

In the fall of 2015, we introduced the [Opportunity Washington Scorecard](#) – a 50-state ranking of performance on three priorities vital to fostering a culture of opportunity and prosperity: **Achieve** (education quality and outcomes), **Connect** (transportation reliability and efficiency), and **Employ** (economic vitality). Data is compiled from reliable, independent sources and updated quarterly ([see methodology](#)). **Our goal is to make Washington a top 10 state overall and in each category.**

In the spring 2018 update, Washington moved up three spots overall as compared to the fall of 2017, now ranking 22nd among the 50 states with an Opportunity Score of 79.

Washington's Rankings Among All States

	Fall 2017	Spring 2018
Overall Opportunity Score Ranking	25	22 ↑
Achieve	18	18 →
Connect	39	39 →
Employ	21	21 →

EMPLOY: Tracking Washington's Performance

Washington maintained its 21st position on Employ, a category which incorporates business tax climate and entrepreneurial activity. Let's break down the five indicators to see where our state can improve.

EMPLOY: Data Updates for Washington

Metric	WA State Ranking	WA Performance
State Business Tax Climate Index	17	5.42 as of October 2017, per the Tax Foundation's State Business Tax Climate Index; High = 7.82 (Wyoming); Low = 3.35 (New Jersey)
Business Taxes Per Employee	48	\$8,000 per employee as of FY 2015, per the Council on State Taxation
Unemployment Insurance Tax	41	\$545.60 for an employee at the average wage and tax rate, as of 2016, per the U.S. Department of Labor, Employment & Training Administration
R&D Spending per Capita	5	\$2,366 spent per capita on R&D, per the National Science Foundation
Growth Entrepreneurship	18	1.4 as of 2017, per the Kauffman Index; High = 7.3 (Virginia); Low = -6.0 (Vermont)

Between the spring and fall of 2017, Washington moved up nine spots on Employ, as a result of lower unemployment insurance taxes, higher levels of private sector R&D investment, and improved performance on both the Tax Climate Index and the Kauffman Growth Entrepreneurship Index. Still, Washington remains one of the most expensive states for business. On both business taxes per employee and unemployment insurance tax measures, Washington ranks among the 10 most expensive states in the nation.

EMPLOY: Deep Dive

The Opportunity Washington Employ rankings are designed to spotlight states "that encourage innovation, entrepreneurship, and job creation." A top ranking in this category reflects a competitive cost structure and positive business climate.

In the three years we have published the Scorecard, Washington's Employ ranking has fluctuated from 30th at its lowest to this most recent ranking – 21st – being its best.

\$8,000

Washington's business tax burden per employee (3rd highest in nation)

Digging into the data underlying the overall Employ score, we find Washington ranks 17th (near the top third of all states) on the State Business Tax Climate rankings published by the Tax Foundation. The Tax Foundation ranking system tends to reward states without an income tax. It also dings Washington for its Business and Occupation (B&O) tax, which is imposed on gross receipts, rather than profits.

Also included in our metrics is a straightforward calculation of business tax burdens produced by the Council of State Taxation. COST finds that Washington imposes the nation's 3rd highest state and local business tax burden per employee. This high cost tax ranking offsets the positive bump Washington gets from the Tax Foundation ranking.

Lastly, despite recent improvements, Washington's unemployment insurance (UI) taxes remain among the nation's highest, when calculated as a per employee average. This measure of the UI tax burden consistently shows Washington to be a high-tax outlier in national rankings, causing the Employ score to drop.