

coinbits

All 50 states, ranked for bitcoin

What makes a state bitcoin-friendly?

The importance of taking action

How to put down roots and thrive

The Bitcoin Index



2023

Editor's Letter

The great John Boyd, a fighter pilot in the Vietnam War, left as part of his legacy a framework for thinking and acting in a rapidly changing environment. The framework is known as OODA, which stands for Observe, Orient, Decide, Act. It has become popular in business schools and companies where it is used to identify opportunities and threats, make decisions, and take action, with results of that action feeding back into the practices of awareness and creative synthesis.

This paper was written for bitcoiners in the final stage of OODA with respect to their physical locations. They have **observed** institutions in their local jurisdiction that are intrusive, or even hostile to their values. They have **oriented** themselves to the broader context of cultural change and macroeconomic factors. They've **decided** that it they would like to live in a place that would allow them to live according to their values. However, with so many options for where to move, they have yet to take **action**. This guide is intended to inform bitcoiners about the bitcoin-friendliness of the various jurisdictions in the U.S., in order to help them take that step.

I was in this situation myself about two years ago, and would have loved a resource like this. Why focus on the U.S.? It's a fair question. Many bitcoiners choose to move overseas. That's a viable option for many people, but not for everyone. The Great Migration of the early 2020s, which served as the inspiration for this research, is a domestic phenomenon.

We hope this guide helps in form your decision about if and where to move. If you like what you read, we'd be honored if you would visit coinbits.app and join us on an exciting journey into the future of money.



Dave Birnbaum, Director of Product
September 2023



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One Life, Live It



The New Normal

Since the global pandemic, a significant shift in the way people live and work has taken place. COVID forced businesses to accommodate remote work to continue operations. Now that the necessary infrastructure is in place, remote work has permanently entered the mainstream.

As a result, many Americans find that they are no longer bound by geographic constraints when choosing where to work and live. This newfound flexibility has triggered migration trends across the country. The “new normal” has prompted people to re-examine fundamentals like personal freedom, quality of life, and living in alignment with one’s values.

Even for those whose life situation does not accommodate remote work, new priorities have arisen, including personal safety, natural beauty, strong schools, like-minded neighbors, and a balanced pace of life.

The result of all of this is an unprecedented change in the way we think about our physical locations. Americans are apt as ever to move to a part of the country that fits their vision for their lives and families.

Money Matters

Money is a key reason people choose to live in one place over another. Looking at data about how people’s personal financial situations are affected by the local economy and tax regime, we see that money-related issues are strong predictors of whether a location experiences inflows, or outflows, of residents.

In aggregate, Americans are “voting with their feet,” moving from economically stagnant states with high taxes and high cost of living, to locales that allow them to keep more of their own money and build wealth.

Bitcoiners believe long-term trends favor economies that are more closely intertwined with bitcoin. However, it isn’t always easy to know which surveys, statistics, and studies are most relevant to bitcoiners. In this report we combine several data sources into four top-level categories, which are themselves combinations of sub-categories. They all roll up to a single score for each state that conveys its stance toward bitcoin, in what we have named the Bitcoin Index.

Methodology



The Bitcoin Index distills many factors down into a useful framework that bitcoin enthusiasts can use to estimate how desirable it would be to live and work in a particular state in the U.S. It assigns each state a score of up to 100 points earned across four categories. These categories are detailed below.

Cost of Living | 25 possible points

Understanding the cost of living in each state is a key step in determining the best place to reside. Cost of Living is estimated using a composite of tax burden, electricity costs, and housing costs.

Tax Burden | 0 to 10 points

The average top individual income tax rate in states with inbound migration was 3.8% in 2021, far less than the 8.0% in states with outbound migration. Additionally, the top corporate tax rate was significantly lower in the inbound states. This clear difference in taxation is likely to have contributed to migratory trends from high-tax states to lower-tax ones.

Taxes have a major impact on disposable income, which is crucial for those who want to set aside savings in bitcoin. A lower tax burden also offers leeway to pursue entrepreneurial ventures.

Tax burden is estimated using [Tax Foundation state and local tax burden rankings](#). The highest possible score, for having low taxes, is 10 points, while the lowest possible score, for having high taxes, is 0 points.

Electricity Costs | 0 to 5 points

Data from the Energy Information Administration showed that the average cost of electricity was 63.4% higher in states experiencing population outflows as compared to those experiencing inflows.

Electricity costs are important for bitcoin miners. But even for non-miners, lower electricity costs mean lower overall expenses, providing more discretionary income to put toward bitcoin.

Moreover, states that attract bitcoin mining businesses with low electricity costs are more likely to maintain and increase bitcoin friendliness over time, as the state's tax base and industrial infrastructure becomes intertwined with bitcoin.

Electricity costs estimations utilize [U.S. Energy Information Administration cents per Kilowatt hour data](#). The most favorable score for electricity costs is 5 points, and the least favorable is 0 points.

Housing Costs | 0 to 10 points

Housing is the largest monthly expenditure for most people, and unsurprisingly, the median home price of a location is predictive of the type of migration it exhibits. Americans are more likely to move from states with high housing costs to states with lower ones. The top ten outbound states had a median home price that was \$80,000 (or 23%) greater on average than the top ten inbound states.

[Data from Zillow and Business Insider](#) offers a snapshot of affordability in the housing market in terms of the median home price in each state. More affordable housing allows bitcoiners to set aside more of their money to accumulate bitcoin, or even purchase enough land to construct a self-sufficient bitcoin citadel. The highest score, for having the lowest median home price, is 10 points, while the lowest score, for having the highest median home price, is 0 points.

