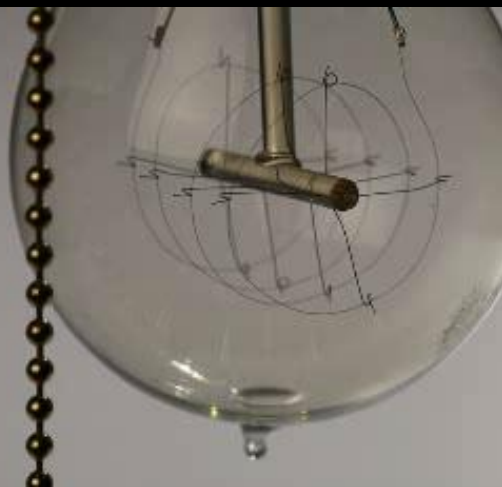




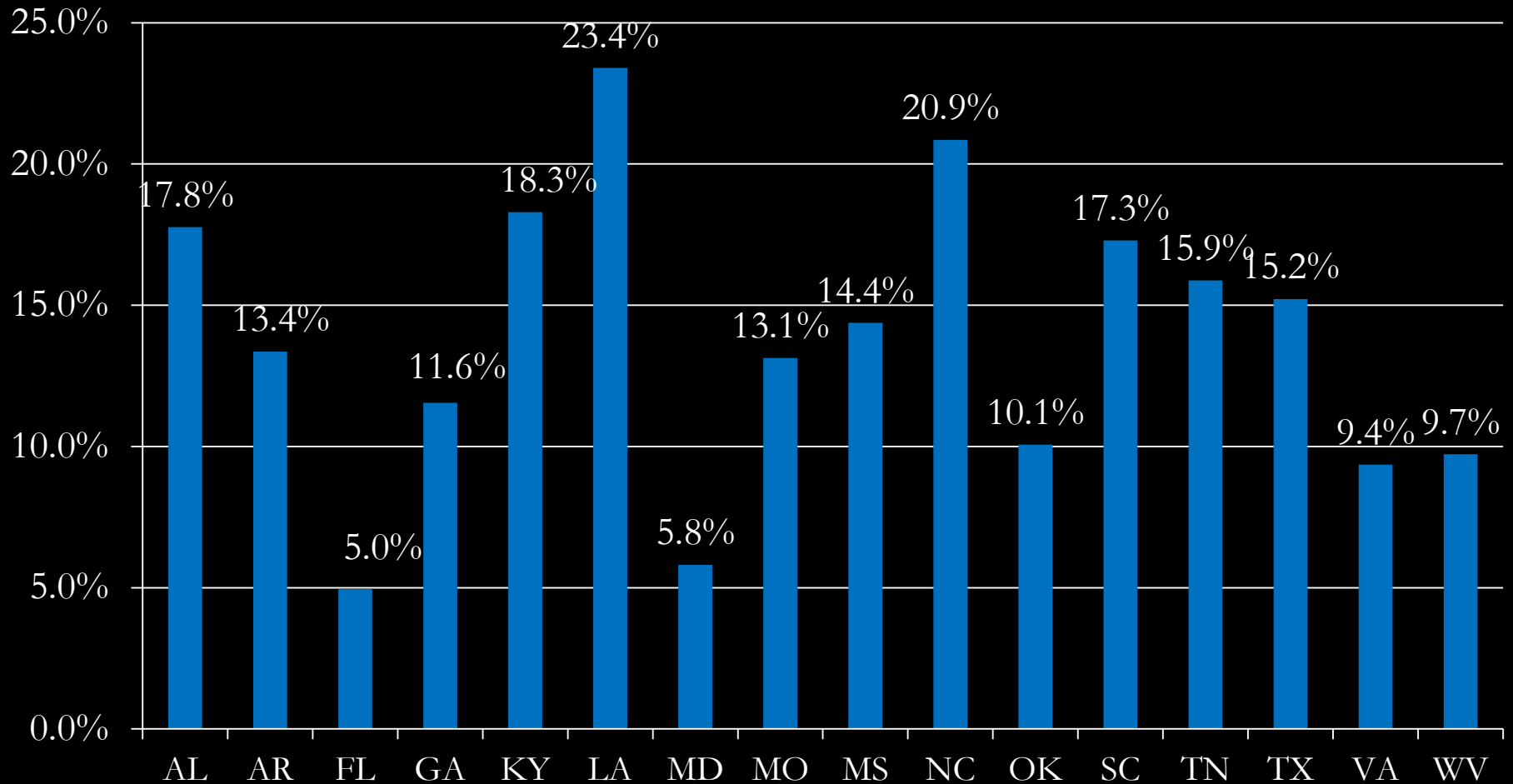
# Virginia's Economic Future: **Bright** Ideas for Manufacturing Competitiveness

