

The Small Business Survival Index for 2003

The Small Business Survival Committee (SBSC) released its annual rankings of the states according to their respective policy climates for small business and entrepreneurship in the `Small Business Survival Index 2003.`

According to SBSC chief economist Raymond J. Keating, author of the study, `The `Small Business Survival Index 2003` compares how governments 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 being a font of innovation—every state and local lawmaker should be concerned with how their policies impact small business. SBSC president Darrell McKigney noted: `The purpose of the `Small Business Survival Index 2003` is to let business owners, citizens and lawmakers know how they stack up with the rest of the country in terms of how friendly government policies are toward small businesses and economic growth.`

The `Small Business Survival Index 2003` ties together 21 major government-imposed or government-related costs affecting small businesses and entrepreneurs across a broad spectrum of industries and types of businesses -- personal income taxes; capital gains taxes; corporate income taxes; individual alternative minimum taxes; corporate alternative minimum taxes; indexing of personal income tax rates; property taxes; sales, gross receipts and excise taxes; death taxes; unemployment taxes; health care costs; electricity costs; workers` compensation costs; crime rates; right-to-work status; number of bureaucrats; tax limitation status; Internet taxes; gas taxes; state minimum wages; and state legal liability costs. 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. Starting up, owning and operating a business is a risky venture. But those individuals willing to take such risks, by making investments of resources, time and energy, spur the economy forward. Indeed, entrepreneurship and investment serve as the economy`s lifeblood. Of course, most politicians claim to support small business, but their actions speak far louder than any political speeches ever could.`

In terms of their policy environments, the most entrepreneur-friendly states under the `Small Business Survival Index 2003` are: 1) South Dakota, 2) Nevada, 3) Wyoming, 4) New Hampshire, 5) Florida, 6) Texas, 7) Tennessee, 8) Washington, 9) Michigan, 10) Mississippi, 11) Alabama, 12) Colorado, 13) Illinois, 14) Virginia, and 15) Indiana. In contrast, the most anti-entrepreneur policy environments are offered by the following: 37) North Carolina, 38) Montana, 39) Ohio, 40) West Virginia, 41) Iowa, 42) Oregon, 43) New Mexico, 44) Vermont, 45) New York, 46) California, 47) Rhode Island, 48) Maine, 49) Minnesota, 50) Hawaii, and 51) District of Columbia.

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.`

Following are the complete state rankings for the `Small Business Survival Index 2003`:

Small Business Survival Index 2003: State Rankings

<u>Rank</u>	<u>State</u>	<u>SBSI Score</u>
1	South Dakota	22.990
2	Nevada	24.852
3	Wyoming	29.130
4	New Hampshire	30.646

5	Florida	31.662
6	Texas	31.690
7	Tennessee	33.044
8	Washington	33.210
9	Michigan	35.332
10	Mississippi	36.678
11	Alabama	36.755
12	Colorado	37.650
13	Illinois	38.537
14	Virginia	9.490
15	Indiana	39.613
16	South Carolina	39.828
17	Pennsylvania	40.129
18	Arizona	41.268
19	Missouri	41.576
20	Delaware	41.650
21	Louisiana	42.130
22	Alaska	42.180
23	Georgia	42.407
24	Maryland	42.575
25	Arkansas	43.002
26	Utah	44.265
27	Oklahoma	44.440
28	Kentucky	44.864
29	Idaho	44.920
30	Massachusetts	45.785
31	Wisconsin	46.445
32	Kansas	46.810
33	North Dakota	47.665
34	Nebraska	47.725
35	Connecticut	48.181
36	New Jersey	49.095
37	North Carolina	49.175
38	Montana	50.338
39	Ohio	50.610
40	West Virginia	51.414
41	Iowa	52.063
42	Oregon	52.090
43	New Mexico	52.150
44	Vermont	52.950
45	New York	53.422
46	California	54.364
47	Rhode Island	55.220
48	Maine	55.561
49	Minnesota	55.670
50	Hawaii	57.603
51	Dist. of Colum	61.005

For a copy of the `Small Business Survival Index 2003,` visit SBSC`s website at www.sbsc.org. SBSC is a national nonpartisan, nonprofit small business advocacy group headquartered in Washington, D.C.