INNOVATION CHAMPION

United States

A launch pad for global unicorns

The United States is one of the top-performing countries in Entrepreneurial Activity with a whopping 321 unicorns, nearly twice the amount of the next-highest country on the Scorecard. In total, these companies are worth approximately $360 billion –– more than half of the total value of all global unicorns. These astounding startups can be found across the country: California is home to 62 unicorns, New York claims 15, South Florida's Magic Leap is making augmented reality headsets, and Utah's Pluralsight teaches skills online to the next generation of tech entrepreneurs.

An Innovation Champion, the US aims to lead the world in self-driving vehicles. And the September 2017 update to the Federal Automated Vehicles Policy by the National Highway Traffic Safety Administration is moving the country one step closer. The guidelines recognize that building the cars of the future depends on a uniform legal framework, meaning more voluntary rules and fewer state-by-state restrictions that can freeze innovation. The guidelines also help protect intellectual property.

In October 2017, the Federal Aviation Administration announced a program to help advance drone innovation. The program will give regulatory certainty and stability to local government and drone operators by working with state and local jurisdictions to allow more low-altitude drone flights, improve communications, address security and privacy concerns, and give faster approvals to drone operations.

Sources: (FAA) (NHTSA) (CB Insights) (CB Insights)

WHAT DID WE DO RIGHT?

More than 320 unicorns have launched in the United States, well above any other country. The country also invests 2.8 percent of GDP in R&D, and lays out flexible federal guidelines for self-driving vehicles.

WHAT CAN WE DO BETTER NEXT YEAR?

At the time of the report, the United States had one of the highest corporate tax rates in the world, at 40 percent. Federal tax reform passed in 2017, lowering the rate to and likely boosting the country's future scores.

Diversity	B+
Freedom	B+
Broadband	B
Human Capital	B+
Tax Friendliness	C-
R&D Investment	A-
Entrepreneurial Activity	A-
Drones	B
Ridesharing	B
Short-Term Rentals	B
Self-Driving Vehicles	A
Environment	A-

R&D Investment

Spends 2.8 percent of its GDP on research and development, more than many countries in the Scorecard.

Self-Driving Vehicles

Testing has rolled out in several states around the U.S., and in 2017 the Department of Transportation updated its policy on self-driving vehicles to recognize the safety improvements that driverless tech can bring.

Entrepreneurial Activity

The home of various global technology brands, the United States blew past every other country with 321 startups worth more than $1 billion.

Short-Term Rentals

No federal restrictions limiting short-term rentals exist, but regulatory fights in cities and states — including California, where local governments have imposed severe restrictions — knock the country's grade to a 'B.'

AUSTIN

From 2001 to 2013, Austin saw a jump of over 41 percent in employment opportunities in the tech industry. Ever since tech giant Dell was founded in the city in 1984, the booming Texas tech hub has shown no signs of slowing down.

Austin's more recent efforts focus on startups. The city has marketed itself as a low-tax, business friendly alternative to California's Silicon Valley, where cost of living and other expenses have ballooned in recent years. Austin is also home to incubators like Capital Factory and the Austin Technology Incubator at the University of Texas at Austin.

Within that batch of new talent, biotech startups have laid down roots, and nearly 200 life science companies are cropping up around the city. Among that group is XBiotech, a bioscience operation focused on developing antibody therapies. The company uses human antibodies from donors with natural immunities to certain diseases and clones them to use in other patients. In 2017, the Austin company entered a partnership with Cedars-Sinai Medical Center in Los Angeles to use one of its drugs in a pancreatic cancer study.

Sources: (Forbes) (VentureBeat) (XBiotech) (GlobeNewswire) (CNBC)

Austin has grown from the home of longstanding tech giants like Dell into a hub for biotech startups. Nearly 200 life science companies have opened their doors around the Texas city, including XBiotech, which develops antibody therapies and signed a partnership with Cedars-Sinai Medical Center in Los Angeles to use its drugs in a pancreatic cancer study.