*June 22, 2015 @ George Mason University*



# Southern States

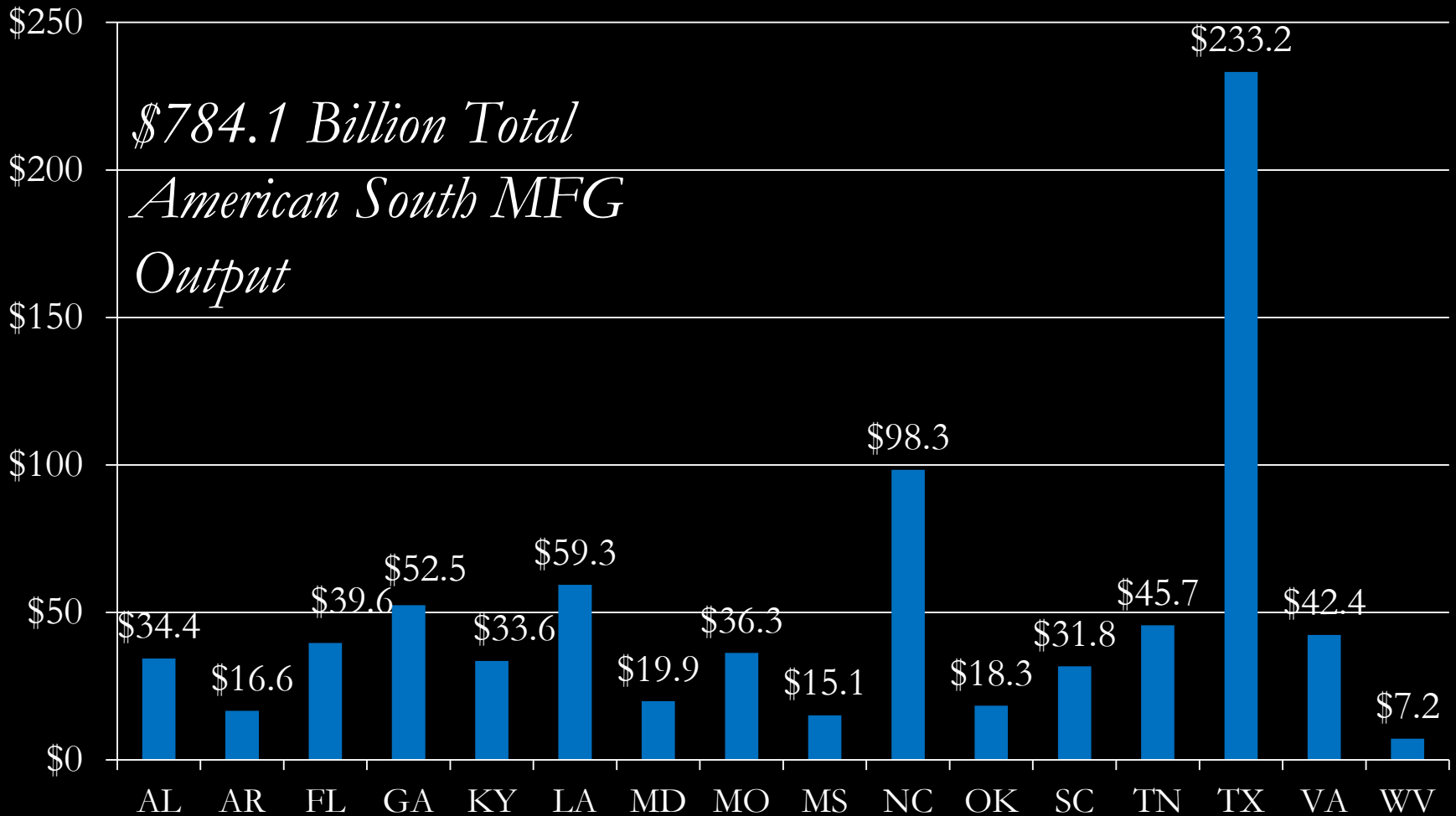
## MFG Share of Total GSP (2013)



Source: NAM, 2014 State Manufacturing Data Table

# Southern States

## MFG Output in \$billions (2013)



# Deloitte-Global Manufacturing Index

1. China
2. Germany
3. USA
4. India
5. South Korea
6. Taiwan
7. Canada
8. Brazil
9. Singapore
10. Japan

1. Talent-driven innovation
2. Economic, trade, financial, and tax system
3. Cost & availability of labor and materials
4. Supplier networks
5. Legal & regulatory system
6. Physical infrastructure
7. Energy cost & policies
8. Local markets
9. Healthcare system
10. Government investments in manufacturing & innovation

# Site Selection Top 10 Competitive States of 2014

- 1) North Carolina
- 2) Louisiana
- 3) Texas
- 4) South Carolina
- 5) Tennessee
- 6) Kentucky
- 7) Michigan
- 8) Indiana
- 9) Ohio
- 10) Georgia



# Chief Executive Best States for Business

1. Texas
2. Florida
3. North Carolina
4. Tennessee
5. Georgia
6. Indiana
7. Louisiana
8. Nevada
9. Arizona
10. South Carolina

The screenshot shows the Chief Executive magazine website. At the top, it says "Chief Executive" and "Sponsored by Cisco Collaborative Knowledge". Below the navigation bar, there are featured events and a main article. The main article is titled "Best & Worst States for Business" and discusses the results of the 11th annual survey. It mentions that Texas and Florida are the top two states, followed by North Carolina and Tennessee. The article also highlights that CEOs favor states with progressive business development programs, low taxes, and a quality living environment. On the right side of the page, there are two smaller articles: "ILLINOIS: DIVIDED ON REFORM" and "TEXAS: BEYOND BLACK GOLD".

