

André Dua,
Susan Lund,
Navjot Singh,
and Tim Ward

Measuring the state of US states

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New research compares economic and social conditions in US states — and highlights opportunities for government leaders to help make improvements.

Faced with tight budgets and rising expectations from citizens, US state governments are constantly challenged to find ways of improving economic and social conditions for residents. To help leaders uncover solutions, we have developed an index for evaluating state outcomes that draws on three sources: a database containing more than 50 years’ worth of state spending records, a broad survey asking citizens how satisfied they are with state governments’ services, and measurements of economic and social well-being in seven categories (Exhibit 1).

The measurements of states’ economic and social situations, which can help state-government leaders to identify factors that are associated with better outcomes, have now been made available online by *U.S. News & World Report*. These show that states in certain GDP

Exhibit 1

Our analysis of states’ economic and social conditions is based on 68 metrics covering seven categories.

| Category | Subcategory | # Metrics | Category | Subcategory | # Metrics |
|----------------|----------------------|-----------|---------------------------|-------------------|-----------|
| Education | Higher education | 5 | Government administration | Transparency | 1 |
| | Preschool–grade 12 | 6 | | Digitization | 1 |
| Infrastructure | Transportation | 5 | | Corruption | 1 |
| | Energy | 3 | | Financial health | 3 |
| | Broadband | 2 | Crime and corrections | Crime | 2 |
| Healthcare | Access | 6 | | Corrections | 6 |
| | Quality | 3 | Opportunity | Poverty | 4 |
| | Population health | 6 | | Affordability | 2 |
| Economy | Jobs | 3 | | Equal opportunity | 5 |
| | Growth | 3 | | | |
| | Business environment | 2 | | | |

brackets and regions generally outperform others—but that neither prosperity nor geography guarantees uniformly excellent results.

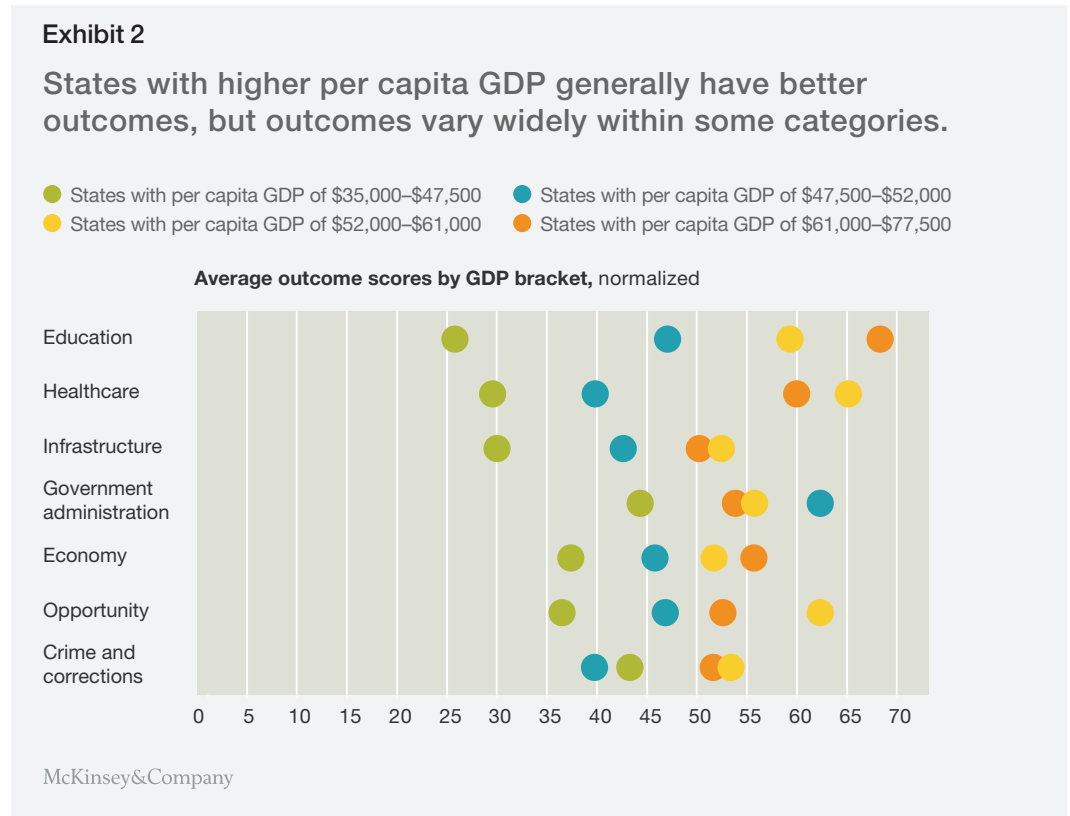
We will publish more of our findings as we continue analyzing the index over the coming months. Meanwhile, here are two views of states’ outcomes that we shared at a meeting of the National Governors Association in February 2017.

Prosperity does not ensure top performance—but it helps

Do prosperous states have better economic and social outcomes than poorer ones? To answer that question, we grouped states into four brackets, by GDP per capita, and compared their performance in seven categories (Exhibit 2).

