



FOR IMMEDIATE RELEASE
May 25, 2023

Contact: Cristina Guccione
(916) 204-6715

Draper Hero Institute Updates Monthly Draper Innovation Index US States Compete to Land in Top Ten of Best Places to Launch a Startup

**Texas Regains 2nd Place, Overtaking Utah
South Dakota Jumps Over Arizona to 6th Place
Washington Climbs Back into Top 10, Virginia Falls Out
Massachusetts Falls in both DII Balanced and Regulatory & Tax Scenarios
Maryland Posts Largest Declines in All Three DII Scenarios
Alaska and Maine Improve, Indiana and Nebraska Fall**

San Mateo, California – The Draper Hero Institute (DHI) announces their May 2023 update to the Draper Innovation Index U.S. (DII US), which evaluates each state’s innovation and entrepreneurship environment.

April 2023 Top Ten		May 2023 Top Ten		Change
Florida	1	Florida	1	-
Utah	2	Texas	2	↑
Texas	3	Utah	3	↓
Colorado	4	Colorado	4	-
North Carolina	5	North Carolina	5	-
Arizona	6	South Dakota	6	↑
South Dakota	7	Arizona	7	↓
Delaware	8	Delaware	8	-
Virginia	9	Washington	9	↑
Georgia	10	Georgia	10	-

“Start-up fees such as business licenses, legal and tax documents, and other bureaucratic hurdles can cost thousands of dollars to launch a new business. Paperwork and other regulatory burdens not only cost money, but can delay by months or even years of time at a time when time is of the essence for entrepreneurs and investors,” said DHI Founder Tim Draper. “Sometimes the best policy decision is simply to just get out of the way.”

Top Takeaways from the DII US May 2023 Update:

- **Texas** and **Utah** continue to battle over 2nd place. This month **Texas** rose to 2nd due to its comparatively higher cryptocurrency and blockchain investments and better performance in business formation statistics.
- **South Dakota** overtook **Arizona** for 6th place in the DII Balanced Top 10 and held its 3rd place position in the Regulatory and Tax scenario buoyed by favorable business formation statistic data. **Arizona** fell from 7th to 9th due to low overall capital and cryptocurrency/blockchain investments.



- **Washington** returned to the DII-US Top Ten, pushing **Virginia** down to 11th place; this was largely due to its comparatively higher overall capital and cryptocurrency/blockchain-related investments.
- **California** improved from 14th to 12th place, while **New York** rose by three places in the Balanced Scenario (from 41st to 38th) as corporate business formation statistics and overall capital investments outperformed.
- **Idaho** and **Wisconsin** also rose three places in the Balanced scenario with **Wisconsin** pushed up thanks to overall capital investments and **Idaho** benefitting from comparably better business formation statistics.
- **Massachusetts**, with below average overall capital and cryptocurrency/blockchain investments, fell by two places in the Balanced scenario, from 12th to 14th.
- Dragged down by below average corporate and business formation statistics and lackluster overall capital and cryptocurrency investments, **Maryland** fell 8 ranks in the DII Balanced scenario, 5 ranks in Tech Innovation and 9 ranks in Regulatory and Tax.
- Similarly, **Indiana** saw the second largest declines across all scenarios, dragged lower due to declines in corporate business formations and well-below average cryptocurrency/blockchain investments: falling from 15th to 20th in the DII Balanced, from 20th to 23rd in Tech Innovation, and 13th to 18th in Regulatory and Tax.
- **Alaska** registered the single largest increase in the DII Balanced scenario., jumping 5 places from 20th to 15th. It also rose by three places in Tech Innovation and one place in Regulatory and Tax thanks to improving projected business formation statistics and a large increase in overall capital investments.
- While **Wisconsin** improved by 3 ranks across all DII scenarios, **Maine**, boosted by strong projected business formation statistics, saw the second largest increase in the DII Balanced, improving by 4 places while seeing the largest increase in the Regulatory and Tax scenario: a jump of 6 places.
- **Nebraska** and **Minnesota** saw declines across all three DII scenarios. **Nebraska** fell by five places in the DII Balanced dragged lower by below average performance in corporate business formation statistics, two places in Tech Innovation and two places in Regulatory and Tax while **Minnesota** fell by two places in the DII Balanced and Regulatory and Tax and one place in Tech Innovation due to weakness across all business formation metrics.

“It’s easy to think of innovation and entrepreneurship as very abstract concepts,” said DHI Chief Economic Advisor Dr. Wallace Walrod. “However, it’s important to remember that both typically happen in specific physical locations and spaces, whether that’s an incubator, makers space, a coworking space, or a university lab. State policymakers should assess whether their states have enough of these types of spaces and whether they should incentivize additional space.”

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.

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