Chief Executive  
Sponsored by Cisco Collaborative Knowledge  
Read Whitepaper

HOME CEO INSIGHTS LISTS & RANKINGS NEWSLETTERS EVENTS & WEBINARS RESEARCH PEER NETWORKS

FEATURED EVENTS  
CEO Talent Summit  
Sept. 30-Oct. 1, 2015,  
Dallas, TX  
CEN Leadership  
Conference  
Nov. 5-6, 2015,  
Hilton Head, SC

SUBSCRIBE TO  
CHIEF EXECUTIVE

For over 30 years, Chief Executive magazine has provided ideas, strategies and tactics for top

Texas and Florida hold their ground in the top two positions, while North Carolina moves up one spot to edge out Tennessee. Georgia rounds out the top 5.

Posted by: Jared Coffin | June 1, 2015

CHIEF EXECUTIVE 2015  
Best & Worst  
STATES FOR BUSINESS

The results of our 11th annual survey clearly show that CEOs favor states that foster growth through progressive business development programs, low taxes and a quality living environment. See how your state fared below.

ILLINOIS:  
DIVIDED ON  
REFORM

TEXAS:  
BEYOND BLACK  
GOLD

# CNBC Top States for Business 2014

1. Georgia
2. Texas
3. Utah
4. Nebraska
5. North Carolina
6. Minnesota
7. Washington
8. Colorado
9. Virginia
10. North Dakota



**CNBC** America's Top States for Business 2014

America's Top States For Business 2014

450 COMMENTS Join the Discussion

We score all 50 states on 56 measures of competitiveness, developed using input from business groups, economic development experts, companies and the states themselves. States receive points based on their rankings in each metric. We then separate those metrics into 10 broad categories, weighting the categories based on how frequently they are cited in state economic development marketing materials. That way, our study ranks the states based on the criteria they use to sell themselves. (Check out our methodology in scoring the states.)

VIEW RANKINGS: [Data Table](#) | [Chart](#) | [Maps](#)

Overall	State	Cost of Doing Business	Economy	Infrastructure	Workforce	Quality of Life	Technology & Innovation	Business Friendliness	Education	Cost of Living	Access to Capital
1	Georgia	20	3	1	1	32	16	14	32	22	11
2	Texas	23	1	1	11	37	2	20	27	18	5
3	Utah	16	6	28	12	15	18	4	46	20	1
4	Nebraska	10	11	18	16	8	40	3	19	21	35
5	North Carolina	23	4	21	4	34	12	19	33	14	17
6	Minnesota	38	5	5	30	4	11	15	12	28	11
7	Washington	34	2	17	24	6	4	23	25	38	9

# Area Development Top States for Doing Business 2014

1. Georgia
2. Texas
3. South Carolina
4. Alabama
5. Tennessee
6. Louisiana
7. Indiana
8. North Carolina
9. Ohio
10. Mississippi

The screenshot shows the homepage of the Area Development website. At the top, there are two navigation boxes with the text "LOCATING? EXPANDING? WE'VE GOT THE TOOL FOR THAT." and a link to "visit the new mississippi.org". The main header features the "AREA DEVELOPMENT" logo and a search bar. Below the header, a navigation menu includes "SITE SELECTION", "FACILITY PLANNING", "WORKFORCE DEVELOPMENT", "BUSINESS+PLACE", and "AD EDITORIAL BOARD". A prominent banner reads "SEE WHY GLOBAL AEROSPACE LEADERS CALL MISSISSIPPI HOME." with a play button icon. The main content area is titled "Top States for Doing Business 2014: Site Selection Consultants Survey Results". To the left of this article is a sidebar with a "Subscribe" button and links to "Current Issue", "Past Issues", "State Resources", and "Site Selection". To the right is a "NEWS ITEMS" section with several articles, including "ARaymond Expands Its Rayconnect Manufacturing Center in Rochester Hills, Michigan" and "FirstEnergy Corp. Opens Machine Shop-Mobile Maintenance Headquarters in Canonsburg, Pennsylvania".

# Forbes- Best States for Business 2014

1. Utah
2. North Dakota
3. North Carolina
4. Virginia
5. Colorado
6. Texas
7. Nebraska
8. Washington
9. Minnesota
10. Oklahoma

Forbes

New Posts  
-2 posts this hour

Most Popular  
Is Quilmos Toast?

Lists  
Golf's Highest-Paid Caddies

Video  
Inside The Issue

Search companies, p...