Business Friendliness | 25 possible points

Business friendliness, which is a composite of right-to-work laws, general business climate, and fiscal stability, gives a well-rounded view of what entrepreneurs and employees can expect from a local economy.

Right-to-Work | 0 or 5 points

Right-to-work laws ensure that employment is not conditional upon joining or paying fees to a union, which offers businesses flexibility in hiring and employee relations. Right-to-work laws correlate well with migration patterns. The top ten inbound states in 2021 were all right-to-work states, a sharp contrast to the top outbound states, which were predominantly forced-unionism states. Research suggests that right-to-work laws positively affect economic growth, employment, investment, and innovation, which means right-to-work can serve as a sort of proxy for dynamic labor markets and a vibrant economy.

Right-to-work is represented with a simple 'yes' or 'no' with data from [Wisevoter](#), where a 'yes' is worth 5 points and a 'no' is worth 0 points.

Business Climate | 0 to 10 points

The overall business climate of a state affects everyone in it, from startups to established enterprises. States with higher inbound migration are generally ranked favorably in categories like business costs, labor supply, regulation, economic climate, growth prospects, and quality of life. Meanwhile, those ranked with the highest business costs are unsurprisingly among the states people are frequently leaving behind.

[CNBC rankings](#) provide a comprehensive look at how each state stacks up in terms of being conducive for business. The most favorable score is 10 points, and the least favorable score is 0 points.

Fiscal Stability | 0 to 10 points

Fiscal stability is often overlooked but is essential for assessing the long term prospects for a state's governance. A state's credit rating reflects its fiscal health, which impacts its business environment and tax base. A strong credit rating implies that a state has responsible fiscal policies, which can translate to a lower tax burden and a stronger economy. There is indeed a correlation between fiscal stability and migration patterns.

State credit ratings are derived from [US News rankings](#). The highest possible score is 10 points, and the lowest possible score is 0 points.

Monetary Freedom | 25 possible points

State law and governance can directly affect whether monetary freedom is preserved, or encroached upon. How a state's regulatory atmosphere treats money and finance is likely to carry over to individuals' ability to build wealth, as well as the ease or difficulty of participating in bitcoin-related business.

Money Transmitter Licensing | 0, 7.5, or 15 points

Money transmitter licensing requirements can serve as a proxy for the regulatory expense associated with bitcoin businesses. In general, licensing expenses are passed on to end users and consumers in the form

of fees and service costs. Licensing can even prevent certain types of financial services from being available at all. Those states that do not require a license avoid placing a significant legal hurdle in the way of bitcoin startups. States with partial licensing may offer some opportunities but also impose limitations. States requiring full licensing present a more challenging environment for bitcoin activities.

Money transmitter licensing data is derived from [Bloomberg Law](#). A state is awarded 15 points if it does not require a license, 7.5 points if it requires licensing only for a limited range of activities, and 0 points if it imposes a broad licensing requirement.

Mining Regulations | *-10, 0, or 10 points*

For people who are involved in bitcoin mining, it is important to consider mining regulations when deciding upon a base of operations. However, it's worth noting that mining regulations can have a more extensive impact beyond mining itself. States with favorable mining regulations often indicate a more general openness to bitcoin, potentially leading to more comprehensive legislative support for other bitcoin-related activities as time goes on.

A pro-mining environment attracts mining ecosystem suppliers and services. A neutral environment may still allow mining without specific incentives or benefits. An anti-mining stance could impose restrictions that make mining unprofitable or even illegal.

Mining regulation data was compiled from various sources, including [Blockworks](#), [BTC Policy Institute](#), and others. States that have a pro-mining regulatory environment are awarded 10 points. Those with a neutral mining regulatory environment are awarded 5 points. Those with an anti-mining regulatory environment are awarded -10 points.

