

WalletHub Innovation Criteria

Human Capital – Total Points: 50

- Share of STEM Professionals: Double Weight (~14.29 Points)
- Share of Science & Engineering Graduates: Full Weight (~7.14 Points)
Note: This metric measures the percentage of science- and engineering-degree holders aged 25 and older per total degree holders in the same age group.
- Projected STEM-Job Demand by 2030: Full Weight (~7.14 Points)
Note: This metric measures the projected number of STEM jobs needed by 2030 per total jobs.
- Scientific-Knowledge Output: Full Weight (~7.14 Points)
Note: This metric measures the number of peer-reviewed articles published per \$1 Million of Academic S&E research and development.
- Eighth-Grade Math & Science Performance: Full Weight (~7.14 Points)
- AP Exam Participation: Full Weight (~7.14 Points)
Note: This metric measures the percentage of public high-school students in the graduating class who completed one or more Advanced-Placement exams at any point in high school.

Innovation Environment – Total Points: 50

- Share of Technology Companies: Double Weight (~4.55 Points)
Note: This metric measures the number of technology establishments per total establishments.
- R&D Spending per Capita: Double Weight (~4.55 Points)
Note: “R&D” refers to research and development.
- R&D Intensity: Full Weight (~2.27 Points)
Note: This metric measures the ratio of total research and development (R&D) performed to state gross domestic product (GDP).
- Invention Patents per Capita: Full Weight (~2.27 Points)
Note: Data include utility, design, plant, and reissue patents per million of state population.
- Tech GSP as a Percent of Total State Product: Full Weight (~2.27 Points)
- Net Migration: Full Weight (~2.27 Points)
Note: This metric measures the net number of people moving to or from a state per 1,000 residents.
- Entrepreneurial Activity: Full Weight (~2.27 Points)
Note: This metric is based on data from the [Kauffman Index of Startup Activity](#).

- Number of Startups “Accelerated” per Total Number of Start-ups: Full Weight (~2.27 Points)
Note: An important, if often controversial, factor of growth in the US technology ecosystem is its numerous incubators and accelerators, which support early-stage startups with investment often in exchange for 6 to 10 percent equity stakes.
- Tax-Friendliness: Double Weight (~4.55 Points)
Note: This metric is based on data from the Tax Foundation’s [State Tax Competitiveness Index](#).
- Venture-Capital Funding per Capita: Full Weight (~2.27 Points)
- Average Annual Federal Small-Business Funding per GDP: Full Weight (~2.27 Points)
- Industry-Cluster Strength: Full Weight (~2.27 Points)
Note: This metric is based on data from the U.S. Cluster Mapping Project. “Industry-Cluster Strength” refers to the level of high employment specialization of a cluster, which is defined by the U.S. Cluster Mapping Project as a “regional concentration of related industries in a particular location.”
- Open Roads & Skies Friendly Laws: Half Weight (~1.14 Points)
- Average Internet Speed: Full Weight (~2.27 Points)
- Share of Households with Internet Access: Full Weight (~2.27 Points)
- Adoption of K–12 Computer Science Standards: Half Weight (~1.14 Points)
Note: This is a binary metric. A state is considered to have K–12 CS standards if the standards meet all of the following criteria:
 - form a coherent progression that aligns elementary, middle, and high school expectations, and
 - are publicly accessible on the state’s website.

We choose this metric because we consider that most innovation in the future is going to be tech enabled.

- IP Services Exports as a Share of All Services Exports: Full Weight (~2.27 Points)
Note: This metric measures royalty and license services exports as a share of total state services exports.
- Growth in Total Firms: Full Weight (~2.27 Points)
Note: This metric captures the rate of increase (or decrease) in the total number of firms in an economy.
- Jobs in New Companies: Double Weight (~4.55 Points)
Note: This metric measures the share of workers at firms less than 5 years old.