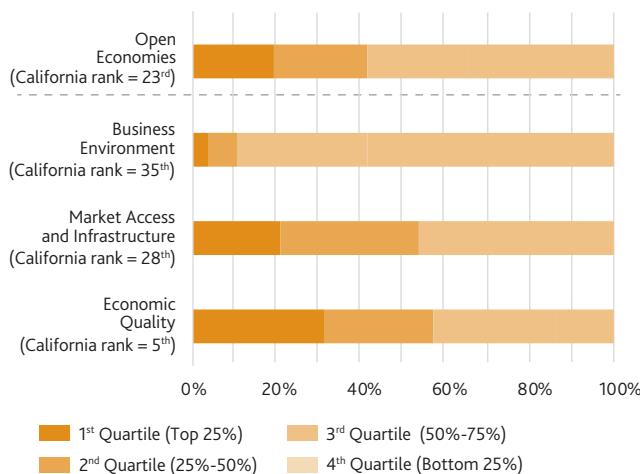
Performance of California's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



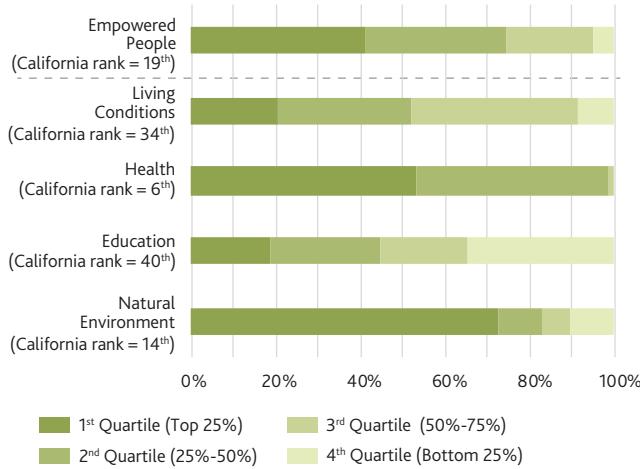
- Performance in this domain is weak, but with all but 7 counties improving, California contributed to the U.S. improvement in this domain over the past decade.
- Within Safety and Security, around half of counties are in the 4th quartile for Violent Crime and Property crime.
- Like 45 other states, 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 4th quartile.
- In Business Environment, there is good access to capital, with all but 3 counties are in the 1st quartile for Financing Ecosystems. However, all counties are in the 4th 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 1st quartile and only 7% in the 4th 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 1st quartile.

Empowered People (Distribution of county performance)

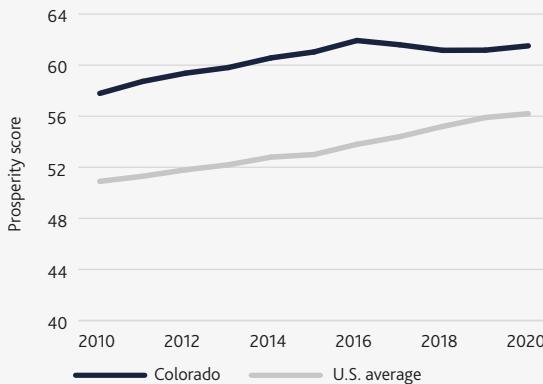


- This domain is California's strongest, with over 40% of counties in the first quartile.
- In Living Conditions, nearly 60% of counties are in the 1st quartile for Connectedness, however all but 2 counties are in the 4th quartile for Shelter.
- While Health improved across all counties over the past decade, 29 counties saw a decline in Mental Health.
- California ranks 40th for Education, with a third of counties in the 4th quartile. The state performs well on Tertiary Education, with all but 9 counties in the 1st quartile, but poorly on Primary and Secondary Education, with only Marin and Santa Clara counties in the 1st 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 4th quartile.

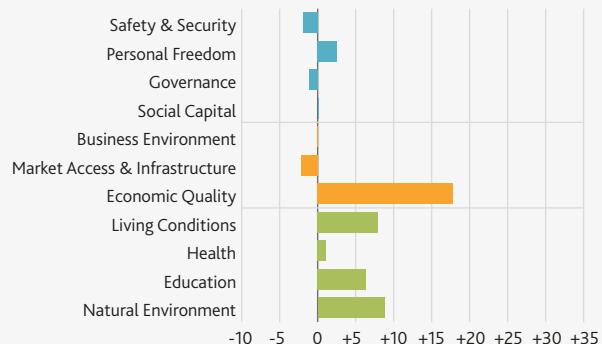


Colorado (10th)

Colorado prosperity

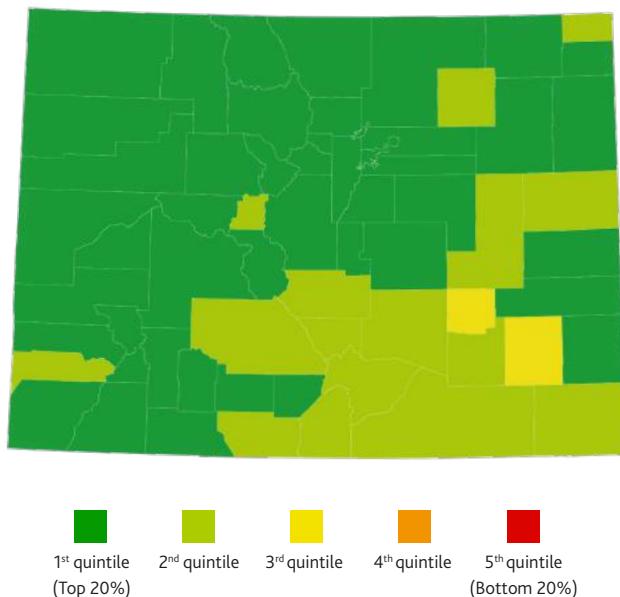


Colorado score change 2010-20, by pillar

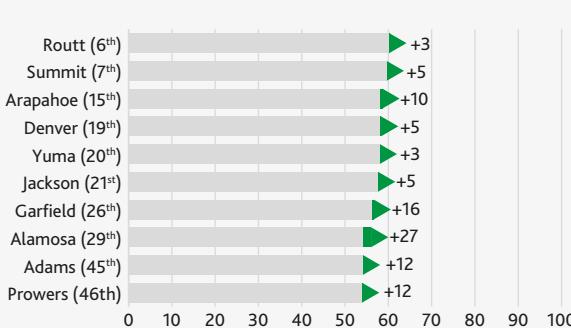


Prosperity of Colorado's counties

Strongest		Weakest	
1	Broomfield	55	Sedgwick
2	Douglas	56	Las Animas
3	Pitkin	57	Baca
4	Ouray	58	Conejos
5	Boulder	59	Huerfano
6	Routt	60	Otero
7	Summit	61	Saguache
8	Eagle	62	Pueblo
9	Elbert	63	Bent
10	Grand	64	Crowley



Most improved counties in Colorado, 2010-2020



Prosperity score (2010, 2020) and county ranking change within Colorado

Least improved¹ counties within Colorado, 2010-2020

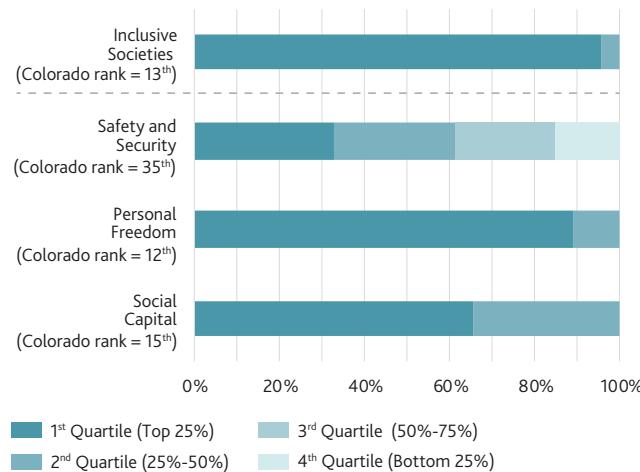


Prosperity score (2010, 2020) and county ranking change within Colorado

¹Also shown are the four counties that have deteriorated.

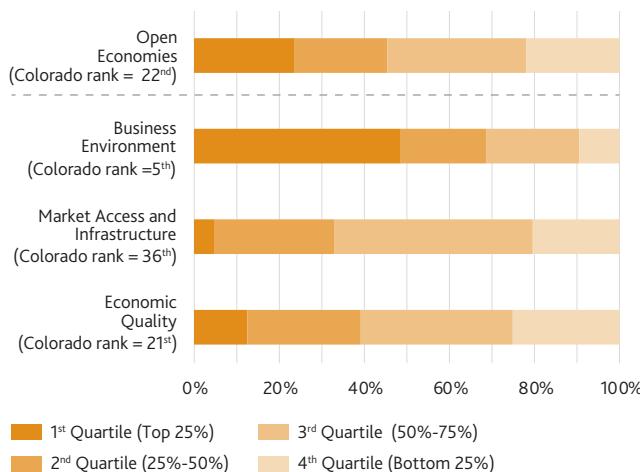
Performance of Colorado's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



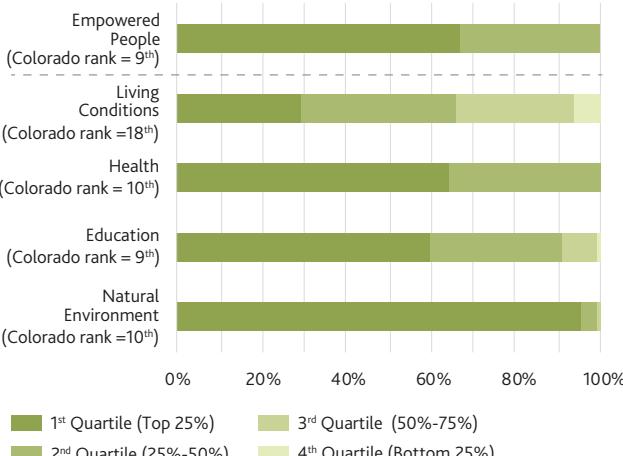
- Colorado performs well across this domain, with over 95% of counties in the top quartile.
- The weakest pillar in this domain is Safety and Security, although a third of counties still appear in the top quartile. Colorado faces very low rates of Terror-related Crime with all but eight counties in the 1st quartile, though performs less well for the other elements: Violent Crime and Property Crime.
- Colorado is one of only five states to have improved in Social Capital over the last 10 years, with trust in corporations improving and personal and family relationships strengthening. This builds on existing strength across the state, with all counties performing above average, and 42 ranking in the top 25% for the pillar.