10 Stocks to Buy Now

WE DIDN'T INVENT COLLABORATION...  
Just the tools to give you a collaborative advantage. LEARN MORE PGI

2.4k  
Share

279  
Tweet

252  
Share

5  
reddit

23  
8+1

0  
Submit

Best States for Business | Forbes 400 Richest Americans | World's Most Powerful People | The World's Billionaires | World's Most Powerful Women | +more

## The Best States For Business And Careers

Best States for Business | Behind The Numbers

SEARCH

Search by place  
Search

BROWSE THE LIST

Values Calculated November 2014

Rank	State	Business Costs Rank	Labor Supply Rank	Regulatory Environment Rank	Economic Climate Rank	Growth Prospects Rank	Quality of Life Rank	Population
1	Utah	5	4	9	6	10	16	2,923,000
2	North Dakota	9	9	18	4	2	24	733,200

See Also

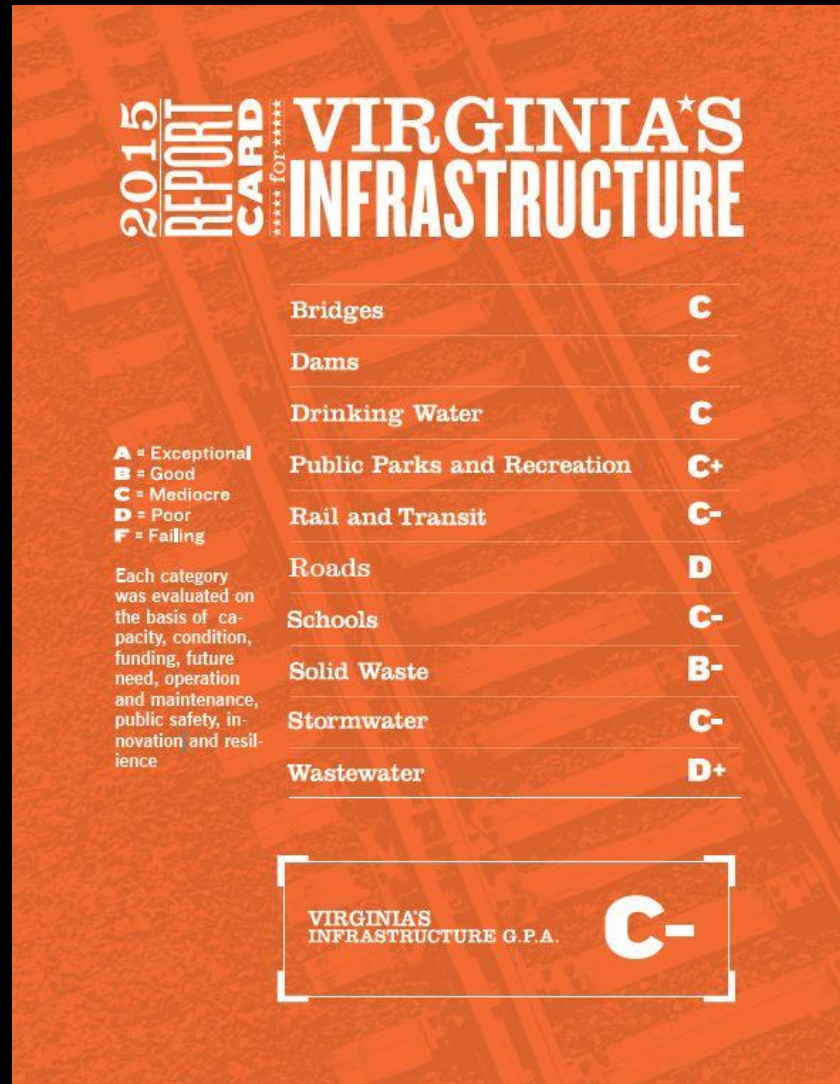
- Business Ideas for 2015
- Awesome Business Ideas
- Start a Small Business
- Profitable Business Ideas

# 2015 Manufacturing & Logistics Report Card

2015 State Report Card									
State	Manufacturing Industry	Logistics Industry	Human Capital	Worker Benefit Costs	Tax Climate	Expected Fiscal Liability Gap	Global Reach	Sector Diversification	Productivity & Innovation
Alabama	B >	C =	F =	B- >	C <	B >	B =	B =	C >
Kentucky	B+ >	B <	D =	D =	C >	F =	A =	C <	C >
Mississippi	B- >	C- =	F =	C =	B =	D- =	D <	A =	D- >
North Carolina	B- =	C <	C =	B >	C+ >	A =	B =	B =	B =
South Carolina	A =	D+ <	D >	D <	C- <	C =	A =	B =	C- =
Tennessee	B =	B- <	D =	C <	C- <	B- >	B <	B =	C >
Texas	C =	A =	C- >	A >	C =	A >	B =	C =	A =
Virginia	D =	C =	C =	C- >	C+ =	C =	D <	A =	B =

