



2009 Forbes.com “Best States for Business” Ranking September 2009

Forbes.com 2009 ranking: #2

- Washington state is a great place to do business. We are thrilled that Washington increased its position in the Forbes.com rankings.
- Our high ranking is a testament to Washington’s strong workforce training programs, our schools, the ingenuity of the state’s companies, our superior global ties, and our desirable quality of life.
- Washington state finished in the **top five** in four of the six categories (ranking first in growth prospects, second in labor, third in economic climate and fifth in regulatory environment).
 - 1st in Growth Prospects Rank – Reflects strong projected job and income growth, venture capital investments, business growth.
 - 2nd in Labor Rank – Reflects the quality of Washington schools and training programs, as well as the fact that Washington is a desirable place to live and work.
- The Forbes.com ranking showcases the collaborative work that state and local agencies do to promote economic development and grow jobs throughout Washington:
 - Innovation Partnership Zones
 - 11 IPZs promote collaboration between companies and research institutes to help commercialize cutting edge technology, encourage economic development, and offer opportunities to train the workforce of the future.
 - Community Economic Revitalization Board grants and loans
 - Since 1982, CERB has committed more than \$144 million to counties across the state, an investment generating over 35,000 jobs.
 - Team Washington Economic Development network
 - A collaboration of local, regional and state public and private organizations – led by Commerce – working together to keep and grow business and jobs in Washington.



Talking Points by Category:

Business Costs – 27

- Cost is a major consideration when a company chooses a location, but it's not just about cost, but value. Washington's track record of innovation, educated workforce, superior global trade network, and quality of life are positive attributes that continue to drive companies and talent to our state.
- Washington's energy costs are lower than the national average. The state's natural resources – including wind, solar energy, waves and tides – provide abundant sources for renewable energy production.
 - We have the highest hydroelectric power industry in the nation.
 - Washington is the fifth largest producer of wind power.
 - Washington is home to the Pacific Northwest National Laboratory, one of 10 Department of Energy national laboratories.
 - We and our Northwest partners are setting records for reducing electric power use through conservation and efficiency – the most effective and immediate way to bring down energy costs for businesses and homes – while investing in clean, renewable energy sources for the future.
- Washington's lack of income tax helped earn the state the rank of 9th best business tax climate by the Tax Foundation in Washington, D.C. (2010 State Business Tax Climate Index).
- Companies look not only to what location means to the bottom line today, but also to how a location contributes to future growth. This growth depends on attracting an educated workforce. That means being located where employees want to live, work and build a family. In Washington, we've been recognized for our desirable quality of life – from our parks, our schools, neighborhoods, clean air, urban life, scenic mountains, to our music and culture – that attracts new residents and helps us maintain a creative, talented and skilled workforce.



Labor – 2

- Washington attracts a talented, educated, skilled and creative workforce that is desirable and valuable to companies, and that cannot be simply measured by number of workers.
- In Washington, we value and encourage continued education and workforce training.
 - Washington ranks 10th among all states for adults (25 and older) with a bachelors degree or more. (U.S. Census Bureau)
 - 89.3 percent of Washington adults have at least 12 years of education, well above the national average (84.5 percent). (U.S. Census Bureau)
- Washington has many state sponsored workforce and education programs such as:
 - The Workforce Training and Education Coordinating Board – committed to the development of a highly skilled workforce that will sustain our economic vitality.
 - The Job Skills program – provides matching funds for job training through the community colleges.
 - WorkSource Centers – provide one-stop hiring and training assistance to businesses and job-seekers.
- Washington has more than 10,000 aerospace engineers, the highest concentration in the U.S.; and is ranked third in the U.S. for tech-sector job growth, with more software publishers than any other state in the nation.

Regulatory Environment – 5

- Washington works hard to reduce regulatory burden so businesses can focus on business development and growth (examples: one-stop licensing, small business help).
- Washington companies can take advantage of a variety of initiatives and industry-specific incentives, including:
 - Reduced Business & Occupation tax rate for aerospace businesses
 - Sales & Use Tax Deferral/Waiver for biotechnology & medical device manufacturing
 - Business & Occupation credit for high technology R&D spending
 - Sales & Use Tax Deferral/Waiver in the high technology sector
- Equidistant from Asia and Europe, Washington's trade infrastructure makes us a leading gateway to global markets. The fact that our state is the 4th largest exporter in the U.S speaks volumes to the quality of the state's infrastructure. The state's exports reached a record \$66.8 billion in 2008.
- With 75 public ports, 139 regional airports, 7,044 miles of highways and 3,666 miles of railways, Washington is well connected not only to the rest of the country, but to the rest of the world.