Proactive Positioning | *25 possible points*

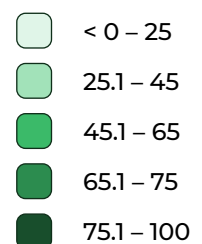
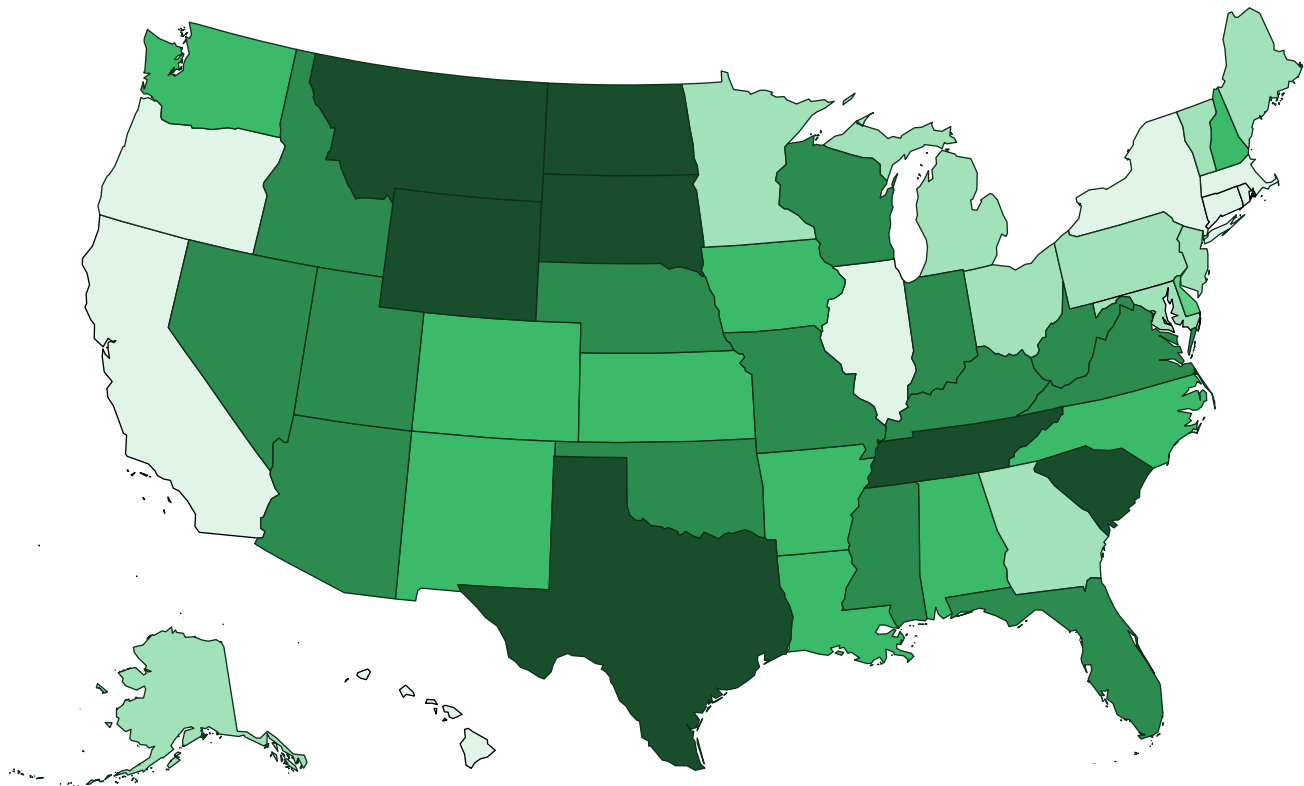
Proactive Positioning encapsulates the nuances that might not be covered in straightforward metrics like cost of living or explicit regulations. This "wild card" element captures the attitudes of each state's prominent political actors, along with the proactive steps (if any) they take to either embrace or impede bitcoin. This factor aims to provide insight into how a state's bitcoin friendliness is likely to trend over time, especially in the short and medium term, even when other factors are about equal. This is crucial for bitcoiners who are not just looking for a state that is "good enough," but seek to put down roots in a place that is actively fostering a bitcoin-friendly environment.

Proactive Positioning | *0, 12.5, or 25 points*

Factors in this metric include legislative actions, statements from key public figures, and collaboration between state governments and the bitcoin industry. States that do not have a history of explicitly pro-bitcoin statements or actions are not necessarily hostile to bitcoin, but may have less endemic bitcoin support.

Using published data from Coinbase, Bitcoin Magazine, and various press releases, states are awarded 25 points if they exhibit a pro-bitcoin stance, 12.5 points if they maintain a neutral stance, and 0 points for negative stance.

The Bitcoin Index



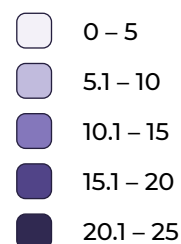
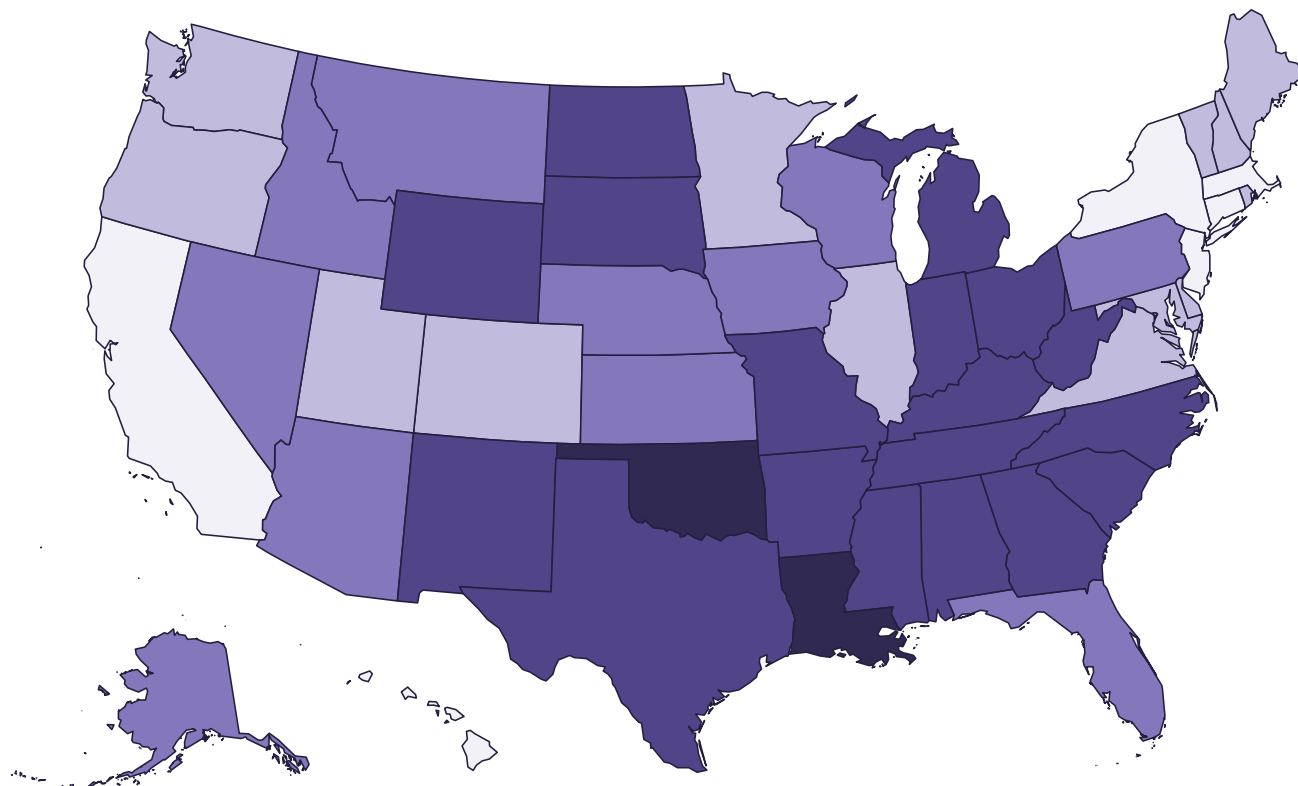
Cost of Living | 25 possible points

