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**Delaware Falls out of the DII US Top 10
Georgia, Virginia, and Washington Advance in the Top 10
Wisconsin, Nevada, and Ohio Climb the Rankings;
Nebraska, Alaska, Maine and Montana Fall**

Draper Hero Institute Updates Monthly US-Specific Index; Top Ten Remain Largely Steady

San Mateo, California – The Draper Hero Institute (DHI) announces a new monthly update to the United States Draper Innovation Index (DII US), which evaluates each state’s innovation and entrepreneurship environment. After the 2022 midterms, the United States continues to face multiple economic challenges, including high inflation and rising interest rates, consumer affordability concerns, and increased social unrest abroad. While the U.S. remains a bright spot in the global economic landscape, cracks have begun to appear, such as slowing employment growth and questions about the Federal Reserve’s ability to bring the U.S. economy in for a soft rather than hard landing.

"While some states, such as **Texas** and **Florida**, have stayed at or near the top of the DII since the beginning, nothing is set in stone," said DHI founder Tim Draper. "Just as we saw significant variation in states’ responses to COVID-19, we may see further divergences in their fiscal, policy, and legislative responses to a potential 2023 recession."

"States have not experienced a rapidly rising inflation and interest rate environment in several decades, and the resulting policy responses toward business, entrepreneurs, and investors will change the calculus regarding location for many industries and businesses," said DHI Chief Economic Advisor Dr. Wallace Walrod. "We predict that state-level decisions made in the coming year will likely lead to volatility and upheaval in the DII U.S. rankings, driving significant gains and falls in the rankings."

Top 10 Takeaways from the DII US December 2022 Update:

- The DII US’s Balanced Ranking top seven remains the same, with **Florida**, **Texas** and **Utah** taking the top three spots.
- **Delaware** fell 3 spots from 8th to 11th in the Balanced rankings and was overtaken by **Georgia**, **Virginia**, and **Washington**.
- After having dropped out of the Top 10, **Washington** was able to claw back its 10th ranked position in the DII US Balanced Scenario thanks to improvements in its crypto/blockchain industry investments.
- **Wisconsin** rose six places from 26th to 20th due to a large jump in crypto/blockchain investments and improvements on its Small Business Health Index.



- **Nevada** saw its rankings improve by 3 in the Balanced Scenario, 5 ranks in the Tech Innovation Scenario and 5 ranks in the Regulatory and Tax Scenario thanks to a solid overall performance including crypto/blockchain investments as well as in its Small Business Health Index.
- **Ohio** improved by 4 ranks in the Balanced Scenario, 5 ranks in the Tech Innovation Scenario and 4 ranks in the Regulatory and Tax Scenarios.
- **Alaska** saw its rankings fall from 19th to 23rd in the Balanced Scenario, 23rd to 32nd in the Tech Innovation Scenario and 9th to 17th in the Regulatory and Tax Scenario after seeing declines in its crypto/blockchain investments and scoring poorly in both the Overall Business Health and Small Business Health indices.
- **Maine** saw similar declines, falling by five places in the Regulatory and Tax scenario due to poor performances on several DII US indicators.
- **Nebraska** saw the single largest decline in the Balanced scenario, dropping from 35th to 41st due to weakness in both the Overall Business Health Index and Small Business Health Index.
- Despite staying strong at 2nd in the Balanced Scenario and 4th in the Regulatory and Tax Scenario, **Texas** was overtaken by Washington for its 5th ranked spot in the Tech Innovation Scenario.

While the top seven states all kept their positions. **Delaware** fell out of the Top Ten and **Georgia, Virginia** and **Washington** advanced to finish 8th, 9th and 10th, respectively. All three of these states, while seeing somewhat weak performance in the Overall Business Health Index had strong increases in crypto/blockchain industry investment.

While **Nebraska** had the largest decline in the Balanced Ranking, falling 6 ranks from 35th to 41st, **Alaska, Maine** and **Montana** saw consistent declines across all three scenarios. **Montana** had considerable weakness in multiple indices, such as Overall Business Health and Crypto/Blockchain Industry Investment.

Wisconsin saw the largest improvements in all DII US Scenarios, with improvements largely due to an increase in crypto/blockchain industry investments and better comparative performance in the Small Business Health Index. **Nevada**, boosted by better performance in nearly all indicators.

While **California's** rank in the Tech Innovation and Regulatory and Tax Scenarios saw no change at 1st and 29, respectively; the state did jump one rank in the Balanced Scenario, improving from 14th to 13th in this latest update. **New York**, on the other hand, saw improvements across all DII Scenario's jumping from 39th to 38th in the Balanced Scenario, 17th to 16th in the Tech Innovation Scenario, and 43rd to 42nd in the Regulatory and Tax Scenario. While both states saw a similar level of increase in overall investments and performance in the Overall and Small Business Health Indexes, **New York** had slightly higher crypto/blockchain industry investment growth.

Q3 2022 Top Ten		December 2022 Top Ten		Change
Florida	1	Florida	1	-
Texas	2	Texas	2	-
Utah	3	Utah	3	-
Colorado	4	Colorado	4	-



North Carolina	5	North Carolina	5	-
South Dakota	6	South Dakota	6	-
Arizona	7	Arizona	7	-
Delaware	8	Georgia	8	↑
Georgia	9	Virginia	9	↑
Virginia	10	Washington	10	↑

The DII US will continue to post monthly updates in 2023, which can be accessed [here](#).

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.

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