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## **Data tells the story: California is a good place to do business**

*New report & web tool detail business climate indicators, reveal strong business & job growth*

SAN FRANCISCO — California is an attractive state for creating and sustaining successful businesses, according to a new report that relies on the U.S. Census Bureau's Business Dynamic Statistics to calculate exactly where California ranks, compared to other states, across a comprehensive range of economic indicators.

[California New Business Creation](#), commissioned by the nonprofit, nonpartisan organization Next 10 and prepared by Beacon Economics, finds the state near the top of many key state-by-state rankings for both new-business expansion and small-business growth. The report finds California is creating jobs faster than the national average. And while plenty of those new jobs are with existing businesses, many are with new firms.

"This report analyzes the most relevant available data, and provides a more comprehensive look at California's business climate than is typically presented," said F. Noel Perry, businessman and founder of Next 10. "Often the characterization of California as not friendly to business is based on the state's high tax rates alone. A broader examination of business and labor indicators places California above average."

The report finds that in 2013, California ranked:

- 4th in job creation stemming from new business creation, with a growth rate of 5.5 percent
- 5th in creation of new businesses
- 10th in highest entry rate of small businesses of one to four employees, with small firms representing 19.1 percent of new enterprises
- 4th in total net job creation

"California consistently outpaces the country in business creation, including small-business startups. It also excels in job creation, both in terms of net new jobs and jobs at new firms," said Christopher Thornberg, co-author of the report and founding partner of Beacon Economics. "While the state continues to face some of the same significant economic challenges facing the nation as a whole, overall it offers a solidly pro-business environment."

Next 10's [Compare 50](#) website also launched today. The first-of-its-kind website provides one-stop-shop access to over one hundred big-data metrics for all fifty states. Created by

Next 10 with data compiled by Beacon Economics, it shows strong growth for new and existing businesses alike.

Compare 50 is designed to help journalists, researchers, and citizens discover emerging socio-economic, demographic and business trends. It features the most up-to-date data from authoritative sources including the U.S. Census Bureau, the Bureau of Labor Statistics, the National Center for Education Statistics, PriceWaterHouseCoopers, the Federal Communications Commission and the U.S. Patent and Trademark Office.

In addition to offering access to graphing tools and major data sets on employment, population, and the economy, Compare 50 also tracks state information on greenhouse gas emissions, extreme weather events, renewable energy consumption, broadband Internet usage, and more.

Compare 50 also features a “Create Your Own Business Climate Index” tool, which allows users to generate a comparative state-by-state business index by selecting from 145 economic and demographic indicators.

The unprecedented access to big data allowed by Compare 50 reveals additional positive findings regarding California. For example:

- California is still attracting new residents. From 2007 to 2014, the state was a net domestic migration importer of nearly 49,000 people with bachelor’s degrees or higher.
- In 2014, venture capital investment totaled \$28.9 billion in California, outpacing its nearest competing state by over \$24 billion.
- Per capita, California, Massachusetts, and Washington are waging a three-way race as the most ingenious state in the country. Since 2007, the three states have traded places for the lead in the number of new patents granted each year.
- California has seen a net positive domestic migration of individuals who earn over \$50,000 annually. Most residents leaving California, on the other hand, earn less than \$50,000.

Visit Next 10 to download a copy of *California New Business Creation*. To learn more about how California and all other states rank across macro and micro data sets, visit Next 10’s Compare 50 website at [compare50.org](http://compare50.org).

### **About Next 10**

Next 10 ([next10.org](http://next10.org)) is an independent, nonpartisan organization that educates, engages and empowers Californians to improve the state’s future. With a focus on the intersection among the economy, the environment, and quality of life, Next 10 employs research from leading experts on complex state issues and creates a portfolio of nonpartisan educational materials to foster a deeper understanding of the critical issues affecting our state.

### **About Beacon Economics**

Beacon Economics is one of California’s leading economic research and consulting firms, specializing in economic and revenue forecasting, economic impact analysis, economic policy analysis, regional economic analysis, real estate market and industry analysis, and EB-5 Visa analysis. Known for delivering independent and rigorous analysis, Beacon Economics works to

*give clients an understanding of economic trends, data, and policies that help strengthen strategic decision-making. Clients range from the State of California to Fortune 500 companies to major cities and universities. Learn more at [www.BeaconEcon.com](http://www.BeaconEcon.com).*