Open Economies (Distribution of county performance)



- In Open Economies, there are roughly an equal number of counties in each quartile.
- In Business Environment, despite nearly 50% of counties appearing in the 1st quartile overall, only 4 counties are in the 1st quartile for Financing Ecosystems and 16 are in the 4th quartile, meaning businesses in many parts of the state may not have adequate access to capital.
- Most counties show a weak performance in the Market Access and Infrastructure pillar — particularly the more rural counties, which score poorly for Transport. However, there is a good performance in Resources across the state.
- There is a high degree of Labor Force Engagement in the state, which has improved over the past decade and contributed to the improvement of 4 ranks in Economic Quality.

Empowered People (Distribution of county performance)

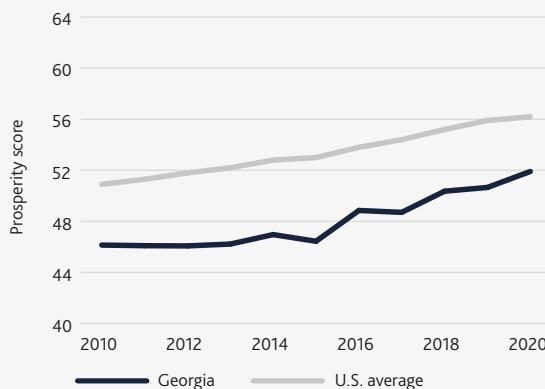


- Performance in the Empowered People domain is strong across Colorado, with most counties in the top quartile.
- There have been substantial improvements across most elements of Living Conditions, though only Elbert, Logan, and Fremont counties are in the top quartile for Shelter.
- Physical health is a strength for Colorado, with only Saguache and Costilla counties outside the top quartile for this element. However, all but 5 counties appear in the bottom quartile for mental health — which has been deteriorating over the past decade.
- Colorado ranks 9th for Education. It is 3rd for Adult Skills, with 52% of counties in the 1st quartile for this element. Performance across the other elements is above average, with improvements in all but pre-primary and primary education since 2010.
- Counties perform strongest on the Natural Environment pillar, with 95% in the top quartile.

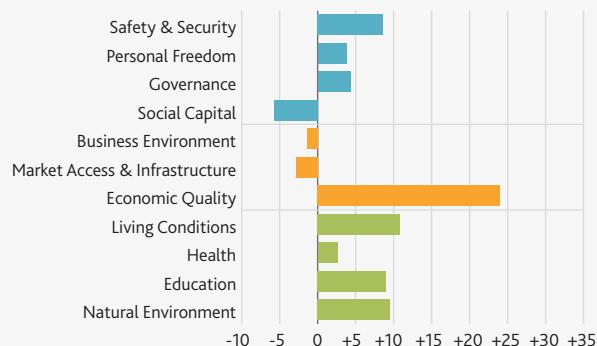


Georgia (38th)

Georgia prosperity

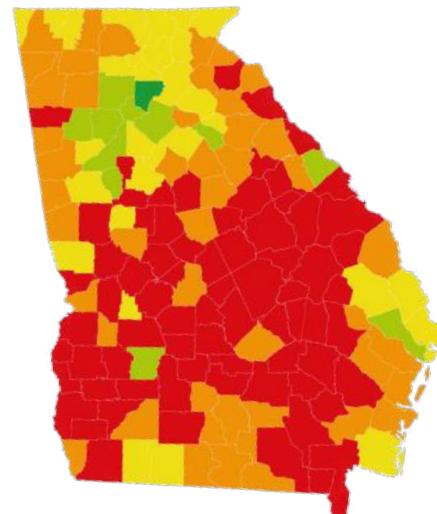


Georgia score change 2010-20, by pillar



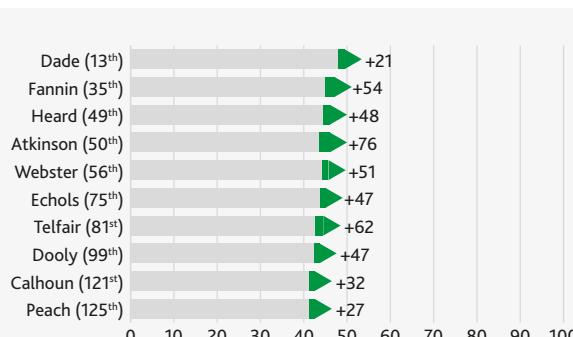
Prosperity of Georgia's counties

Strongest		Weakest	
1	Forsyth	150	Richmond
2	Fayette	151	Meriwether
3	Ocnee	152	Clinch
4	Cherokee	153	Bleckley
5	Cobb	154	Early
6	Gwinnett	155	Hancock
7	Columbia	156	Macon
8	Bryan	157	Warren
9	Paulding	158	Bacon
10	Lee	159	Twiggs



Legend: 1st quintile (Top 20%) | 2nd quintile | 3rd quintile | 4th quintile | 5th quintile (Bottom 20%)

Most improved counties in Georgia, 2010-2020



Prosperity score (2010, 2020) and county ranking change within Georgia

Least improved¹ counties within Georgia, 2010-2020

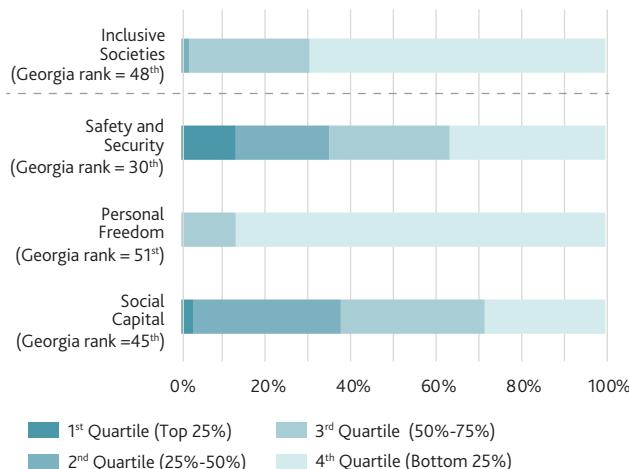


Prosperity score (2010, 2020) and county ranking change within Georgia

¹Also shown is the one county that has deteriorated.

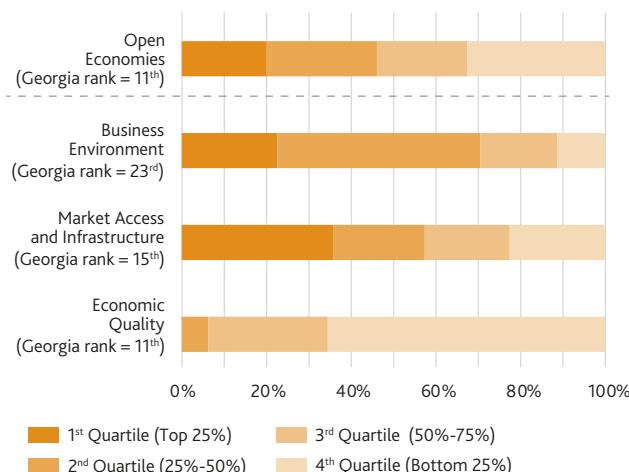
Performance of Georgia's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



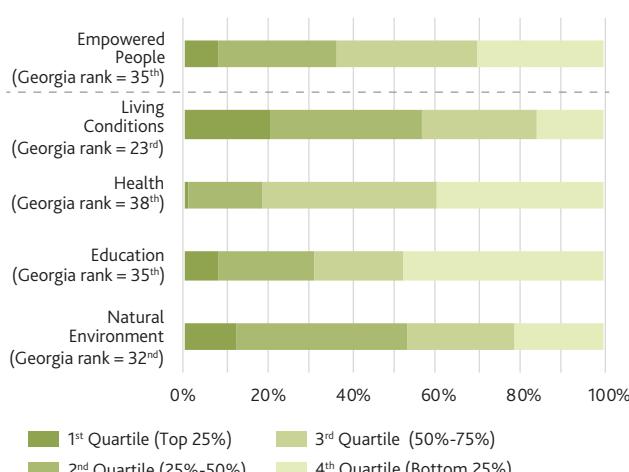
- The performance of Georgia counties across all pillars of Inclusive Societies is weak.
- Within Safety and Security, just over 20% of counties are in the 1st quartile for Violent Crime and 28% are in the 4th quartile, compared to 9% and nearly 50% for Property Crime.
- On Personal Freedom, 87% of counties are in the 4th quartile and no county is in the 1st quartile. Georgia ranks 49th for the Agency element, having one and a half times the national rate for fatal shootings of unarmed civilians and the 4th highest state rate of adult incarceration.
- Georgia ranks 45th on Social Capital, 2 ranks lower than in 2010. County performance is weakest on the Personal and Family Relationships element with 43% of counties in the 4th quartile.