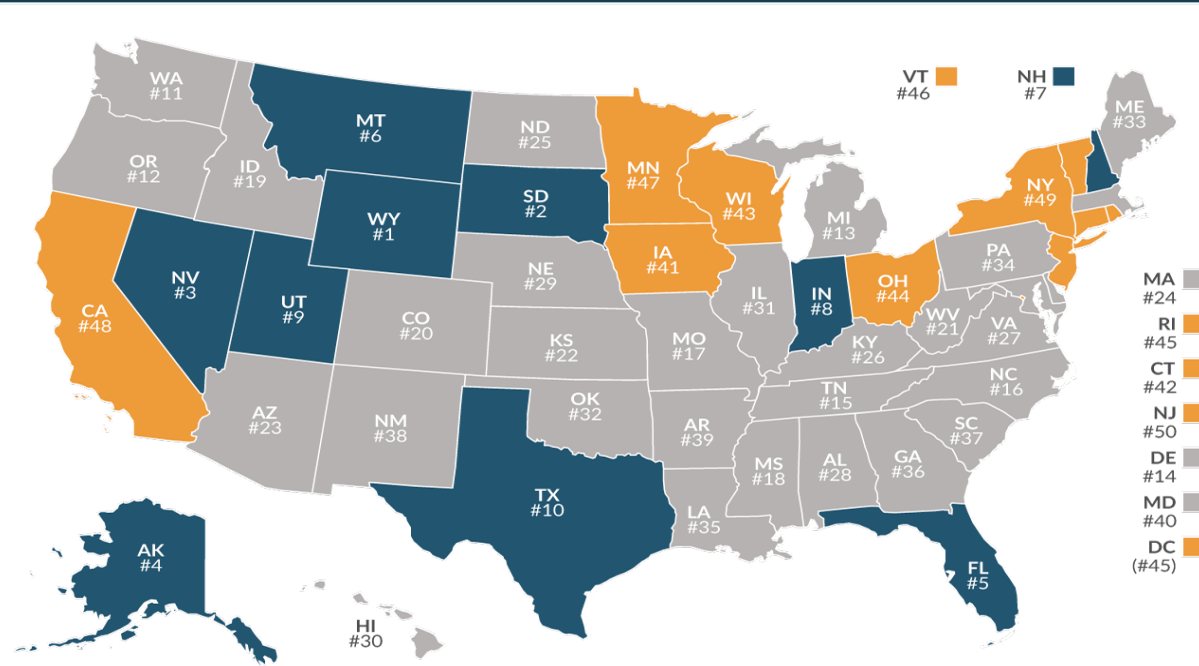
Source: Conexus Indiana/Ball State University, 2015  
Manufacturing & Logistics Report Card

# ASCE Infrastructure Scorecard



# Business Tax Climate Index

2015 State Business Tax Climate Index  
Which states have the most competitive business tax systems?



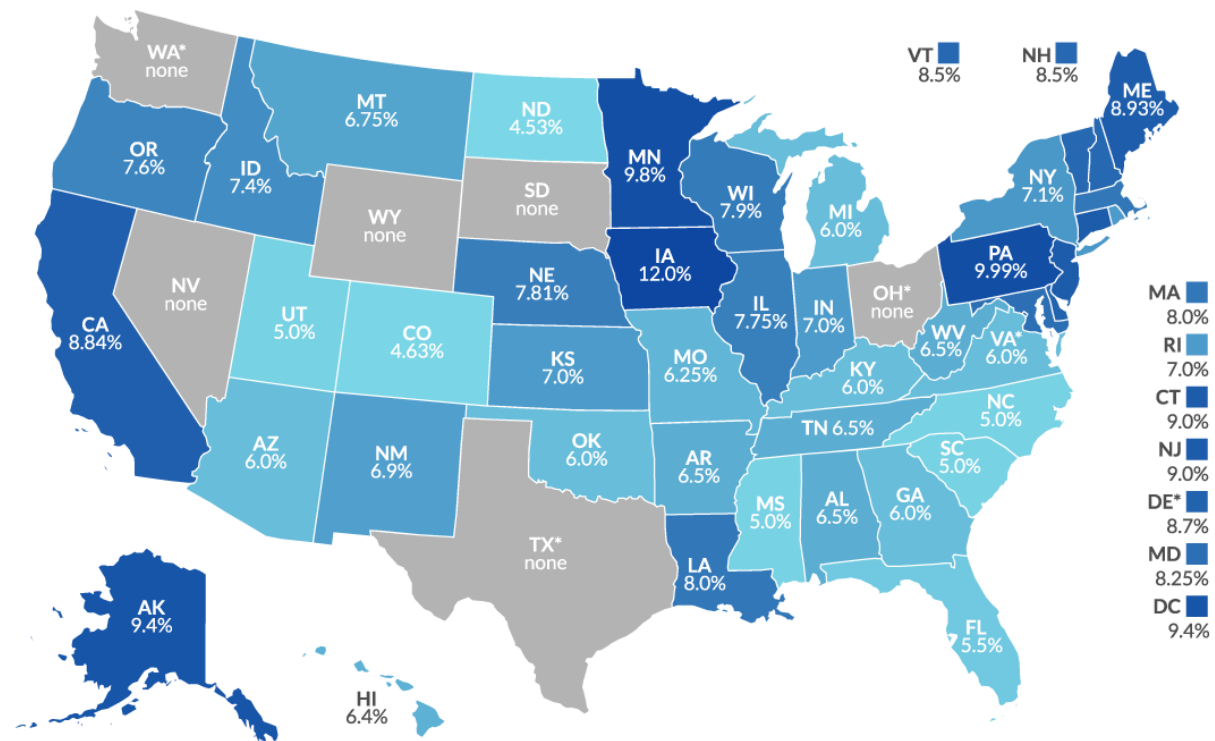
Note: Published October 28, 2014.  
Source: State Business Tax Climate Index.