Understanding the cost of living in each state is a key step in determining the best place to reside. Cost of Living is estimated using a composite of tax burden, electricity costs, and housing costs.

Tax Burden | 0 to 10 points

Electricity Costs | 0 to 5 points

Housing Costs | 0 to 10 points



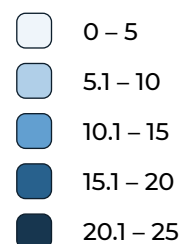
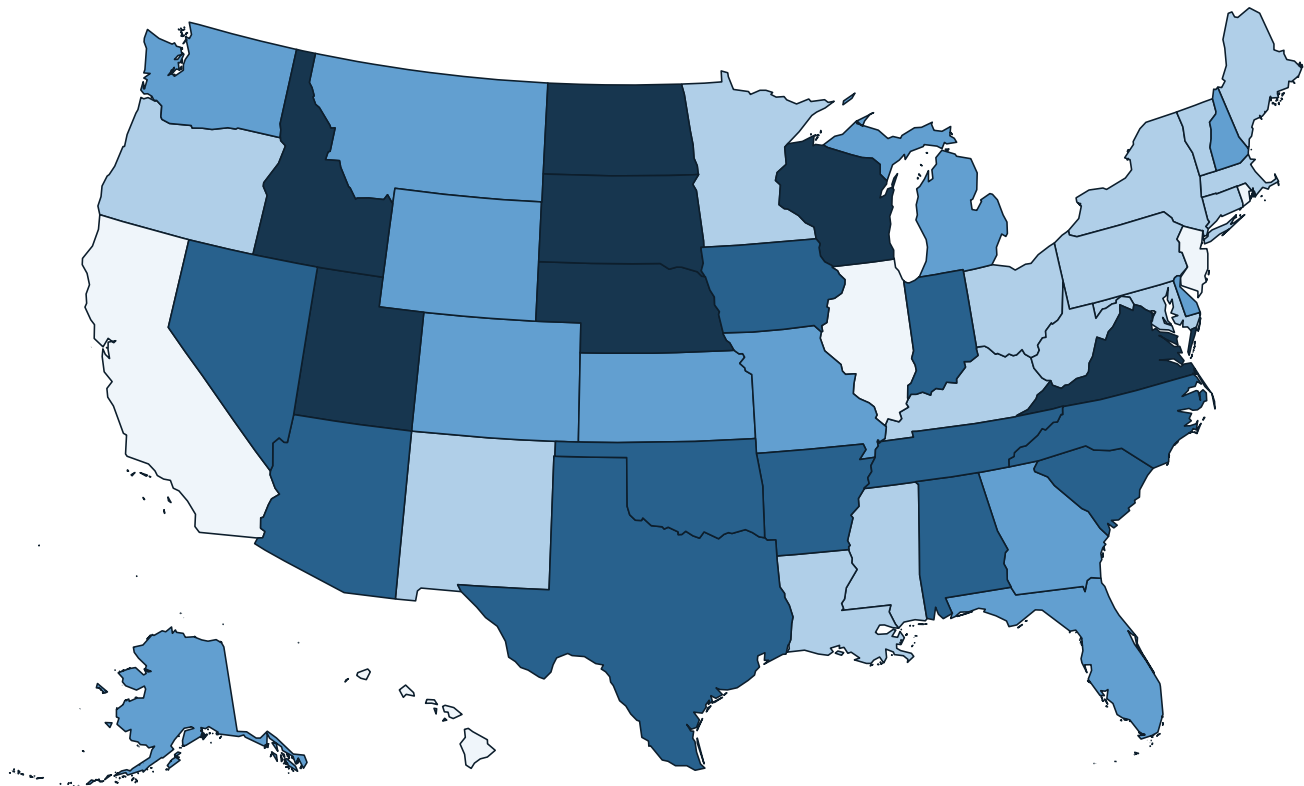
Business Friendliness | 25 possible points

Business Friendliness, which is a composite of right-to-work laws, general business climate, and fiscal stability, gives a well-rounded view of what both entrepreneurs and employees can expect to encounter in a business context.

