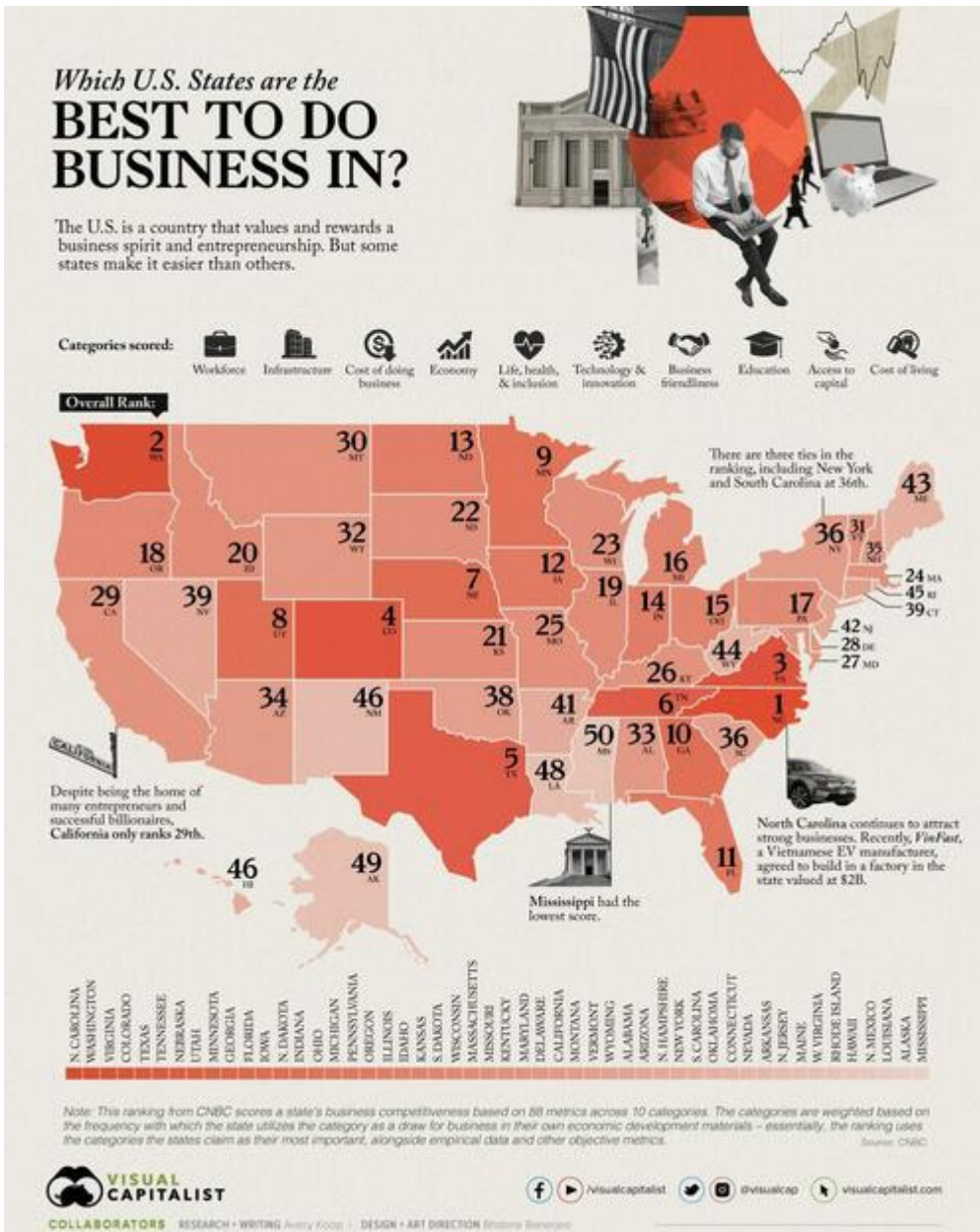


Which US States Are The Best To Do Business In?