Economic Climate – 3

- A healthy economy is a diverse economy, and in Washington we're not reliant on any one company or industry – our reach is wide: from clean energy, global health, agriculture, aerospace, and high technology and much more.
- Washington is home to companies and products known around the world – from Microsoft, Boeing, Starbucks and Amazon, to apples and some of the best wines in the world.
- Since 1982, the Community Economic Revitalization Board (CERB) has committed more than \$144 million to counties across the state, an investment generating over 35,000 jobs.
- Washington's high-tech industry added jobs for the fourth year in a row, according to the annual Cyberstates report by TechAmerica. The state's high-tech industry added 11,300 jobs for a total of 174,100 in 2007, ranking third nationally in tech-sector growth. Washington has more software publishers than any state in the nation.
- In 2008, visitors spent a record \$15.7 billion in the state, generating \$1 billion in state and local taxes. Thousands of small businesses make up the industry. Travel spending supported 149,000 jobs in Washington in 2008.
- Washington businesses have produced game-changing products in a wide range of industries including agriculture, wireless technologies, software, aerospace, retail, biotechnology, medical technologies and global health.
 - Some of the largest, most successful technology companies chose to establish R&D centers in Washington – including Intel, HP, Oracle, Adobe and Google.
 - Washington is home to cutting edge research laboratories, such as PNNL, and two world class research universities, UW and WSU.
 - The Kauffman Foundation and Information Technology & Innovation Foundation named Washington 2nd in its 2008 State New Economy Index recognizing Washington for an entrepreneurial and knowledge- and innovation-based New Economy.



Growth Prospects – 1

- The total number of registered businesses in Washington has more than doubled over the past 15 years.
- Washington is lucky to be home to a robust venture capital and start-up community.
- The current economy can make it difficult for companies to secure financing, but because of our venture capital community, Washington is better positioned to fund new ideas than many other states.
 - A recent Dow Jones VentureSource study reported that \$272 million was invested in Washington state last quarter. (July 2009)
 - The number of venture deals last quarter ranks Washington as the third most active state for venture capital activity. (July 2009)

Quality of Life – 24

- Washington state has been recognized for its desirable quality of life – from our parks, schools, and neighborhoods to our clean air, urban life, music and culture.
- Our state’s unique culture includes a focus on wellness and healthy lifestyles, sound environmental thinking, philanthropy and dedication to a high quality of life.
 - Washington was named the 10th healthiest in the country by [America’s Health Rankings Report](#).
 - Washington was named 11th for volunteering in the U.S., with Seattle ranking 4th among large cities, in a study from the [Corporation for National and Community Service](#).
- Washington is known for being one of the best places to live and raise a family.
 - Five Washington communities were named to [Money Magazine’s Best Places to Live](#) rankings of small towns. Mukilteo, Sammamish, Richland, Newcastle and Silverdale earned spots on the list based on the strength of their local economies, quality of life, cost of living, schools and job opportunities.
- Washington has two research universities, a large number of public and private four-year institutions, a variety of workforce programs, and 34 community and technical colleges.



Background Info:

- Forbes ranks the best states for business based on six main categories, using 33 data points to compile the rankings:
 - Business costs (weighted the most)
 - Labor supply
 - Regulatory environment
 - Current economic climate
 - Growth prospects
 - Quality of life

Washington's Rank Overall: 2009 – 2 nd 2008 – 3 rd 2007 – 5 th 2006 – 12 th	2009 Rankings: Business costs - 27 Labor - 2 Regulatory environment - 5 Economic climate - 3 Growth prospects - 1 Quality of life – 24	2008 Rankings: Business costs - 28 Labor - 2 Regulatory environment - 6 Economic climate - 7 Growth prospects - 2 Quality of life – 25
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