

America's Top States for Business 2017

A scorecard on state economic climate

We score all 50 states on more than 60 measures of competitiveness, developed with input from a broad and diverse array of business and policy experts, official government sources, the [CNBC Global CFO Council](#), [YPO](#) and the states themselves. States receive points based on their rankings in each metric. Then we separate those metrics into 10 broad categories, weighted based on how frequently each is used as a selling point in state economic development marketing materials. That way, our study ranks the states based on the criteria they use to sell themselves. This year some states were tied. [Learn more about our categories and methodology.](#)

[Full 2017 Top States coverage](#)

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State	OVERALL	Workforce	Infra-structure	Cost of Doing Business	Economy	Quality of Life	Technology and Innovation	Education	Business Friendliness	Access to Capital	Cost of Living
Washington	1	5	32	32	3	5	3	19	31	8	37
Georgia	2	3	4	26	1	28	23	33	19	9	14
Minnesota	3	16	10	36	6	3	5	2	33	16	31
Texas	4	1	1	15	25	37	11	34	24	3	9
North Carolina	5	7	20	9	15	28	6	32	8	9	19
Colorado	6	4	28	38	13	14	7	12	8	12	32
Virginia	7	2	25	35	20	17	16	13	7	13	28
Utah	8	18	9	24	4	20	18	34	16	18	17
Tennessee	9	19	2	6	5	42	30	37	4	23	7
Massachusetts	10	6	41	45	14	10	1	1	20	7	47
Michigan	11	13	19	24	9	33	9	23	25	17	3
Florida	12	22	7	30	2	24	28	40	17	4	27
Nebraska	13	20	26	13	27	10	33	5	6	41	13
Indiana	14	35	3	2	10	45	26	29	8	24	2
Iowa	15	42	23	10	21	9	25	9	11	30	15
Ohio	16	31	5	22	17	40	15	15	37	14	18
Oregon	17	30	20	28	10	12	14	27	41	22	39
New Hampshire	18	14	49	39	22	6	21	8	1	32	30
North Dakota	19	12	17	29	40	4	39	13	4	47	26
Idaho	20	33	32	11	8	18	36	44	3	41	6
Wisconsin	21	28	26	22	28	24	17	15	27	25	24
Missouri	22	43	11	17	18	46	22	15	23	20	11
Pennsylvania	23	21	38	34	34	30	10	10	28	5	34
South Dakota	24	39	37	14	22	14	41	25	2	34	34
Maryland	25	11	43	48	7	26	4	25	33	15	44
Arizona	26	7	14	37	19	31	24	49	14	18	25

Wyoming	27	17	14	26	43	16	40	11	13	50	15
California	28	10	22	49	22	21	2	28	50	1	48
South Carolina	29	23	30	16	15	36	35	40	29	28	29
Montana	30	44	30	11	35	8	37	22	26	35	30
Illinois	31	24	24	30	45	27	12	24	47	5	21
New Jersey	32	26	46	45	31	13	18	4	42	9	41
Connecticut	33	7	47	43	41	23	13	3	32	20	45
Kansas	34	33	12	21	46	35	31	18	15	36	8
Kentucky	35	47	6	3	29	41	38	30	44	27	10
Vermont	35	45	29	41	37	2	29	7	30	46	43
Alabama	37	36	18	7	26	50	31	47	33	29	12
New York	38	39	45	47	33	19	8	5	45	2	49
Nevada	39	41	8	18	10	34	50	50	18	26	36
Delaware	40	15	36	40	39	37	18	36	22	38	33
Arkansas	41	37	12	7	32	47	48	38	39	32	4
New Mexico	42	32	16	19	44	42	27	45	45	38	22
Oklahoma	43	38	32	20	42	48	44	43	12	36	5
Louisiana	44	28	39	4	49	49	47	48	40	31	20
Rhode Island	45	27	50	43	29	31	34	20	37	44	42
Maine	46	50	48	32	38	7	41	20	36	40	38
Alaska	47	25	35	42	48	22	41	42	20	49	46
Mississippi	48	46	41	1	47	44	46	46	43	44	1
Hawaii	49	48	40	50	35	1	45	30	47	41	50
West Virginia	50	49	44	4	50	39	49	39	49	47	22

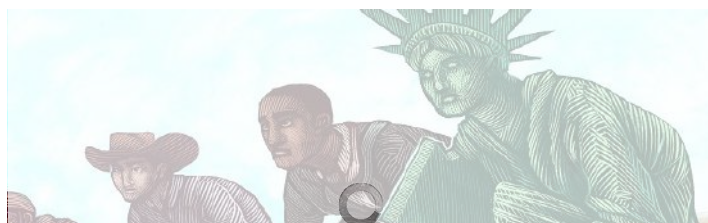
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America's Top States for Business 2017: Methodology and sources

- Workforce and infrastructure are at the top of the list among 10 major categories and 66 metrics used by CNBC in crowning its Top State for Business 2017.
- The skills gap across the U.S. labor market is big and getting bigger.
- As President Trump talks up a \$1 trillion infrastructure plan, states are talking more about the strength of their roads, rails, ports and utilities.

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CNBC's Top States for Business: Crunching the numbers behind the rankings

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Our exclusive study scores all 50 states on 66 metrics across 10 categories of competitiveness. Our study is not an opinion survey; we measure actual performance by the states.

Our aim is to grade the states based on the qualities they deem most important in attracting business. To do that, we assign a weight to each of our 10 categories by analyzing every state's economic development marketing materials. The more the states cite a particular category as a selling point, the more weight that category carries. For example, if more states are talking about their workforce, the Workforce category carries more possible points.