■ 10 Best Business Tax Climates  
■ 10 Worst Business Tax Climates

# Business Tax Climate Index

## How High Are Corporate Income Tax Rates in Your State?

Top State Marginal Corporate Income Tax Rates in 2015 (as of Apr. 15, 2015)

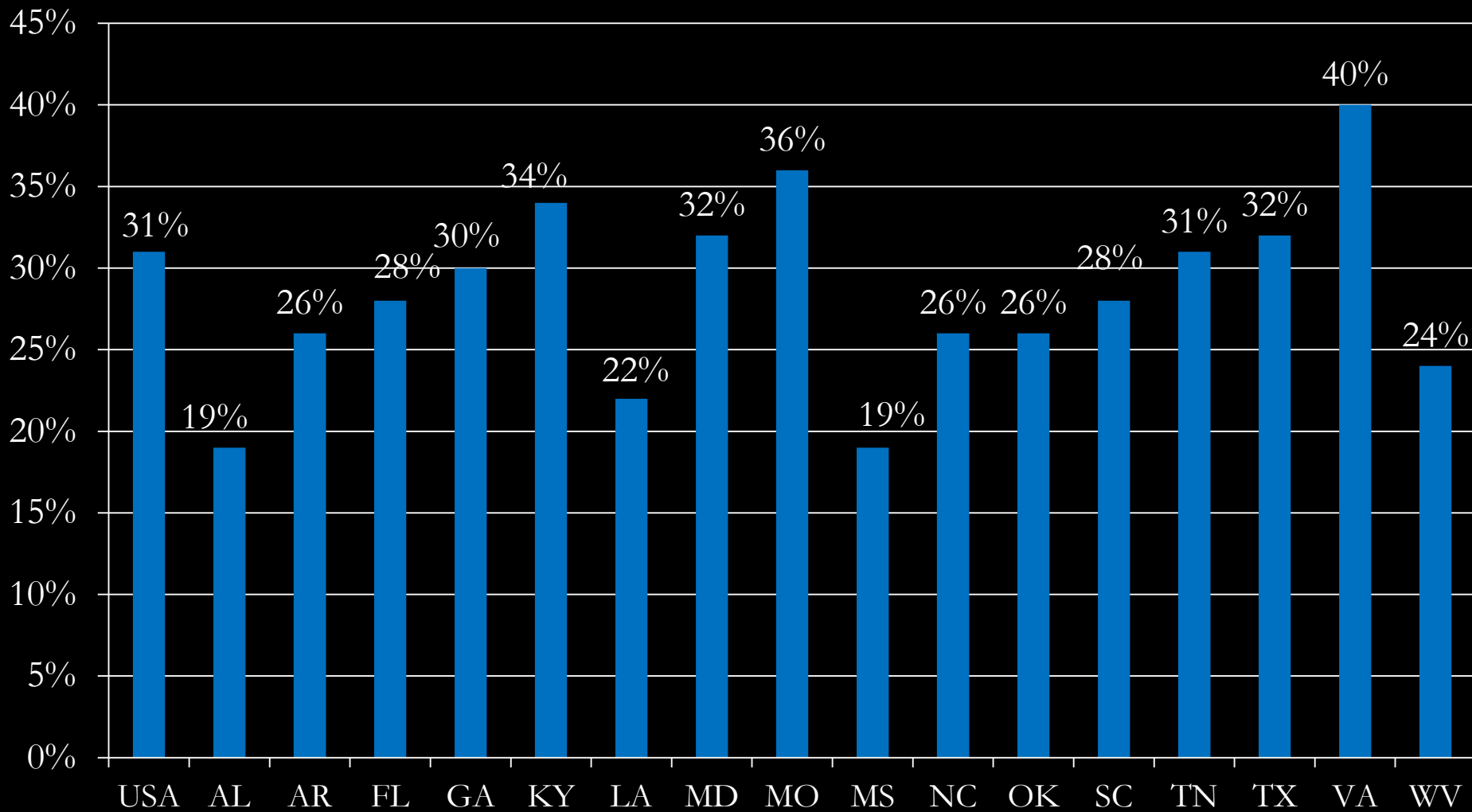


(\*) State has gross receipts taxes with rates not strictly comparable to corporate income tax rates.  
 Notes: Connecticut's rate includes a 20% surtax. Illinois' rate includes two separate corporate income taxes.  
 Sources: State tax statutes, forms, and instructions; Commerce Clearinghouse.