Open Economies (Distribution of county performance)



- Georgia performs strongest on Open Economies, with around 20% of counties in the first quartile, but still over 30% are in the 4th quartile.
- Georgia ranks 23rd on Business Environment, but 2nd on Price Distortions and 46th on Burden of Regulation. Just 10% of counties are in the 1st quartile for Financing Ecosystems.
- Georgia has good communications and transport infrastructure and ranks 15th for Market Access and Infrastructure. Seventy percent of counties are in the 1st quartile for transport, but no counties are in the 1st quartile for Resources.
- Georgia has considerably reduced adult and youth unemployment since 2010, and the workforce is more engaged than a decade previously, resulting in the state rising 15 places in Economic Quality.

Empowered People (Distribution of county performance)

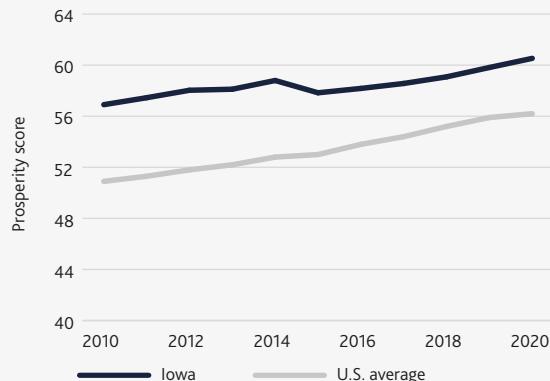


- Georgia has a weak performance in this domain, with less than 10% of its counties in the 1st quartile.
- Due to reductions in households that lack food and preventable fatalities, Georgia has risen 9 ranks in Living Conditions since 2010. Counties perform well on Water Services, with over half in the 1st quartile but less well on Material Resources, where over half are in the 4th quartile.
- Although Georgia has a weak performance on Health ranking 38th, it ranks 12th on Mental Health, with only 5 counties in the 4th quartile.
- Georgia has risen 4 rankings in Education since 2010, due to Primary and Secondary Education improving. Counties perform strongest on Pre-primary Education, with 42% of counties in the 1st quartile and only nine counties in the 4th quartile.
- Georgia rose 2 places on the Natural Environment since 2010, to 32nd, due to a reduction in its emissions.

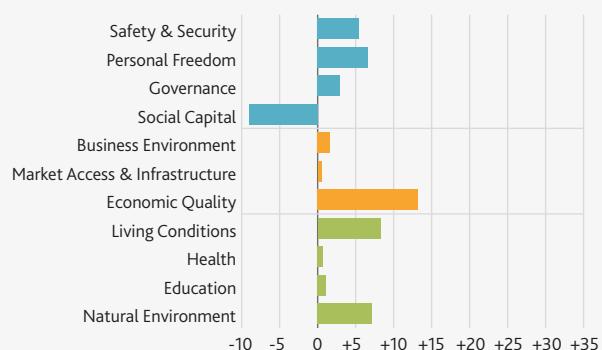


Iowa (14th)

Iowa prosperity

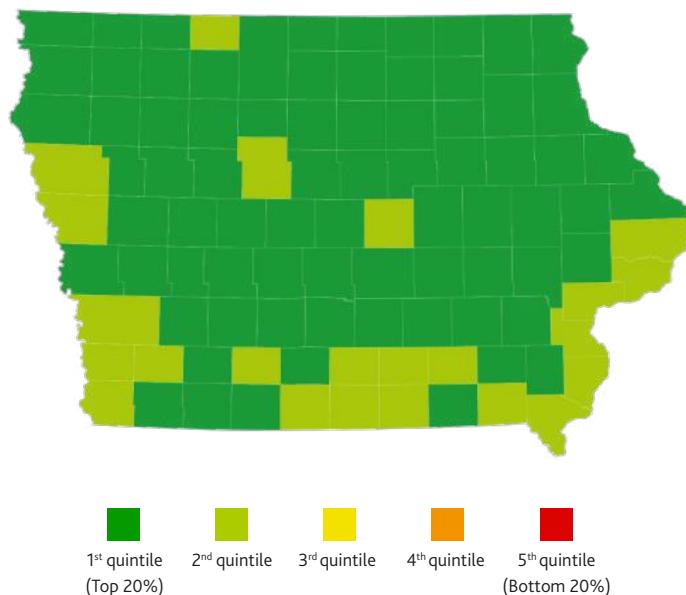


Iowa score change 2010-20, by pillar

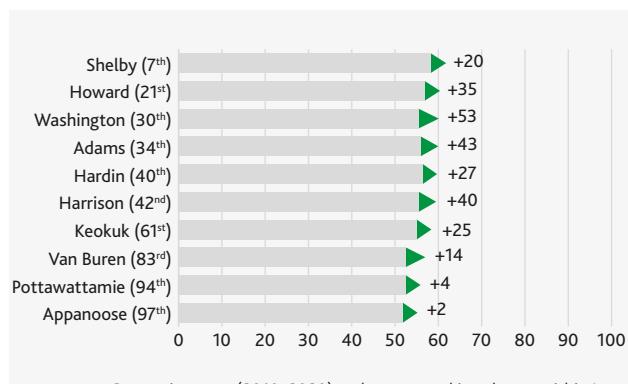


Prosperity of Iowa's counties

Strongest		Weakest	
1	Dallas	90	Louisa
2	Bremer	91	Fremont
3	Sioux	92	Monroe
4	Winneshiek	93	Lucas
5	Story	94	Pottawattamie
6	Carroll	95	Des Moines
7	Shelby	96	Woodbury
8	Johnson	97	Appanoose
9	Dickinson	98	Lee
10	Humboldt	99	Wapello



Most improved counties in Iowa, 2010-2020



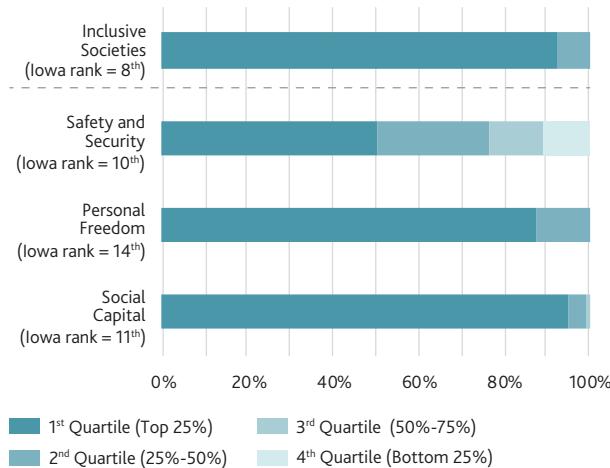
Least improved¹ counties within Iowa, 2010-2020



¹Also shown are the two counties that have deteriorated.

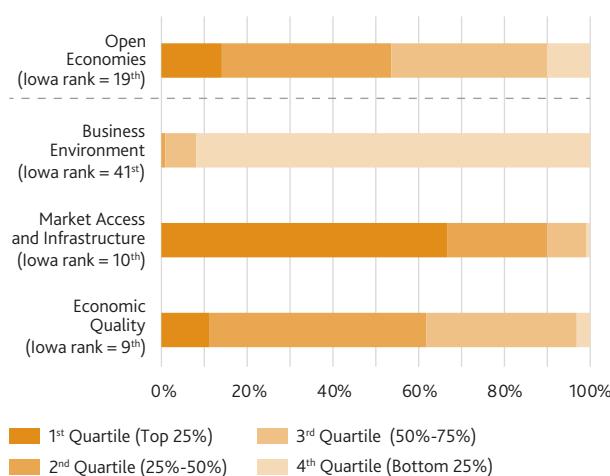
Performance of Iowa's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



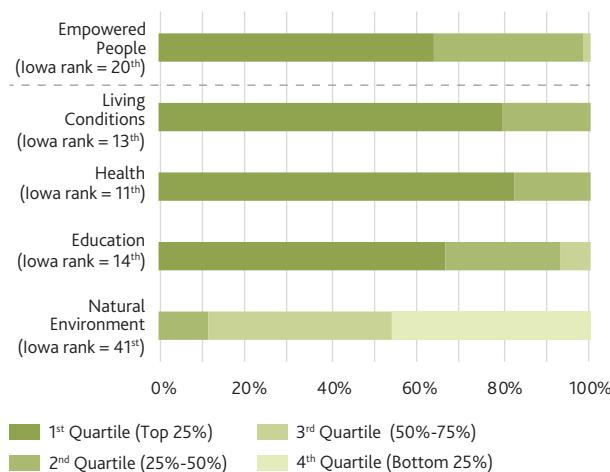
- Overall, Iowa performs strongly in this domain, ranking 8th. Over 90% percent of counties are in the top quartile.
- Iowa ranks 10th on Safety and Security, with around 50% of counties in the 1st quartile. Counties typically perform better on Property Crime than on Violent Crime, with only 8 and 12 counties respectively in the bottom quartile.
- Personal Freedom has improved over the past decade, with the state moving up 5 rankings to 14th, due to fewer restrictions on the press and a reduction in the number of hate groups in the state.
- Although Iowa has fallen 6 rankings on Social Capital, due to a deterioration in Institutional Trust, it still ranks 11th. All counties are in the 1st quartile for Social Networks and all but 6 counties are in the 1st quartile for Personal and Family Relationships.