Right-to-Work | 0 or 5 points

Business Climate | 0 to 10 points

Fiscal Stability | 0 to 10 points

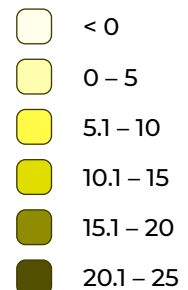
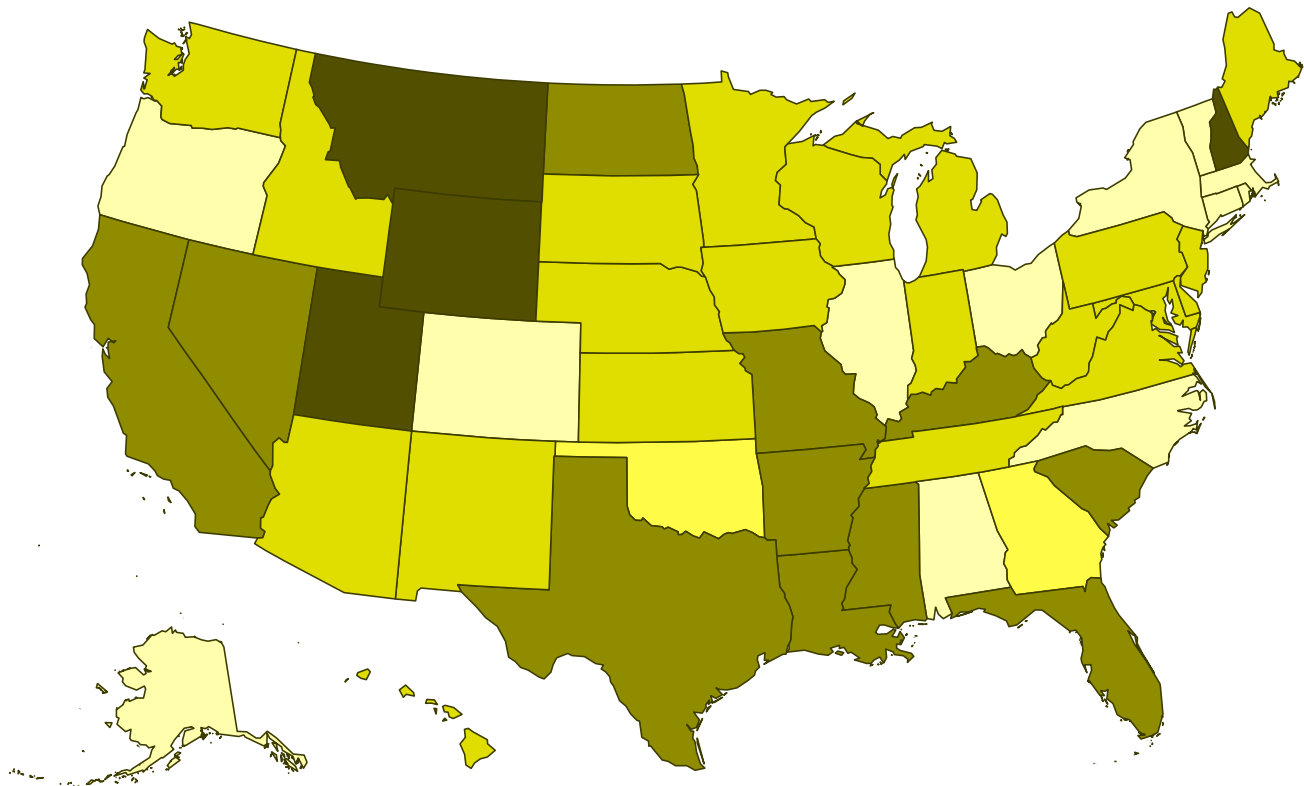


Monetary Freedom | 25 possible points

State governments can deeply affect people's lives according to whether they curtail or preserve monetary freedom. How a state's regulatory atmosphere treats money and finance is likely to carry over into the viability and profitability of bitcoin-related businesses.

Money Transmitter Licensing | 0, 7.5, or 15 points

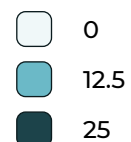
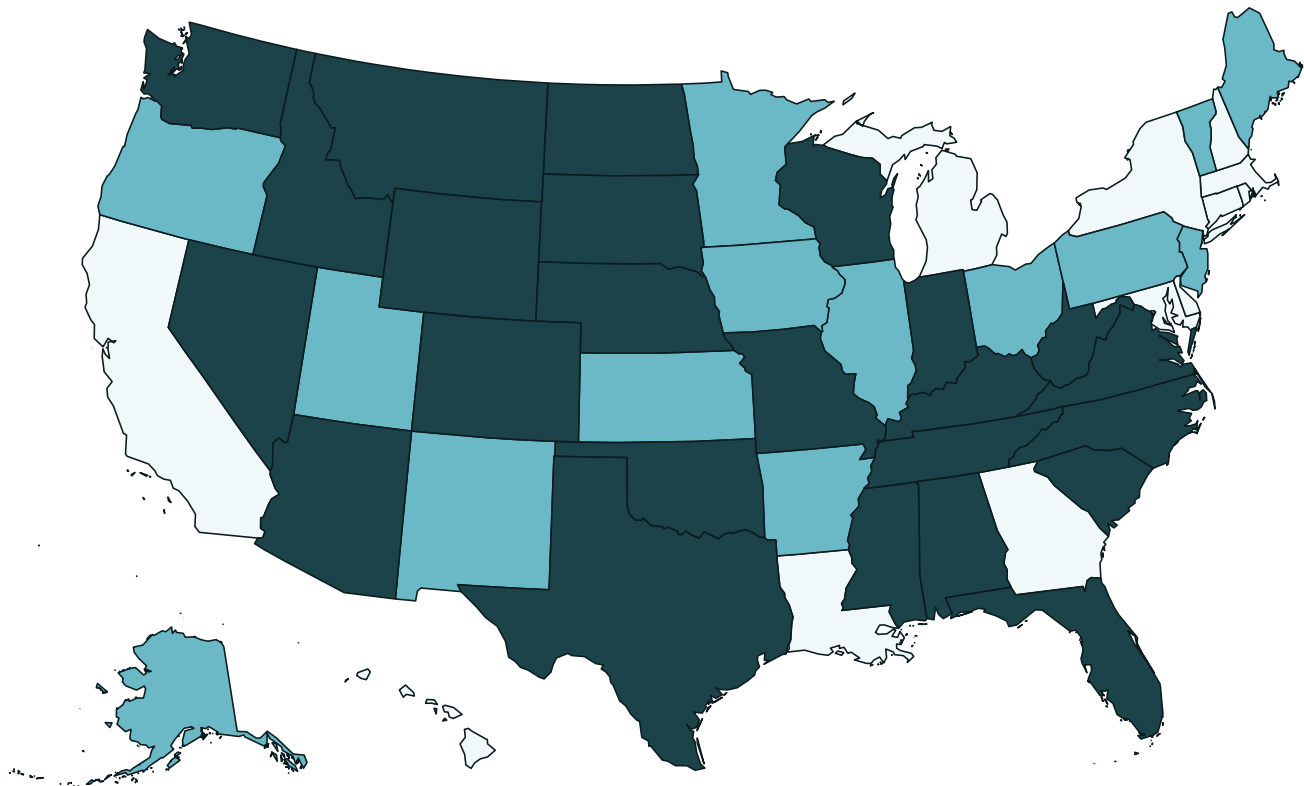
Mining Regulations | -10, 0, or 10 points