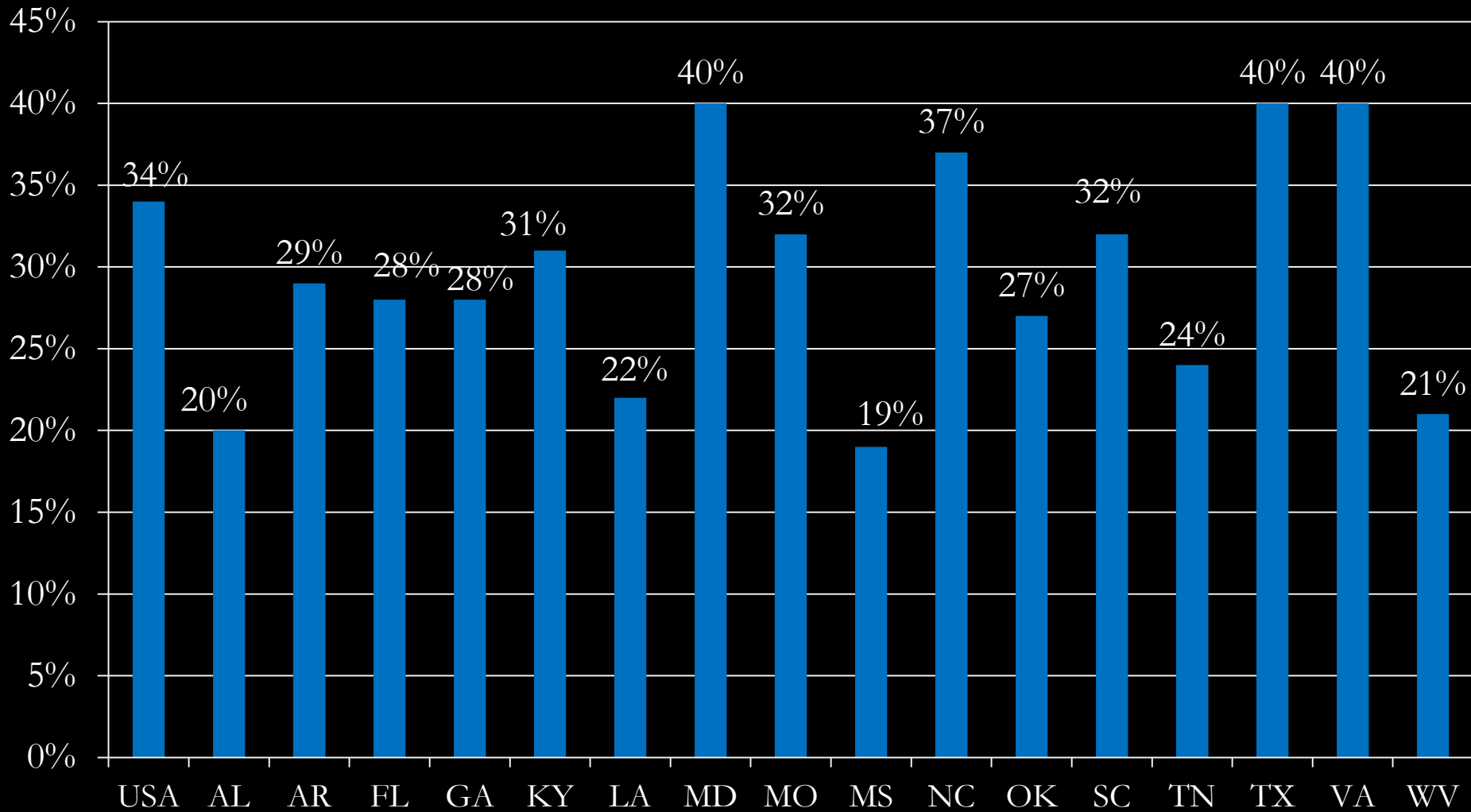
# Southern States

## % Proficient 8th Grade Science



# Southern States

## % Proficient 8th Grade Math



American South Tax Rankings				
		(1 is Best, 50 is Worst)	Corporate Tax	Property Tax
Alabama	27	23	41	10
Arkansas	40	28	44	19
Florida	14	1	12	16
Georgia	8	42	17	30
Kentucky	29	30	11	17
Louisiana	23	27	50	24
Maryland	16	45	8	41
Mississippi	11	21	28	33
Missouri	4	29	29	7
North Carolina	25	15	33	29
Oklahoma	7	40	38	11
South Carolina	13	41	18	21
Tennessee	15	8	47	37
Texas	39	6	36	36
Virginia	6	39	6	26
West Virginia	17	26	25	25
Source: Southern Governors' Association, 2015; Tax Foundation, Business Tax Climate, 2015.				