Open Economies (Distribution of county performance)



- Iowa's weakest performance is in Business Environment, with 92% of counties in the 4th quartile. Only Polk County, home to Des Moines, is in the top 50% for Business Environment, as it attracts a relatively high amount of venture capital.
- Iowa ranks 10th for Market Access and Infrastructure and 67% of its counties are in the 1st quartile. Counties perform strongest in Resources, with all 99 counties in the 1st quartile, and weakest on Transport, with 25 counties in the bottom two quartiles.
- Iowa has contributed to the improvement in U.S. Economic Quality, due to unemployment falling, a more fully engaged workforce and underemployment reducing. 83% of counties are in the 1st quartile for Labor Force Engagement, whereas 77% are in the 4th quartile for Dynamism.

Empowered People (Distribution of county performance)

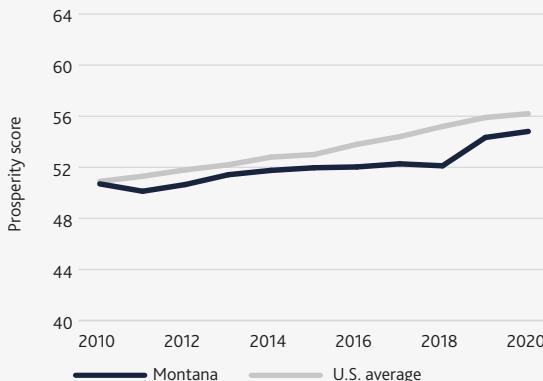


- Iowa moved up 5 places in the rankings on Living Conditions to 13th, due to improved food security. Shelter is the strongest element in Living Conditions, with over 60% of counties in the 1st quartile.
- Iowa has fallen 5 places in the Health rankings, due to obesity rates and the misuse of alcohol and pain reliever drugs increasing, resulting in less than 20% of counties in the 1st quartile for Behavioral Risk Factors. All counties are in the 1st quartile for Preventative Interventions.
- K-12 education outcomes have remained stable over the past decade, but falling college enrollment rates have resulted in Iowa falling 6 ranks for the Education pillar, with 22 counties seeing a decline in education overall.
- Iowa ranks 41st for the Natural Environment and no counties appear in the 1st quartile. Emissions is the strongest element, yet only 15 counties are in the 1st quartile.

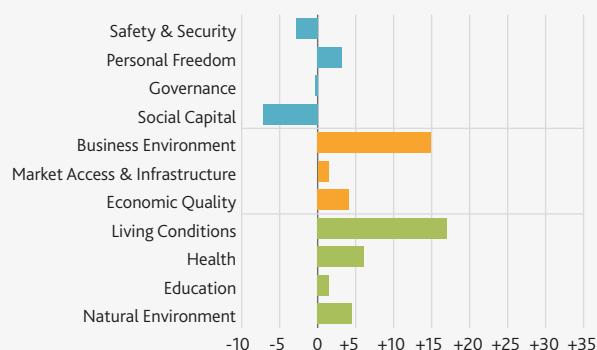


Montana (32nd)

Montana prosperity

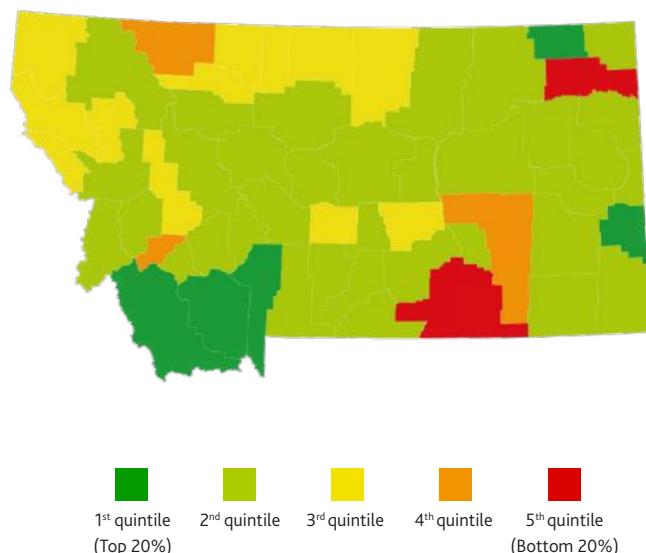


Montana score change 2010-20, by pillar

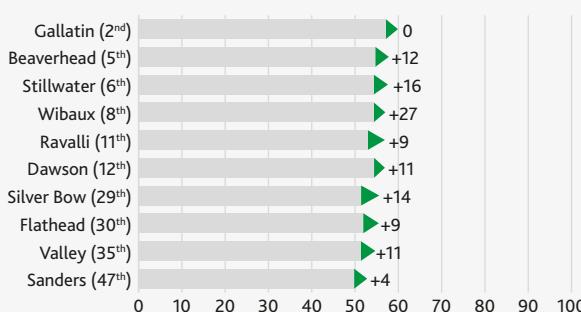


Prosperity of Montana's counties

Strongest		Weakest	
1	Daniels	47	Sanders
2	Gallatin	48	Lake
3	Fallon	49	Musselshell
4	Madison	50	Lincoln
5	Beaverhead	51	Blaine
6	Stillwater	52	Deer Lodge
7	Sweet Grass	53	Rosebud
8	Wibaux	54	Glacier
9	McCone	55	Roosevelt
10	Jefferson	56	Big Horn



Most improved counties in Montana, 2010-2020



Prosperity score (2010, 2020) and county ranking change within Montana

Least improved¹ counties within Montana, 2010-2020

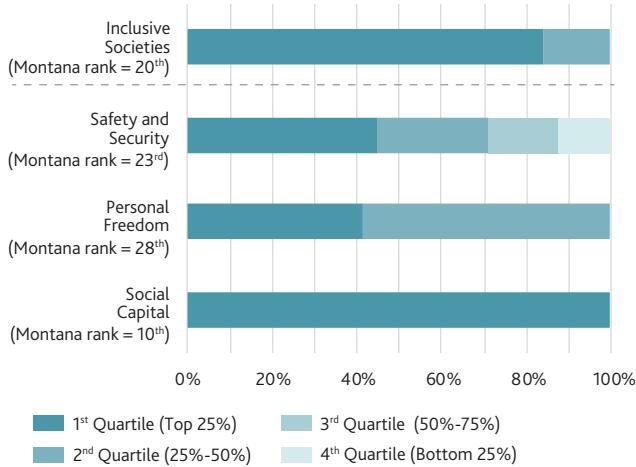


Prosperity score (2010, 2020) and county ranking change within Montana

¹Also shown are the four counties that have deteriorated.

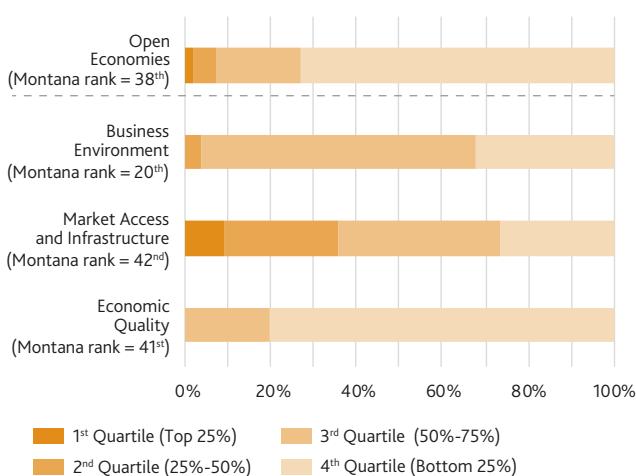
Performance of Montana's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



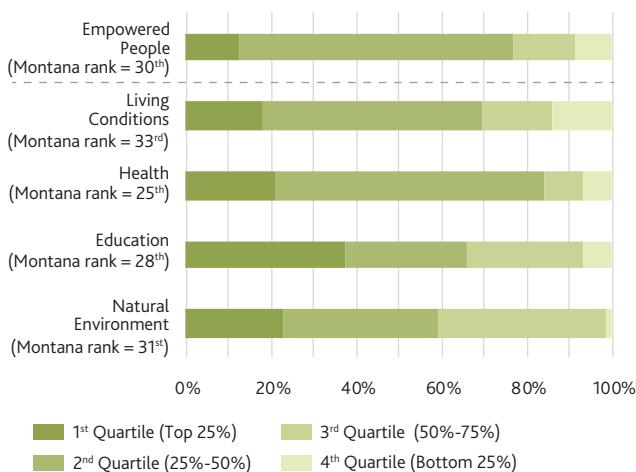
- Montana's performance is strongest in the Inclusive Societies domain, with over 80% of counties appearing in the 1st quartile.
- Safety and Security is strong in Montana, but has deteriorated over the past decade due to terror-related crime increasing, and it has slipped 11 places in the rankings. Nearly 40% of counties rank in the 1st quartile for Violent Crime and 63% for Property Crime.
- In Personal Freedom, 23% of counties appear in the top quartile for Social Tolerance.
- Montana ranks 10th for Social Capital, its strongest performing pillar, and all but Roosevelt county appears in the 1st quartile. Despite its strong performance overall, Montana ranks 47th on Institutional Trust, due to a lack of trust in the media and in corporations.