Here are this year's categories and weightings.

Workforce (425 points)

Most states point with great pride to the quality and availability of their workers, as well as government-sponsored programs to train them. We rate states based on the education level of their workforce, the numbers of available employees and the states' demonstrated abilities to retain college-educated workers. We consider each state's concentration of STEM (science, technology, engineering, and math) workers, increasingly in demand by business. We measure workforce productivity based on each state's economic output per job. We look at the relative success of each state's worker training programs in placing

TOP STATES FOR BUSINESS



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This is America's Top State for Business in 2017

Washington is the No. 1 state for business, according to CNBC's Top States for Business 2017 ranking, revealed today.



State winners and losers in competition to woo corporations

Massachusetts had the most impressive jump, while Wyoming suffered big drops, in CNBC's Top States for Business ranking.

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their participants in jobs. We also consider union membership and the states' right-to-work laws. While organized labor contends that a union workforce is a quality workforce, that argument, more often than not, does not resonate with business.

Infrastructure (400 points)

Access to transportation in all its modes is key to getting your products to market and your people on the move. We measure the vitality of each state's transportation system by the value of goods shipped by air, waterways, roads and rail. We look at the availability of air travel in each state, the quality of the roads and bridges and the time it takes to commute to work. We also consider the condition of each state's drinking water and wastewater systems.

Cost of Doing Business (350 points)

Cost is a major consideration when a company chooses where to do business. We look at the competitiveness of each state's tax climate, as well as state-sponsored incentives that can lower the cost of doing business. Utility costs can add up to a huge expense for business, and they vary widely by state. We also consider the cost of wages, as well as rental costs for office and industrial space.

Economy (300 points)

A solid economy is good for business. So is a diverse economy, with access to the biggest players in a variety of industries. We look at economic growth, job creation, consumer spending, and the health of the residential real estate market. We measure each state's fiscal health by looking at its credit ratings and outlook, as well as its overall budget picture. Because of their own economic impact as well as the ripple effect, we consider the number of major corporations headquartered in each state.

Quality of Life (300 points)

One way to attract qualified workers is to offer them a great place to live. We score the states on livability, as well as additional factors, such as crime rate; inclusiveness, along with antidiscrimination protections; the quality of health care; the level of health insurance coverage and the overall health of the population. We evaluate local attractions, parks and recreation, as well as environmental quality.

Technology & Innovation (225 points)

Succeeding in the new economy — or any economy — takes innovation. Truly competitive states prize innovation, nurture new ideas and have the infrastructure to support them. We evaluate the states on their support for innovation and the number of patents issued to their residents. We also consider federal health, science and agricultural research grants to the states.

Education (200 points)

Education and business go hand in hand. Not only do companies want to draw from an educated pool of workers, they also want to offer their employees a great place to raise a family. Higher-education institutions offer companies a source to recruit new talent, as well as a partner in research and development. We consider the number of higher-education institutions in each state, as well as long-term funding trends for higher education. We look at several measures of K-12 education, including test scores, class size and spending, and we look at

[America's 10 most expensive states to live in 2017](#)

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technology infrastructure in the schools. We also look at lifelong learning opportunities in each state.

Business Friendliness (150 points)

Regulation and litigation are the bane of business. Sure, some of each is inevitable. But we grade the states on the freedom their legal and regulatory frameworks provide for business.

Access to Capital (100 points)

Companies go where the money is, and capital flows to some states more than others. We look at venture capital investments by state, as well as traditional bank financing for small and mid-sized businesses.

Cost of Living (50 points)

The cost of living helps drive the cost of doing business. From housing to food and energy, wages go further when the cost of living is low. We measure the states based on an index of costs for basic items.

Our Sources

Our rankings are based primarily on publicly available data. Most of the information comes from federal databases. In the cases where government statistics are not available, we seek neutral and/or ideologically diverse data sources. Here is our complete list of sources for 2017:

- [ACT, Inc.](#)
- [American Lung Association](#)
- [American Society of Civil Engineers](#)
- [U.S. Bureau of Economic Analysis](#)
- [U.S. Bureau of Labor Statistics](#)
- [U.S. Census Bureau](#)
- [Center for Regional Economic Competitiveness](#)
- [U.S. Chamber of Commerce](#)
- [The College Board](#)
- [CoStar Group](#)
- [Council for Community and Economic Research \(C2ER\)](#)
- [U.S. Department of Agriculture](#)
- [U.S. Department of Commerce](#)
- [U.S. Department of Education](#)
- [U.S. Department of Energy](#)
- [U.S. Department of Justice](#)
- [Education Week Research Center](#)
- [EducationSuperHighway](#)

- [U.S. Employment and Training Administration](#)
- [U.S. Environmental Protection Agency](#)
- [Federal Aviation Administration](#)
- [Federal Highway Administration](#)
- [Federal Housing Finance Agency](#)
- [Foundation for Excellence in Education](#)
- [Fraser Institute](#)
- [George Mason University](#)
- [Milken Institute](#)
- [Moody's Investors Service](#)
- [National Association of State Budget Officers](#)
- [National Conference of State Legislatures](#)
- [National Education Association](#)
- [National Institutes of Health](#)
- [National Right to Work Legal Defense Foundation](#)
- [National Science Foundation](#)
- [National Venture Capital Association](#)
- [RealtyTrac](#)
- [S&P Dow Jones Indices](#)
- [State Higher Education Executive Officers](#)
- [Statebook International](#)
- [Tax Foundation](#)
- [U.S. Patent and Trademark Office](#)
- [U.S. Small Business Administration](#)
- [U.S. Surface Transportation Board](#)
- [United Health Foundation](#)



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