American South Regulatory & Economic Freedom			
(1 is Best, 50 is Worst)	Regulatory Policy	Economic Freedom	Legal Environment (Impact on Tort)
Alabama	28	11	48
Arkansas	40	36	35
Florida	32	17	41
Georgia	16	10	19
Kentucky	34	26	36
Louisiana	46	34	49
Maryland	44	40	18
Mississippi	45	41	50
Missouri	50	12	45
North Carolina	14	21	5
Oklahoma	17	5	32
South Carolina	23	16	38
Tennessee	12	3	12
Texas	24	14	27
Virginia	9	6	8
West Virginia	49	45	46
Sources: Southern Governor's Association, 2015; Mercatus Center - George Washington University, Regulatory & Freed Rankings, 2015; Pacific Research Institute - Institute for Legal Reform			

National Assessment of Educational Progress				
(1 is Best, 50 is Worst)	4th Grade Reading	8th Grade Reading	4th Grade Math	8th Grade Math
Alabama	34	46	47	50
Arkansas	36	38	36	42
Florida	8	33	27	35
Georgia	29	35	35	40
Kentucky	17	15	28	36
Louisiana	47	48	49	48
Maryland	2	6	16	20
Mississippi	49	50	50	49
Missouri	27	26	38	30
North Carolina	28	36	17	22
Oklahoma	39	39	40	45
South Carolina	44	42	43	38
Tennessee	31	34	37	43
Texas	40	37	26	15
Virginia	6	23	12	16
West Virginia	42	47	41	46
Source: U.S. Department of Education, 2015 Competitive Redbook				

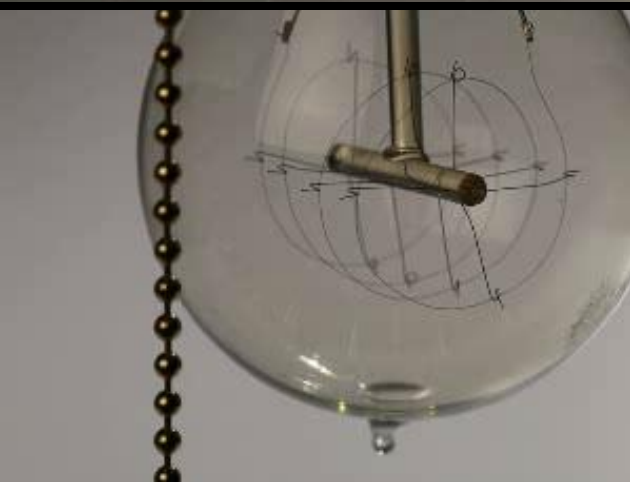


# Bright Ideas to Compete

- **Close the Skills & Career Planning Gaps by 2020**
  - Re-imagine K-12 CTE “Shop/Labs”; Expand K-12 Dual-Enrollment; Invest in VCCS; and Create the New Economy Workforce (NEW) Industry Credential Grant Fund (\$25 Million); Invest in “Proxy,” VR/AR/Simulation Technology at K-14 Levels
- **Stop Taxing Technology**
  - Lower the Effective Tax Rate on Manufacturers; Eliminate the Machinery & Tools, BPOL & Merchants Capital Taxes; Incentivize Capital Investments
- **Restructure Economic Development**
  - Align, Rationalize and Coordinate Federal, State, Regional and Local Programs; Expand International Trade Opportunities; Align Incentives with Existing Business Needs; and Expand Small Business Formation
- **Keep Energy Costs Affordable & Reliable**
  - Reject Proposed EPA Clean Power Plan Rule; Reject EPA Proposed NAAQS Ground Level Ozone Rule; Reject RPS Mandates; Maintain a Diverse Fuel Mix; Build Energy Infrastructure; Incentivize Energy Conservation & Efficiency; and Regulate Municipal Utilities
- **Invest in Productive Infrastructure**
  - Improve Multi-Modal Freight Capacity & Efficiency; Upgrade K-12 Broadband; Upgrade Wastewater Treatment & Stormwater Infrastructure
- **Maintain Regulatory Balance**
  - Assure that Virginia Regulates the Energy, Environment, Health and Safety of its Citizens; Balance Regulatory Excellence with Economic Competitiveness and Sustainability



**“We now  
know a  
thousand  
ways not  
to build a  
light bulb”**



*Thomas Alva Edison*



# Virginia's Economic Future: **Bright** Ideas for Manufacturing Competitiveness

*June 22, 2015 @ George Mason University*

*Brett A. Vassey, President & CEO*

*Virginia Manufacturers Association*

*[bvassey@vamanufacturers.com](mailto:bvassey@vamanufacturers.com)*

*The VMA recognizes the Thomas Jefferson Institute for its continued leadership and inspirational public policy research. Special recognition goes to Diane Duff of the Southern Governor's Association and Ted Abernathy of Economic Leadership for developing many of these materials.*