Open Economies (Distribution of county performance)



- Performance across Open Economies is particularly weak, with over 70% of counties ranking in the bottom quartile.
- Montana has moved from 42nd in the rankings for Business Environment to 20th, due to increasing the amount of business investment into the state. Despite this improvement over 30% of counties are in the 4th quartile.
- Market Access and Infrastructure is the only pillar to have any counties in the 1st quartile (five counties) in this domain. Counties perform strongest on the Resources element, with all but eight in the 1st quartile.
- Despite seeing a small improvement, shrinking financial reserves and a decrease in business start-ups have led Montana to fall 27 ranks in the Economic Quality pillar over the past decade.

Empowered People (Distribution of county performance)

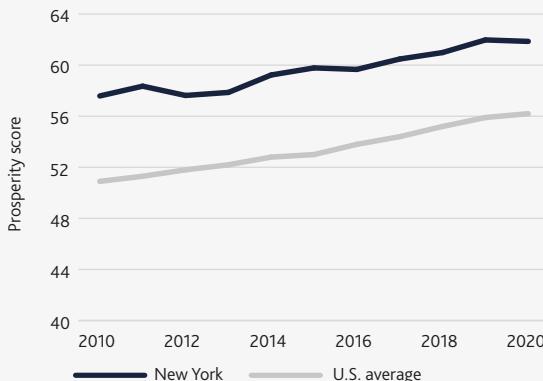


- Montana contributed to the improvement seen across the U.S. in Living Conditions due to increased internet provision and improved nutrition, leading to the state rising 12 ranks. Over 40% of counties now rank in the top quartile for both Material Resources and Nutrition.
- In Health, counties perform strongest in Physical Health, with 40 counties ranking in the top quartile. However, in Mental Health it is significantly weaker, with all counties ranking in the bottom quartile.
- Although half of counties are in the 1st quartile for Secondary Education and Adult Skills, Montana performs much weaker on Tertiary Education with only Yellowstone County in the top quartile.
- On Natural Environment, only Ravalli and Silver Bow are outside the 1st quartile for Exposure to Air Pollution. On Freshwater, all but 5 counties are in the 4th quartile.

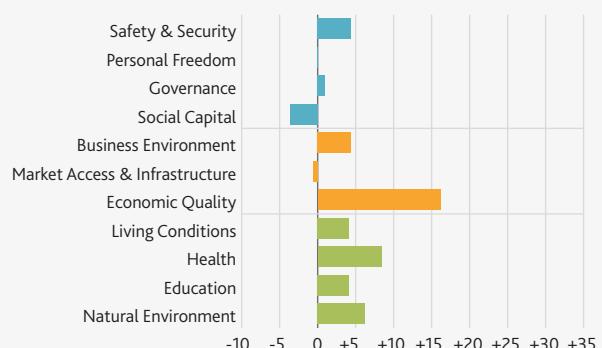


New York (9th)

New York prosperity

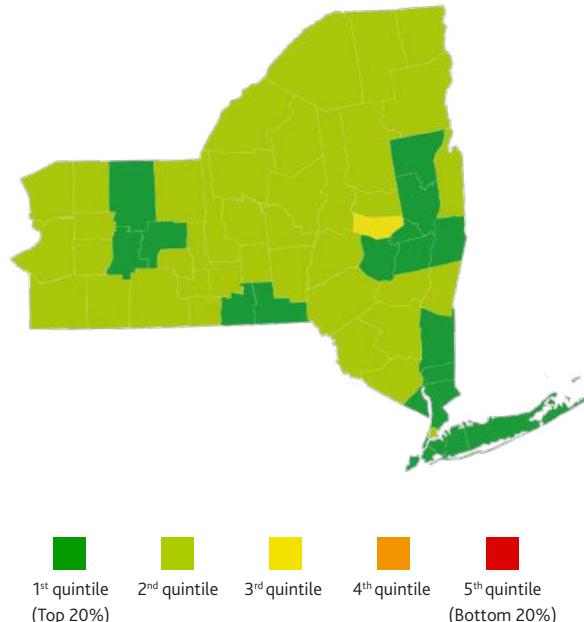


New York score change 2010-20, by pillar

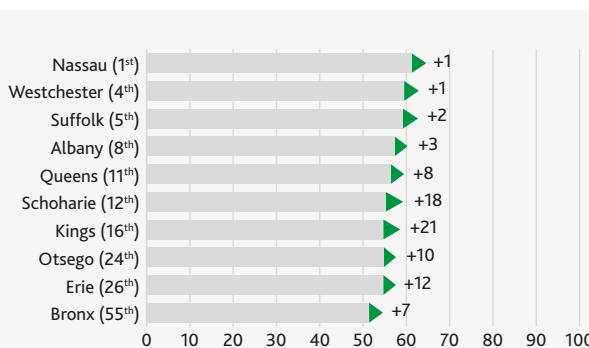


Prosperity of New York's counties

Strongest		Weakest	
1	Nassau	53	Allegany
2	Putnam	54	Fulton
3	Saratoga	55	Bronx
4	Westchester	56	Cattaraugus
5	Suffolk	57	Franklin
6	Rockland	58	Jefferson
7	New York	59	Sullivan
8	Albany	60	Hamilton
9	Ontario	61	Chautauqua
10	Tioga	62	Montgomery

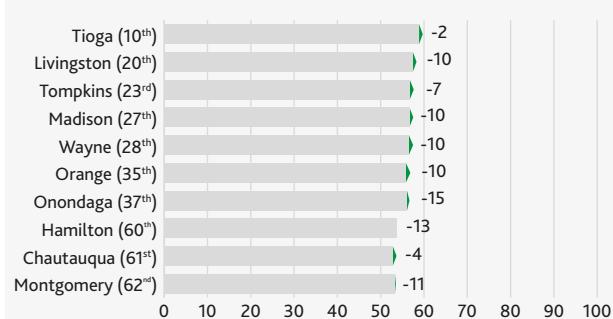


Most improved counties in New York, 2010-2020



Prosperity score (2010, 2020) and county ranking change within New York

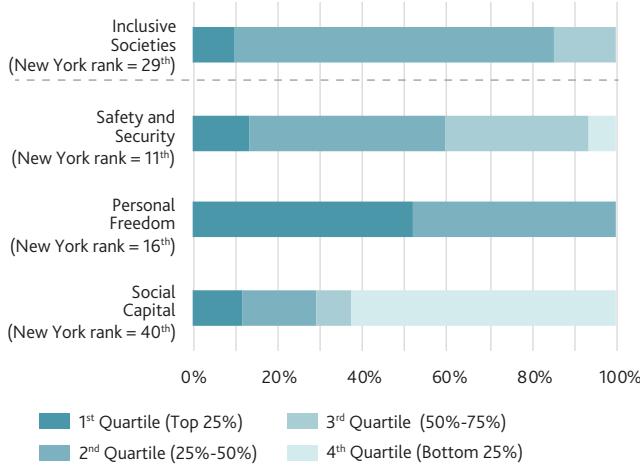
Least improved counties within New York, 2010-2020



Prosperity score (2010, 2020) and county ranking change within New York

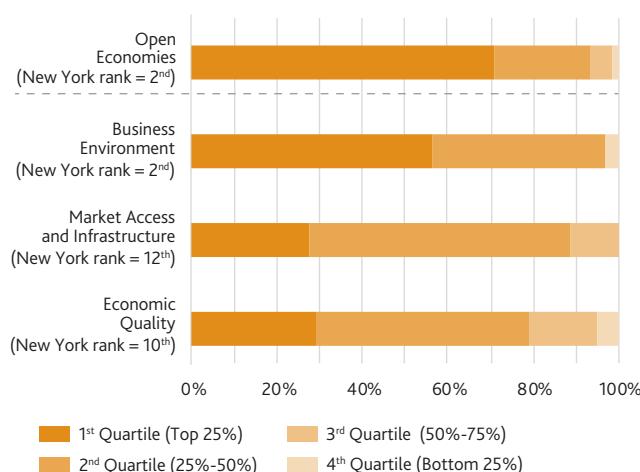
Performance of New York's counties cross the three Prosperity domains

Inclusive Societies (Distribution of county performance)



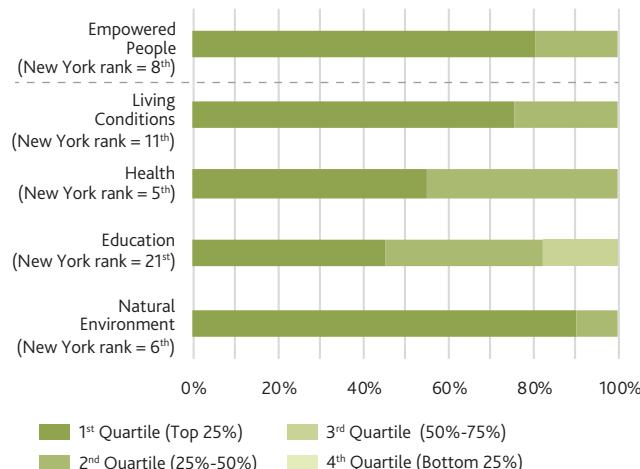
- Performance across Inclusive Societies is mixed, and unlike the U.S. as whole, New York has not improved over the past decade.
- In Safety and Security, performance is strongest in Property Crime, with half of New York's counties in the 1st quartile. Only Putnam, Schuyler, and Yates counties are in the 1st quartile for Violent Crime.
- In Personal Freedom, all counties except Orange County are in the 1st quartile for Agency, and all counties except Schuyler and Hamilton are in the 1st quartile for Social Tolerance.
- Social Capital across the state is weak, with almost 75% of counties in New York in the bottom quartile for Social Networks, and 60% in the bottom quartile for Institutional Trust. Despite this weak performance, 12 of the state's 62 counties saw an improvement in Social Capital over the last decade.

