



FOR IMMEDIATE RELEASE
March 1, 2022

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**Minnesota, Missouri, Idaho and Ohio rise in the DII US rankings;
Nebraska, Tennessee, North Dakota, Oregon, and Vermont drop**

***Draper Hero Institute Updates US-Specific Draper Innovation Index; Washington retains top Spot,
California falls out of the top 10***

San Mateo, California – The Draper Hero Index (DHI) announces the commencement of monthly updates to its United States Draper Innovation Index (DII US), which evaluates each state’s environment for innovation and entrepreneurship. The DII US monthly updates now include a data partnership with Dun & Bradstreet (DNB), the leading provider of location-based business data and analytical tools.

Minnesota and **Missouri** both rose by four (4) places from January 2022 to February 2022; **Idaho** and **Ohio** both rose by two places. Minnesota’s improvement stemmed from strong performance in the OBHI and SBHI while also registering comparatively high increases in both capital investments and investments into cryptocurrency and the blockchain. Missouri’s performance was largely driven by a 300 percent increase in VC investments as well as strong scores in its Dun & Bradstreet’s Small Business Health Index.

States falling down the rankings included:

- **Nebraska (-3),**
- **Tennessee (-3),**
- **North Dakota (-2),**
- **Oregon (-2), and**
- **Vermont (-2).**

Nebraska registered the second worst performance in the OBHI while also showing comparative weakness in crypto and overall investment growth while **Tennessee** fell behind in the SBHI while also failing to garner investments in crypto. While **Vermont** and **Oregon** showed resilience in the OBHI and **North Dakota** out-performed in the SBHI, weakness in other metrics of the DII-US proprietary algorithm served to drag those states down.

The table below highlights the change in ranks for the Top 10 countries in the DII-US from February 2022 to March 2022:

| February 2022 Top Ten | | March 2022 Top Ten | | Change |
|-----------------------|---|--------------------|---|--------|
| Washington | 1 | Washington | 1 | - |
| Florida | 2 | Florida | 2 | - |
| Texas | 3 | Texas | 3 | - |
| Wyoming | 4 | Wyoming | 4 | - |
| South Dakota | 5 | South Dakota | 5 | - |



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|-------------------|-----------|-----------------|-----------|---|
| Massachusetts | 6 | Massachusetts | 6 | - |
| Utah | 7 | Colorado | 7 | ↑ |
| Colorado | 8 | Utah | 8 | ↓ |
| Alaska | 9 | Alaska | 9 | - |
| California | 10 | Virginia | 10 | ↑ |

Virginia reclaimed the number 10 rank from **California**, which had jumped into the top 10 for the first time last month. Other movement in the top 10 included **Colorado** overtaking **Utah** for the 7th ranked spot. The best Bitcoin/blockchain investment performers included Maryland, Kansas, Florida, Connecticut, and Illinois; Bitcoin/blockchain investment in these states grew by over 100 percent between November 2021 and January 2022 highlighting their efforts to better support innovative and emerging technologies.

California, home to some of the nation’s most successful tech companies – and the destination for more venture capital funding and Bitcoin/blockchain investment than any other state – finished eleventh on the list due to its performance on the Small Business Policy Environment and Tax Environment sub-indices. It has consistently finished at or near the bottom of these indices since the first publication of the DII US.

“California actually lost population in 2020, for the first time in its history,” said Dr. Wallace Walrod, DHI’s Chief Economic Advisor. “The state’s high cost of living, in addition to relatively unfriendly small business and tax policies, could create significant economic repercussions in the long term. Non-traditional tech powers such as Wyoming, South Dakota and Utah, on the other hand, are leveraging welcoming small business policy and in some cases cryptocurrency policy as powerful ways to attract new entrepreneurs and investors.”

The DII US will continue to be updated each month and can be accessed [here](#).

About the Monthly DII-US Data Methodology

The DII US aggregates six sub-indices that reflect key aspects of state-level business and innovation environments:

- Technology R&D and Workforce Environment;
- Global Economic and IT Infrastructure;
- Entrepreneurs/Startup Environment;
- Small Business Policy Environment;
- Tax Environment; and
- Social Environment.

As of January 2022, the DII-US is partnering with Dun & Bradstreet (DNB) and incorporates two key cutting-edge DNB indices: the Overall Business Health Index (OBHI) and the US Small Business Health Index (SBHI). The former surveys currently open U.S. businesses, evaluating their:

- likelihood of continued survival
- likelihood of delinquency,



- and likelihood of defaulting on a payment.

These factors are aggregated into a score out of 100, with a score above fifty representing a healthy business and a score below fifty representing an at-risk business.

The SBHI evaluates businesses with less than a hundred employees based on the following criteria:

- credit card utilization;
- credit card delinquency;
- total number of business failures compared to the previous year;
- and past-due dollar delinquency.

The SBHI strongly correlates with other key indices of economic activity, such as GDP growth, which makes it a particularly important addition.

About Draper Hero Institute

Founded by legendary Silicon Valley venture capitalist and entrepreneur Timothy C. Draper, Draper Hero Institute (DHI) provides applicable and modern resources for future entrepreneurs globally and ensures inclusiveness and opportunities for all. As an action-based research institution, DHI focuses its efforts on non-traditional pathways to guide future entrepreneurs in the new economy. Through programs that ignite innovative research; united through connectivity and networking; and mentoring efforts through applied education, DHI provides a portal for creative thinking and ultimately driving change to better prepare future entrepreneurs to take on heroic endeavors.

<https://www.draperhero.org/>

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