25 possible points

Proactive Positioning encapsulates the nuances that might not be covered in straightforward metrics like cost of living or existing regulations. It provides insight into how a state's bitcoin friendliness will trend over time, even when other factors are about equal.

0, 12.5, or 25 points



Data

State	Bitcoin Index	Effective Tax Rate	Cents per Kilowatt Hour	Median Home Price	Business Friendly Rank	Right to Work	Fiscal Stability Rank	Money Transmitter License	Mining regulations	Proactive Positioning
North Dakota	84.75	8.8%	8.15	\$235,012	1	Yes		6	Partial	Pro
South Carolina	80.69	8.9%	10.83	\$185,749	23	Yes		18	None	Neutral
Wyoming	80.59	7.5%	8.29	\$250,890	38	Yes		30	None	Pro
South Dakota	78.38	8.4%	10.69	\$205,567	8	Yes		3	Partial	Neutral
Tennessee	76.42	7.6%	10.85	\$185,922	23	Yes		5	Partial	Neutral
Montana	76.18	10.5%	10.6	\$277,801	5	No		22	None	Pro
Texas	75.54	8.6%	10.42	\$207,301	34	Yes		16	Partial	Pro
Oklahoma	74.02	9%	9.89	\$128,934	14	Yes		23	Full	Pro
Idaho	72.99	10.7%	9.73	\$285,982	3	Yes		2	Partial	Neutral
Indiana	72.60	9.3%	10.91	\$155,640	18	Yes		25	Partial	Neutral
Nebraska	72.40	11.5%	9.66	\$175,884	12	Yes		11	Partial	Neutral
Wisconsin	72.40	10.9%	12.92	\$202,029	2	Yes		7	Partial	Neutral
Florida	71.32	9.1%	13.57	\$245,169	39	Yes		13	Partial	Pro
Missouri	70.54	9.3%	12.25	\$162,464	36	No		12	Partial	Pro
Nevada	70.44	9.6%	13.95	\$301,753	7	Yes		31	Partial	Pro
Kentucky	70.15	9.6%	9.89	\$146,871	42	Yes		45	Partial	Pro
Utah	68.68	12.1%	9.15	\$348,376	10	Yes		1	None	Pro
Mississippi	68.38	9.8%	11.15	\$126,502	50	Yes		40	Partial	Pro
Arizona	67.40	9.5%	12.48	\$268,765	4	Yes		34	Partial	Neutral
Virginia	67.01	12.5%	11.13	\$285,229	6	Yes		10	Partial	Neutral
West Virginia	66.23	9.8%	10.03	\$108,236	49	Yes		32	Partial	Neutral
Arkansas	64.22	10.2%	9.81	\$128,101	29	Yes		19	Partial	Pro
Alabama	63.63	9.8%	11.78	\$138,975	25	Yes		20	Full	Neutral
Washington	60.25	10.7%	9.36	\$409,228	31	No		4	Partial	Neutral
Iowa	57.35	11.2%	11.31	\$152,885	28	Yes		8	Partial	Neutral
North Carolina	56.62	9.9%	10.35	\$202,215	22	Yes		9	Partial	Anti
Kansas	54.31	11.2%	11.21	\$150,657	17	Yes		36	Partial	Neutral
Colorado	50.88	9.7%	12.31	\$397,820	16	No		26	Full	Neutral
New Mexico	48.63	10.2%	9.66	\$203,675	44	No		15	Partial	Neutral
Louisiana	47.21	9.1%	8.53	\$166,565	41	Yes		38	Partial	Pro
New Hampshire	45.39	9.6%	22.89	\$290,163	8	No		41	None	Pro
Michigan	44.17	8.6%	13.95	\$173,277	20	Yes		37	Partial	Neutral
Pennsylvania	43.92	10.6%	12.28	\$194,603	26	No		47	Partial	Neutral
Ohio	42.89	10%	11.31	\$150,374	43	No		14	Full	Neutral
Minnesota	42.25	12.1%	13.06	\$256,857	32	No		21	Partial	Neutral
Maine	41.96	12.4%	20.91	\$242,316	19	No		35	Partial	Neutral
Georgia	41.37	8.9%	11.72	\$201,294	32	Yes		24	Full	Pro
Alaska	41.32	4.6%	21.90	\$300,889	12	No		33	Full	Neutral
Vermont	32.40	13.6%	17.44	\$254,234	14	No		42	Full	Neutral
Delaware	32.30	12.4%	12.29	\$254,108	26	No		17	Partial	Neutral
New Jersey	30.00	13.2%	16.26	\$335,607	47	No		49	Partial	Neutral
Maryland	27.60	11.3%	14.27	\$308,041	29	No		28	Partial	Neutral
Oregon	24.61	10.8%	10.01	\$361,970	46	No		27	Partial	Anti
California	24.51	13.5%	25.48	\$554,886	48	No		39	None	Neutral
Illinois	21.86	12.9%	11.86	\$202,675	40	No		50	Partial	Anti
Connecticut	18.04	15.4%	24.21	\$255,555	11	No		48	Full	Neutral
Hawaii	17.50	14.1%	37.30	\$636,451	35	No		46	Partial	Neutral
Rhode Island	15.59	11.4%	18.53	\$300,808	36	No		44	Full	Neutral
Massachusetts	8.87	11.5%	20.97	\$422,856	21	No		43	Partial	Anti
New York	-1.67	15.9%	18.20	\$321,934	45	No		29	Full	Anti