Open Economies (Distribution of county performance)



- With over 70% of counties in the 1st quartile for this domain, performance is strong, and the state ranks 2nd for Open Economies.
- In Business Environment, all counties except Schuyler and Hamilton are in the 1st quartile for Financing Ecosystems.
- On Market Access and Infrastructure, performance is strongest in Communications and Transport, but weakest in Resources, where 85% of counties are in the 4th quartile.
- New York state has contributed to the U.S. improvement in Economic Quality over past decade, with all counties improving. Over two-thirds of counties now appear in the 1st quartile for Productivity and Competitiveness.

Empowered People (Distribution of county performance)

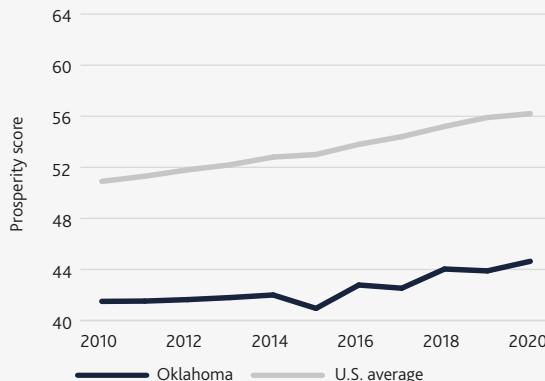


- New York's performance strong in this domain, with over 40% of counties in the 1st quartile in every pillar and no counties in the 4th quartile.
- On Living Conditions, Putnam, the best performing county for this pillar in the country, is one of 53 counties in the 1st quartile for Nutrition. Weakest performance is in Water Services, with only 21% of counties in the 1st quartile.
- Health has improved in the state over the past decade, rising 5 ranks as a result, although 9 counties including Herkimer saw a deterioration.
- In the Education pillar, performance is strongest on Tertiary Education, with 77% of counties in the 1st quartile, but weakest on Secondary Education, with only 13% of counties in the 1st quartile.
- On Natural Environment, performance is strongest on Emissions, with only Essex county in the 4th quartile.

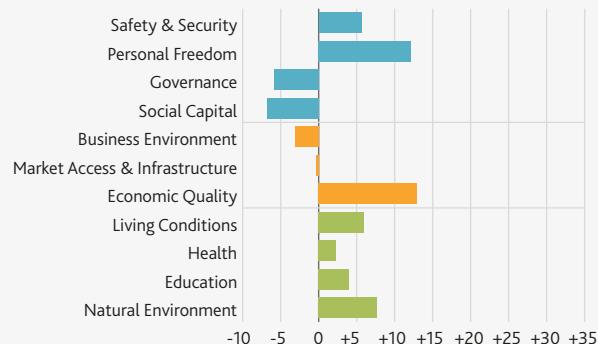


Oklahoma (48th)

Oklahoma prosperity

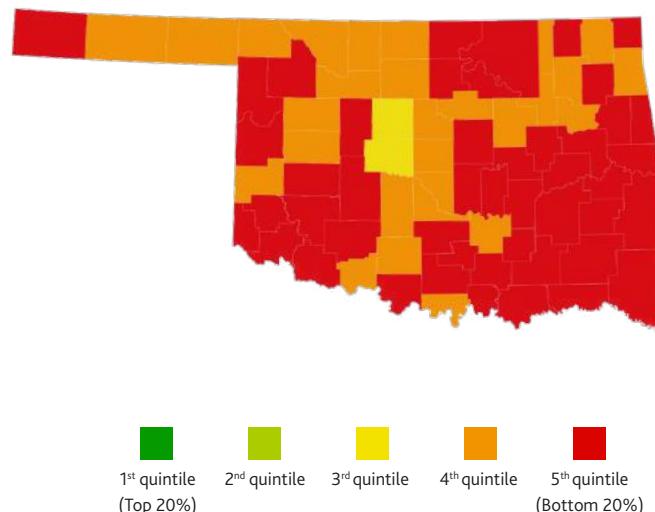


Oklahoma score change 2010-20, by pillar

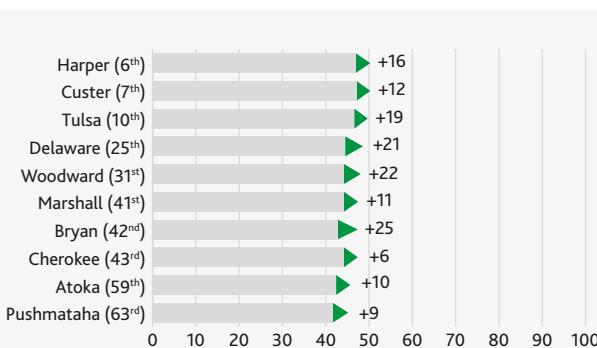


Prosperity of Oklahoma's counties

Strongest		Weakest	
1	Canadian	68	Hughes
2	Kingfisher	69	Pittsburg
3	Cleveland	70	Seminole
4	Woods	71	Adair
5	Washington	72	Sequoyah
6	Harper	73	McIntosh
7	Custer	74	Choctaw
8	Rogers	75	Le Flore
9	Payne	76	McCurtain
10	Tulsa	77	Okfuskee



Most improved counties in Oklahoma, 2010-2020



Prosperity score (2010, 2020) and county ranking change within Oklahoma

Least improved¹ counties within Oklahoma, 2010-2020

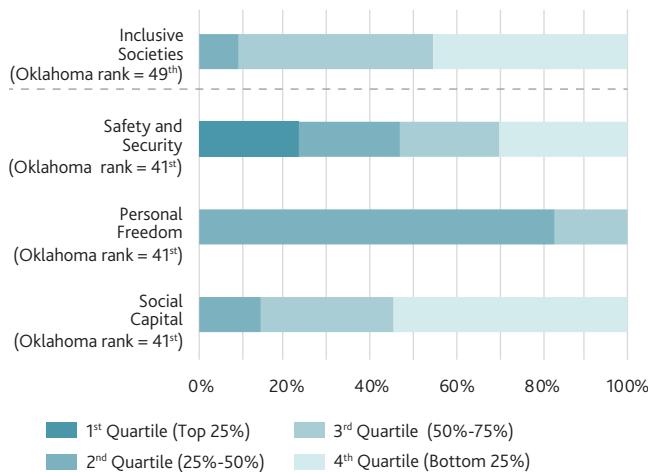


Prosperity score (2010, 2020) and county ranking change within Oklahoma

¹Also shown are the three counties that have deteriorated.

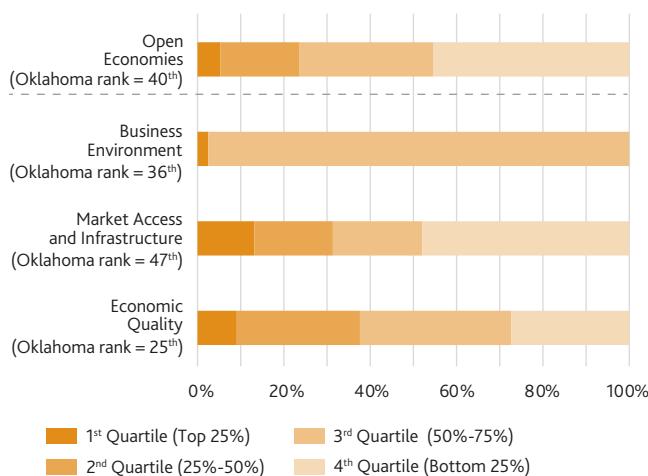
Performance of Oklahoma's counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



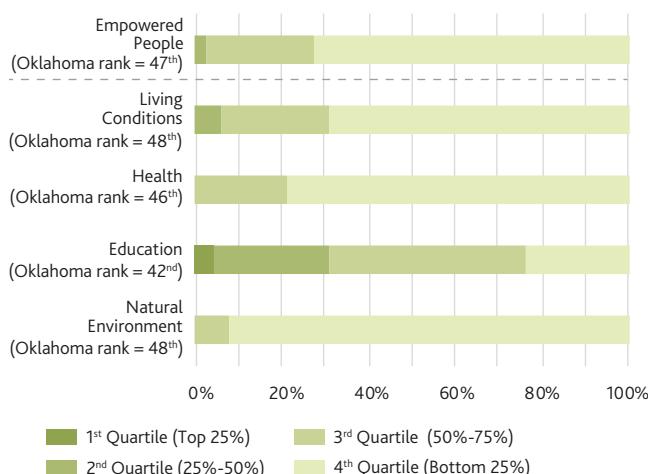
- Ranking 49th, Oklahoma performs weakly on Inclusive Societies, with no counties in the top quartile.
- In Safety and Security, counties perform slightly better on Violent Crime than on Property Crime. Urban counties in this state, such as Tulsa and Oklahoma counties, fall in the bottom quartile on all three elements.
- In Personal Freedom, all counties except Oklahoma County have improved over the past decade, which is also the only county to rank in the 4th quartile for Agency.
- More than 50% of counties are in the 4th quartile for Social Capital. However, performance is relatively strong in Civic and Social Participation, with over 50% of counties in the 1st quartile. Only eight counties, including Tulsa, saw an improvement in Social Capital since 2010.

