what's your state's standing?

Sixth Annual Small Business Survival Index Ranks the States According to How Friendly Their Policies Are for Entrepreneurship
The Small Business Survival Committee, Washington, D.C., has released its sixth annual rankings of the states according to their respective policy climates for small business and entrepreneurship in the “Small Business Survival Index 2001,” and Nevada ranks the highest while the District of Columbia is at the bottom of the list.

The most entrepreneur-friendly states under the “Small Business Survival Index 2001” are Nevada, South Dakota, Washington, Wyoming, Florida. In contrast, the most anti-entrepreneur policy environments are offered by Kansas, Maine, Hawaii, Rhode Island and the District of Columbia (see the complete list above).

According to SBSC Chief Economist Raymond J. Keating, author of the study, “The Small Business Survival Index 2001” offers a gauge by which to measure and compare how government in the states treat small businesses and entrepreneurs. Since small business serves as the backbone of the U.S. economy—for example, by providing the bulk of new jobs and majority of innovations—every state and local lawmaker should be concerned with the well-being of small business.”

“In an increasingly mobile and competitive national economy, differences in
government-imposed costs of doing business can make a huge difference between whether a state grows economically or falls behind,” states SBSC President Darrell McKigney. “The purpose of the ‘Small Business Survival Index 2001’ is to let citizens and lawmakers know how they stack up with the rest of the country in terms of being friendly to small businesses and economic growth.”

The “Small Business Survival Index 2001” ties together 17 major government-imposed or government-related costs impacting small businesses and entrepreneurs across a broad spectrum of industries and types of businesses—personal income taxes, capital gains taxes, corporate income taxes, property tax-
The best policy includes a government protecting life, limb and property, among other things.

es, sales taxes, death taxes, unemployment taxes, health insurance taxes, electricity costs, workers’ compensation costs, crime rates, right to work status, number of bureaucrats, tax limitation status, Internet taxes, gas taxes and state minimum wages. These measures are combined into one index number—the Small Business Survival Index.

Keating notes: “The Small Business Survival Index manages to capture much of the governmental burdens impacting critical economic decisions—particularly affecting investment and entrepreneurship—state by state.”

Keating concludes: “The best policy environment for entrepreneurship consists of low taxes, limited government, restrained regulation and government protecting life, limb and property. States following such a governing philosophy will reap great rewards from America’s entrepreneurs, including faster economic growth and increased job creation.”

About the Author
SBSC is a national nonpartisan, nonprofit small business advocacy group headquartered in Washington, D.C.