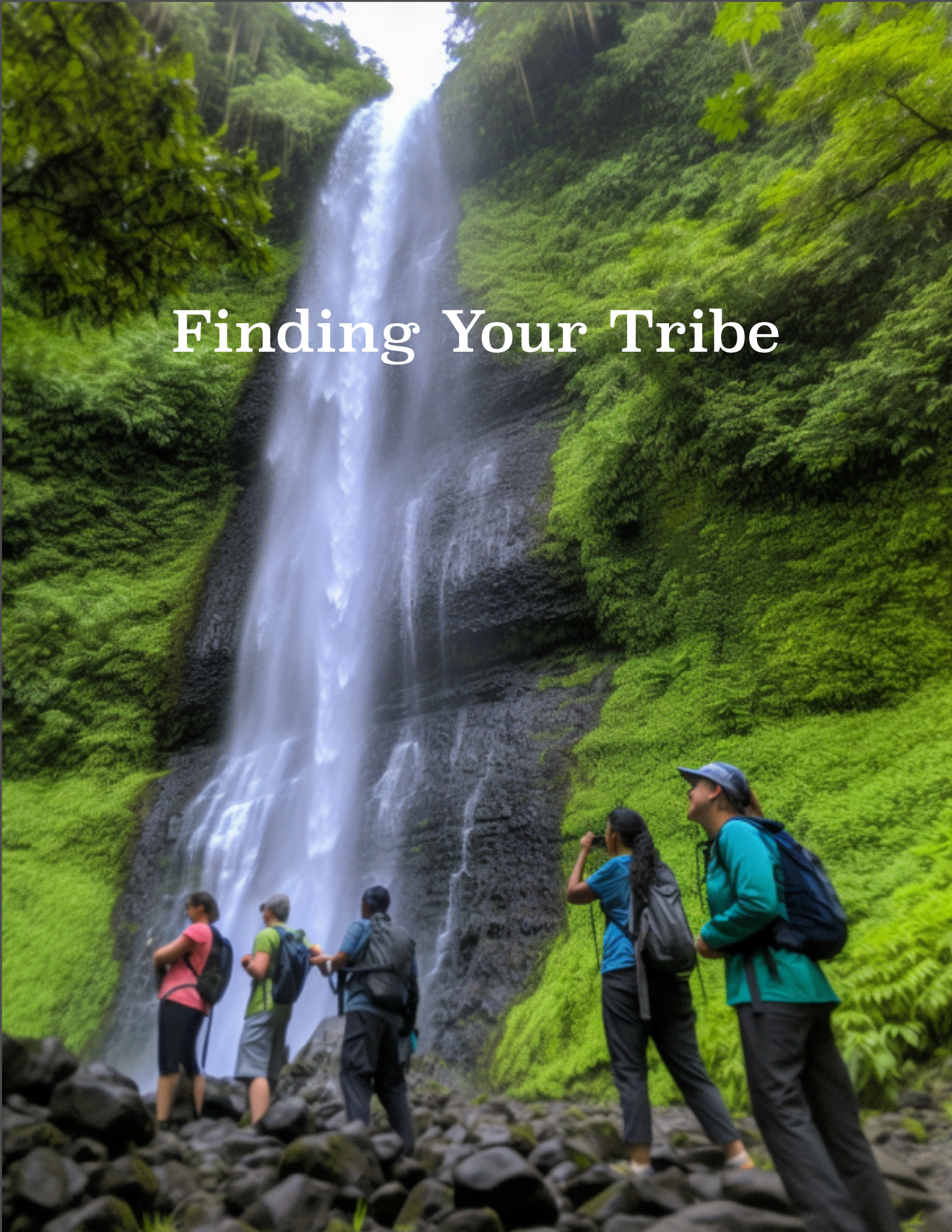
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Finding Your Tribe



For some who find themselves in ideologically hostile environments, moving is the best option. For others, a better choice is to effect change in the place they already live. A bitcoin-friendly location can make things easier, but the frontier is in our hearts and minds.

Whether or not you move, finding members of your tribe is important. People who dedicate themselves to building wealth outside of the traditional financial system can be faced with feelings of alienation. Finding a community of like-minded people is a key to building relationships and staying on mission.

Wherever you are, you can get involved with – or even shape – the local bitcoin scene. As you participate in your local bitcoin community and build up your network and knowledge, you may find that you naturally fill the roll of bitcoin mentor to your friends, colleagues, and families.

Find a Meetup

Meetups are great no matter where you are, but they're especially meaningful if the place you live is not particularly bitcoin-friendly. Meetups allow you to learn new things, challenge your assumptions, stay updated about trends and technology, and make new friends.