Open Economies (Distribution of county performance)



- Although counties perform slightly stronger in this domain, it is still weak; only 5% are in the top quartile.
- Only Tulsa and Oklahoma counties rank in the top quartile for Business Environment. The state has seen a deterioration over the past decade, falling 10 places, with only Hughes and Haskell counties seeing an improvement.
- A decrease in electricity reliability led to a decline in Oklahoma's Market Access and Infrastructure since 2010. Performance is weakest in Communications, with only 9% of counties in the top quartile and 45% in the 4th quartile.
- Falling unemployment rates and greater productivity have led to Economic Quality (25th) improving. Forty percent of counties are in the 1st quartile for Dynamism, and 31% for Labor Force Engagement.

Empowered People (Distribution of county performance)

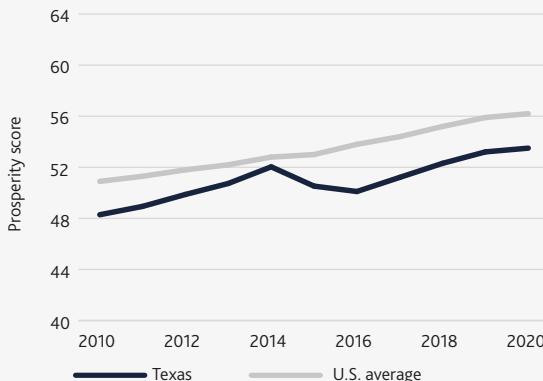


- Oklahoma performs weakly across the Empowered People domain, with nearly three-quarters of counties in the 4th quartile.
- Shelter is the strongest element in Living Conditions, with 38 counties ranking in the top quartile, due to the availability of affordable housing.
- Almost 80% of counties fall in the 4th quartile for the Health pillar, and all counties fall in the bottom quartile for Mental Health.
- Education is the only pillar for which any counties rank in the top quartile (4%), and there has been improvement over the last decade. However, performance on Secondary and Tertiary Education is particularly weak.
- Seven counties appear in the 1st quartile for Emissions, the most of any element in the Natural Environment pillar.

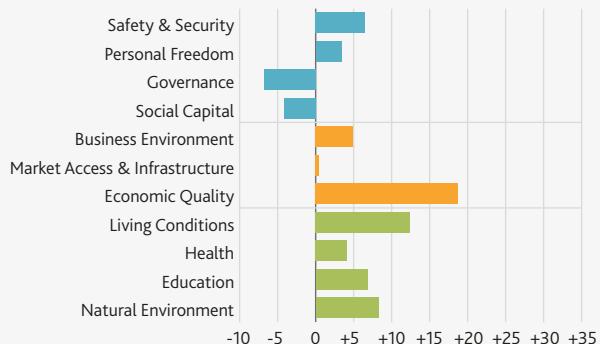


Texas (36th)

Texas prosperity

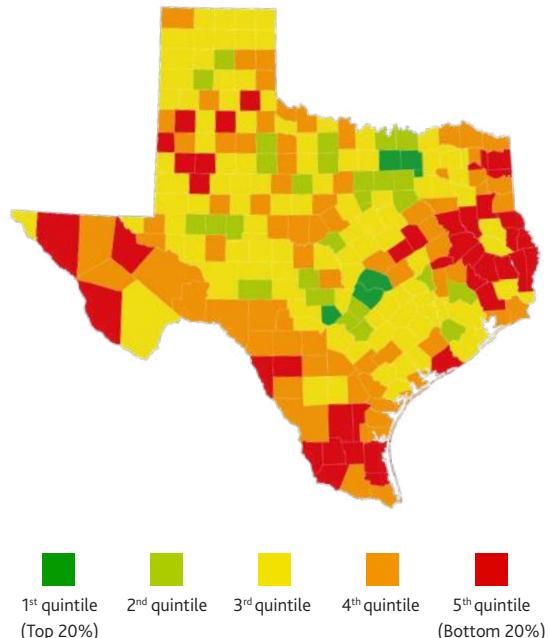


Texas score change 2010-20, by pillar

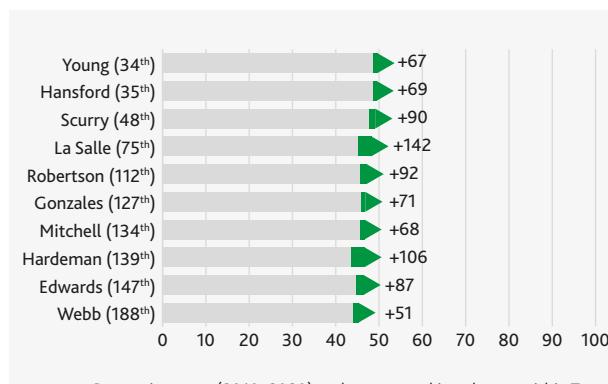


Prosperity of Texas' counties

Strongest		Weakest	
1	Collin	245	Limestone
2	Williamson	246	Presidio
3	Denton	247	Tyler
4	Travis	248	Starr
5	Kendall	249	Trinity
6	Rockwall	250	Polk
7	Midland	251	Cass
8	Montgomery	252	Zavala
9	Gillespie	253	Duval
10	Fort Bend	254	San Augustine



Most improved counties in Texas, 2010-2020

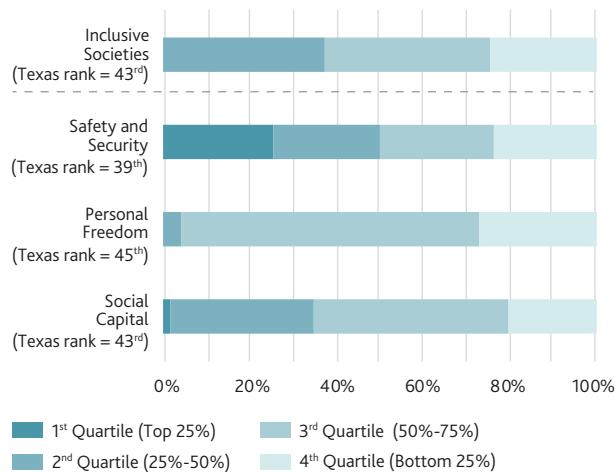


Least improved¹ counties within Texas, 2010-2020



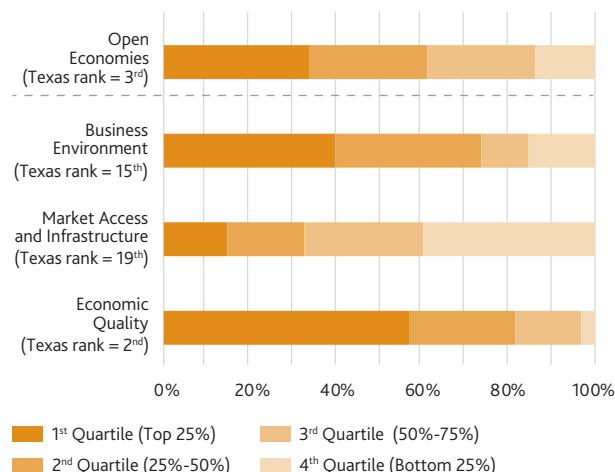
Performance of Texas' counties across the three Prosperity domains

Inclusive Societies (Distribution of county performance)



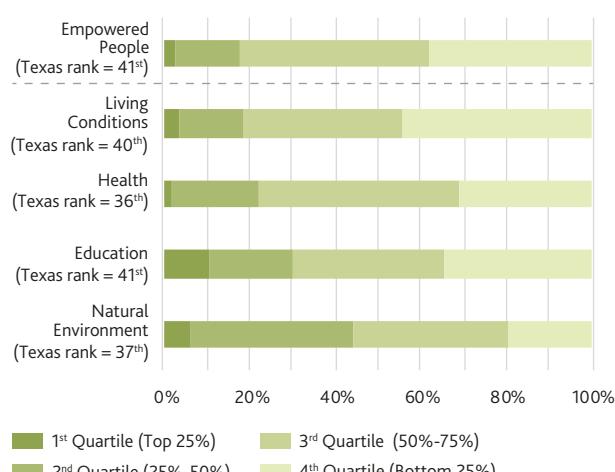
- Texas' institutional weaknesses are highlighted in its Inclusive Societies rank (43rd), with none of its counties appearing in the first quartile.
- Due to a reduction in property crime, Texas has seen an improvement in Safety and Security and county performance is better in this pillar, with a broadly even number of counties in each quartile.
- Texas ranks 45th for Personal Freedom. While it ranks 29th for Social Tolerance, less than 10% of counties are in the top quartile and over 50% are in the bottom quartile.
- Like most states, Texas saw a deterioration in its Social Capital over the past decade. Similar to the U.S. as a whole, trust in institutions, wider social networks and civic and social participation all declined but the strength of Personal and Family Relationships strengthened across the state.