Some of what we learned might sound predictable. The two groups of states with higher per capita GDP outperform the two groups of states with lower per capita GDP. In addition, the lowest per capita GDP bracket has the worst score in six of seven categories, and was close to the bottom in the seventh.

A few findings did surprise us, though. One was that the uppermost GDP bracket does not have leading outcomes in every category, or even a majority of categories. In fact, the second-



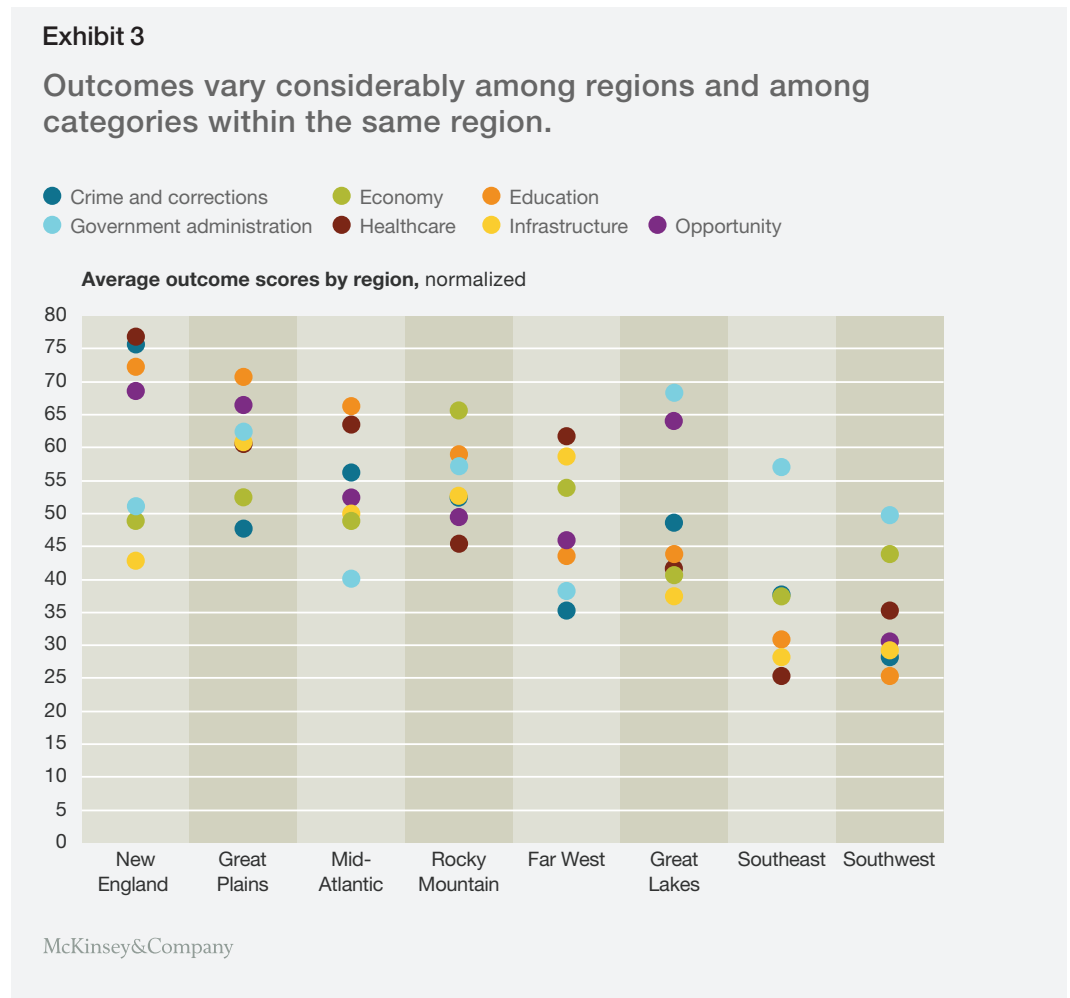
highest bracket for per capita GDP had the top performance score in four of seven categories: crime and corrections, healthcare, infrastructure, and opportunity.

Second, the differences in outcomes between the top and bottom brackets vary greatly among categories. In education and healthcare, the top bracket scores more than twice as high as the bottom bracket. But in the economy, opportunity, and infrastructure categories, there is a considerably narrower gap between the brackets with the best and worst scores.

Although some regions outperform others, all can improve

Grouping states by geographic region rather than by GDP per capita, and then comparing their performance in the seven key categories, reveals opportunities for every region to improve (Exhibit 3).

The best results are concentrated in the New England and Great Plains regions: their scores exceed those of low-outcome regions in every category except government administration.



New England and the Great Plains deliver particularly strong performance in education, healthcare, and opportunity.

Interestingly, outcomes in government administration do not appear to be closely linked with overall scores. The three regions with the weakest overall results have better collective government-administration scores than the three regions that are strongest overall.

Individual regions also exhibit similar disparities between their highest-scoring category and their lowest-scoring category, regardless of their overall outcomes. Every region, then, has room to improve results in its weakest categories. [□](#)

For more on this topic, visit the [Best States platform at USNews.com](#).

[André Dua](#) is a senior partner in McKinsey's New York office, [Susan Lund](#) is a partner in the Washington, DC, office, [Navjot Singh](#) is a senior partner in the Boston office, and [Tim Ward](#) is a senior partner in the Southern California office.

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