Large cities often have multiple meetups listed online. Don't hesitate to contact the organizers and ask questions, such as whether the meetup is technical, whether it's bitcoin-only or includes other cryptocurrencies, and so on.

Start a Meetup

Bitcoin is a grassroots movement. If there isn't a meetup in your area, why not start one? Simply list your event online and create a social media account to attract interest. Decide on a date, find a venue, and plan topics or guest speakers to kick things off. Providing value consistently will help your meetup grow. You don't have to go big right away; even small groups can grow into a strong subculture.

By stepping up as a meetup organizer you're driving bitcoin adoption, as well as positively impacting your community by facilitating social connections that enrich everyone's lives, including yours.

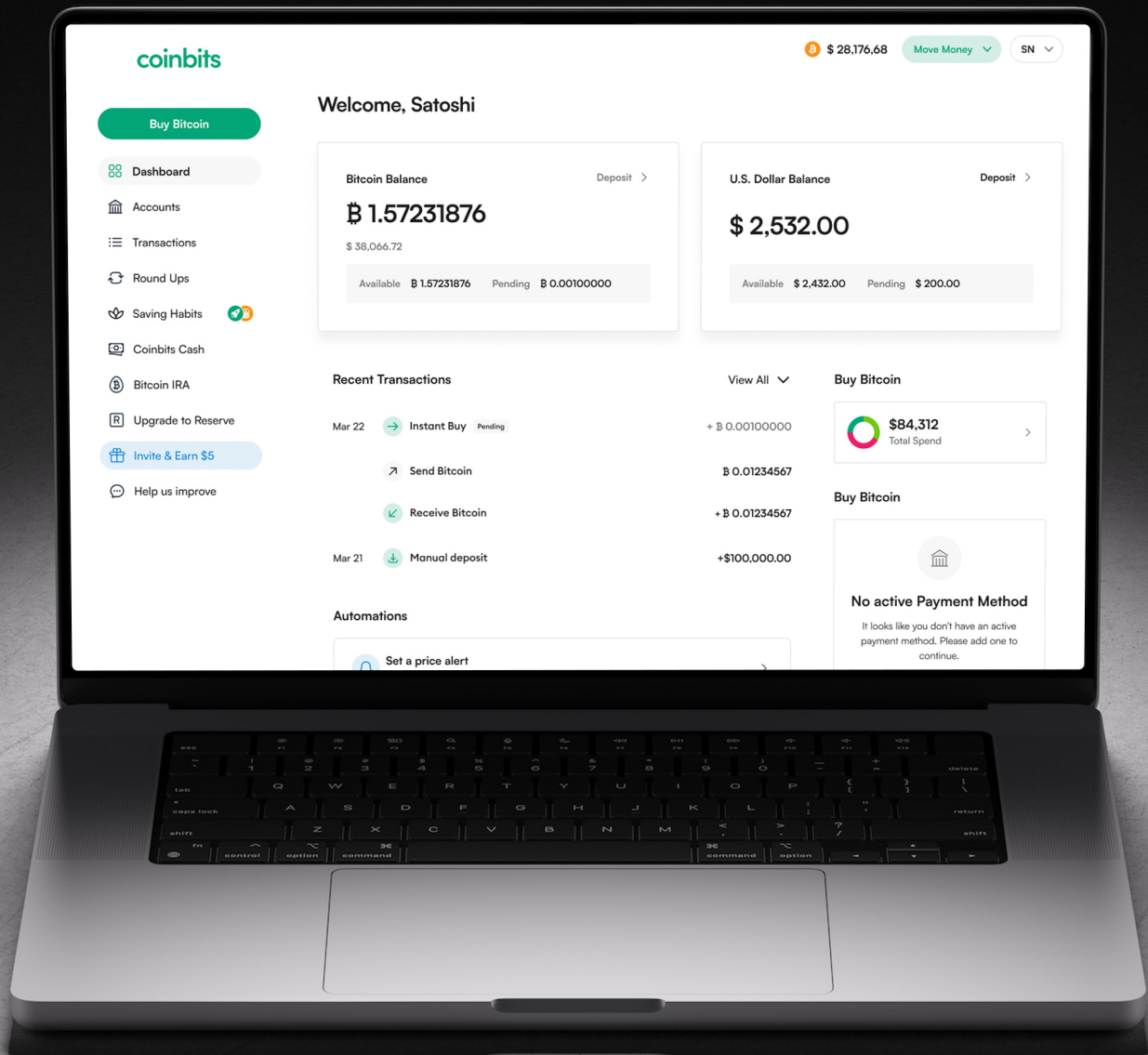
Bitcoin Events

Nowadays, there are organized bitcoin events offered all year. The largest of these are international conventions with thousands of attendees. Large conferences can be rewarding – and also expensive. In general, think carefully about the return on investment of time and money on bitcoin events.

The value a conference is not in the parties, pageantry, or even the presentations (which are available online afterwards) but in personal connections made with others. Since so many people converge in a single city, it's possible to meet a large number of people in a small amount of time.

On the other hand, smaller events can be just as valuable, if not more so. In recent years, as some of the most well-known names in bitcoin media have deviated from the core tenets of bitcoin, there has been a shift toward smaller, tightly curated summits and showcases. Although small, these can be extremely valuable for networking and learning. In many instances, bitcoiners drive many hours to attend small events and meetups, or even travel across the planet.

If you have the money to spare, attending large, expensive conferences might be worthwhile. If paying for these is a stretch, you are better off using a more deliberate, high-touch approach. You will learn more, sleep more, spend less, and build relationships that last for the long term.



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