Open Economies (Distribution of county performance)

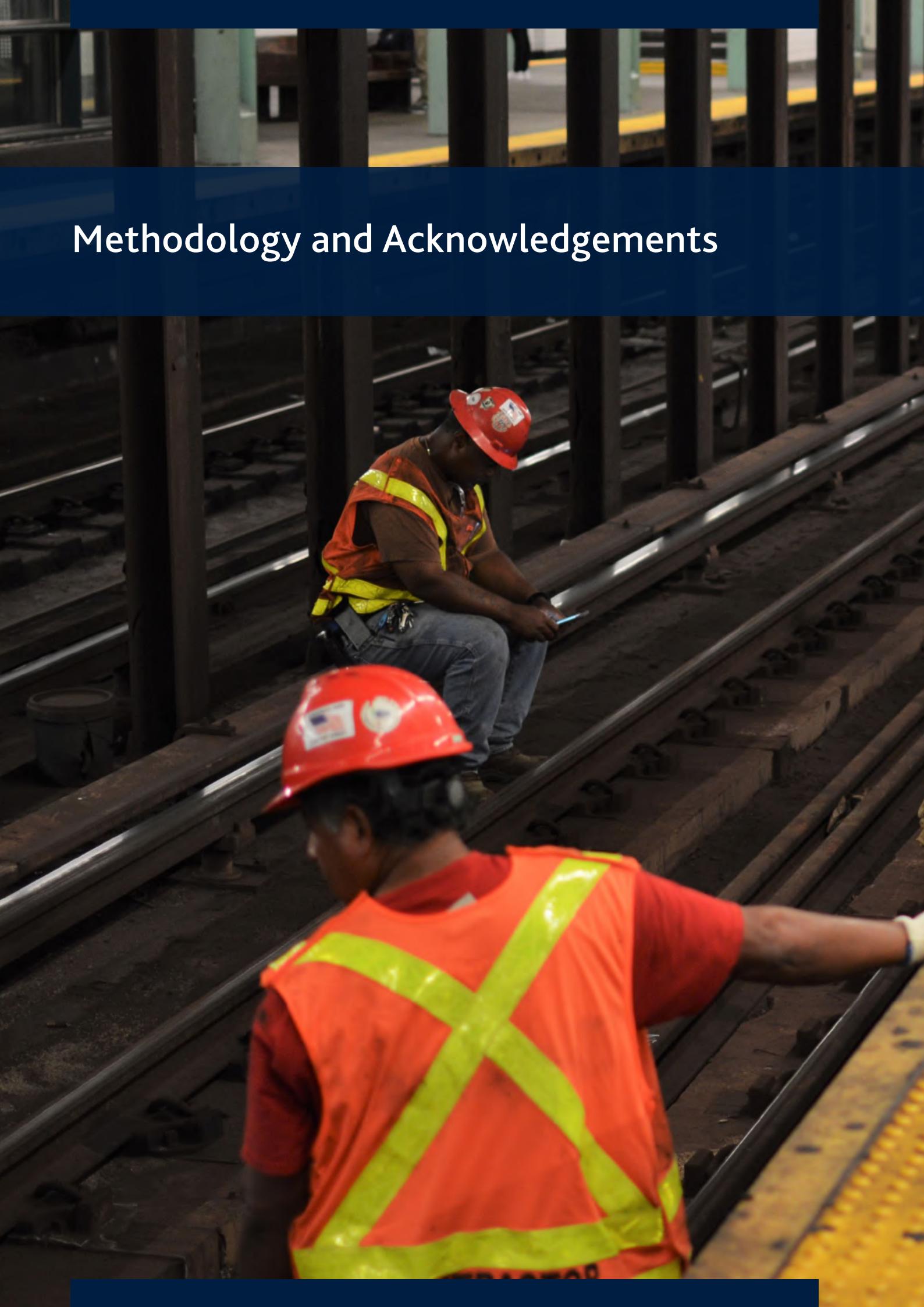


- Texas has the 2nd largest state economy and it performs very strongly on Open Economies, ranking 3rd.
- In Business Environment, counties perform strongest in Labor Market Flexibility. Few low-income occupations are licensed, and the availability of finance is increasing across the state.
- Texas ranks 19th on Market Access and Infrastructure, the weakest-performing pillar in this domain. The best performing element is Communications, with 20% of counties in the 1st quartile, including Brazos, Midland and Travis counties.
- Nearly 60% of Texan counties are in the 1st quartile for Economic Quality, contributing to the state's 2nd place ranking overall. Texas has helped drive the improvement seen in Economic Quality over the past decade, as result of increased exports and more business start-ups.

Empowered People (Distribution of county performance)



- Regarding social outcomes, Texas faces many challenges; the state ranks 41st for the Empowered People domain and fewer than 5% of counties are in the top quartile.
- Although Texas ranks 40th for Living Conditions, 65 counties are in the 1st quartile for Connectedness. For Nutrition, however, 52% are in the 4th quartile.
- Despite the state's ranking of 36th for Health, Mental Health and Behavioral Risk Factors buck the trend, with 46% and 41% of counties in the 1st quartile. Although this is not mirrored in Preventative Interventions and Care Systems, where a large majority of counties are in the 4th quartile.
- Education overall has improved over the past decade, but due to poorer test scores, Secondary Education has deteriorated. Despite this decline, over a quarter of counties are in the 1st quartile for Secondary Education, with 12% in the 4th quartile.
- On Natural Environment, performance is strongest on Freshwater, with 39% of counties in the top quartile.



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 (see page 23).

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.

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.

4

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.

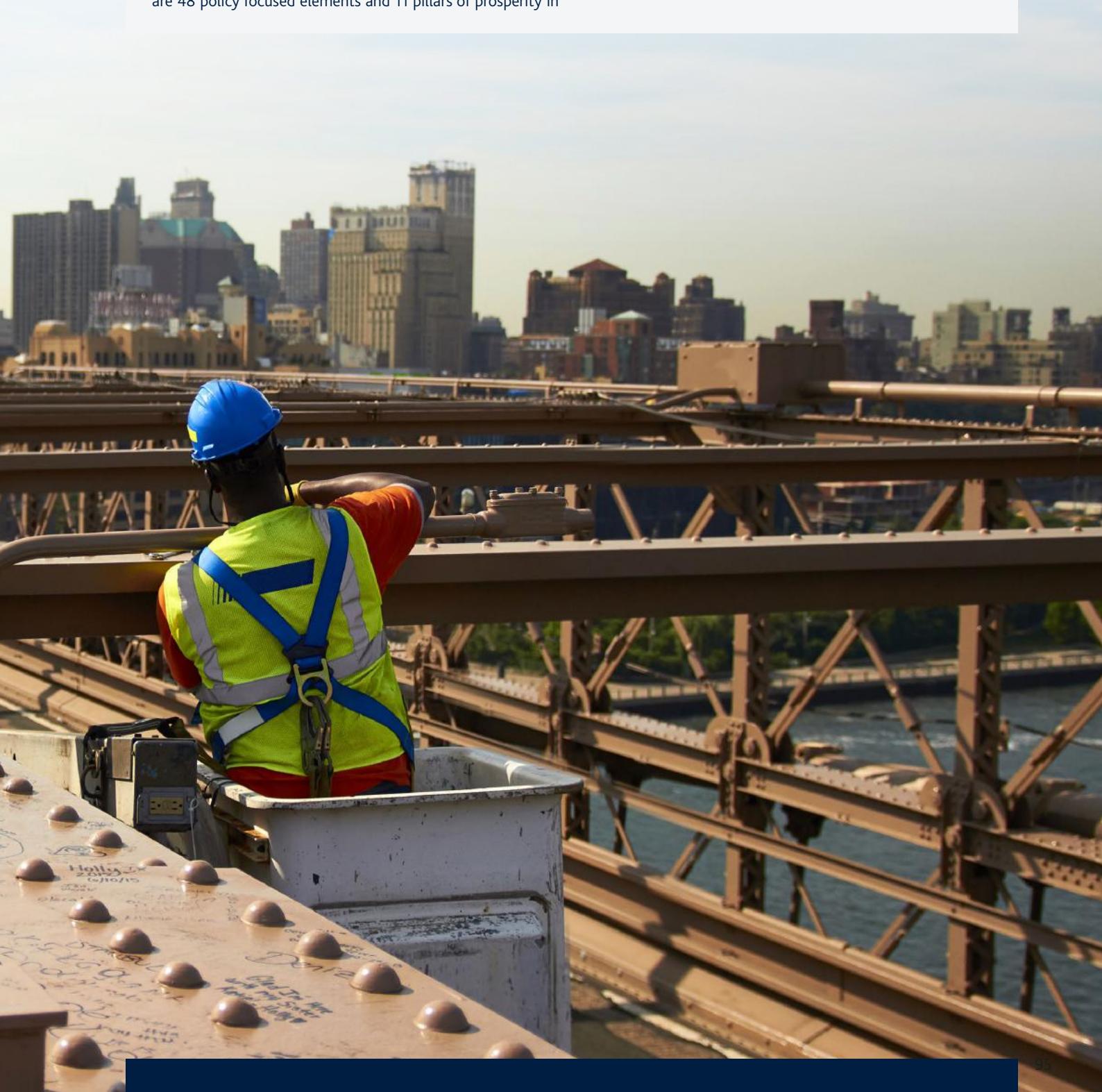


Table of sources

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
Cuil.	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

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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.

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.

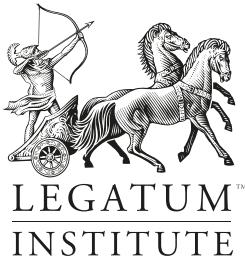
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PROSPERITY INDEX

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