Description

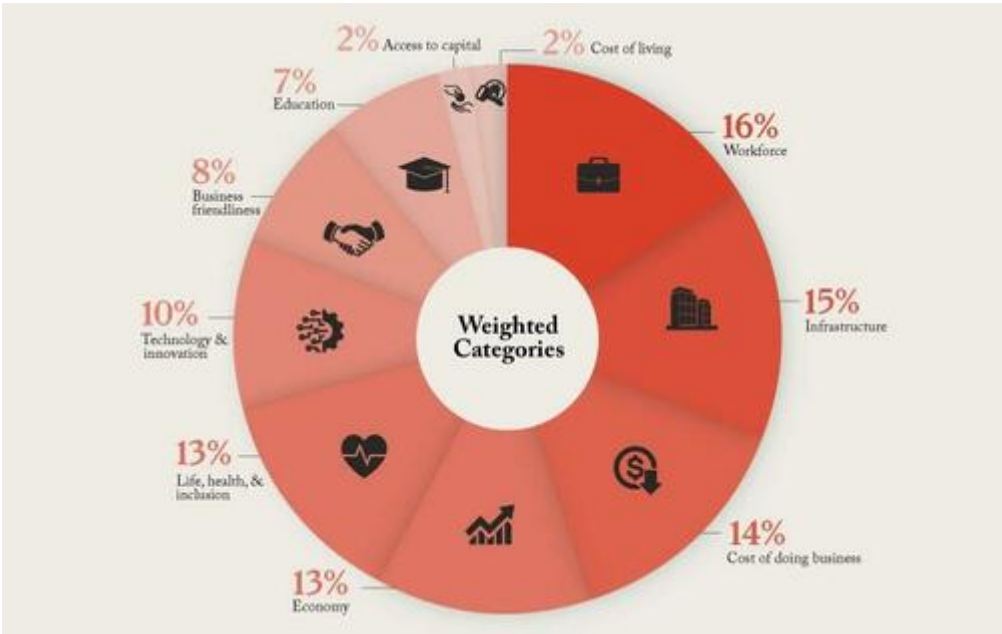
USA: The United States often ranks as one of the best countries to start a business in, but, [as Visual Capitalist's Avery Koop details below](#), the ease with which one can do business varies state by state. There are many considerations that factor into starting a business like the available workforce, the condition of local infrastructure, access to investors, a culture that's open to business, and so on.

This map ranks America's best states to do business in based on a [study](#) from CNBC which measured 88 factors across 10 broad categories.



Methodology

Here is a further breakdown of the weight given to each of the 10 categories:



The Most Business Friendly States

North Carolina—coming in first place in the ranking—attracts an extremely talented and innovative workforce, largely thanks to the state’s investment in its Research Triangle Regional Partnership ([RTRP](#)).

Overall Rank	State
#1	North Carolina
#2	Washington
#3	Virginia
#4	Colorado
#5	Texas
#6	Tennessee
#7	Nebraska
#8	Utah
#9	Minnesota
#10	Georgia

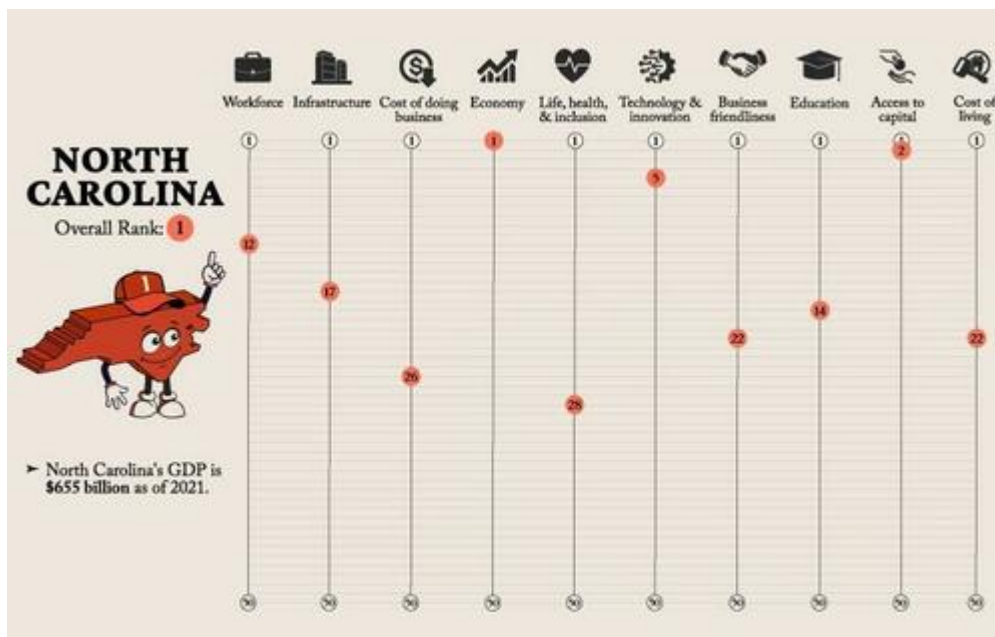
Notably, there are three ties in the ranking: New York and South Carolina had the same score, tying for 36th, Connecticut and Nevada tied for 39th, and Hawaii and New Mexico tied for 46th.

Other states ranking high on the list are Washington, Virginia, and Colorado. One of the newest individual metrics CNBC took into consideration was an openness to the cannabis industry, likely playing into Colorado’s move up from 8th to 4th compared to last year.

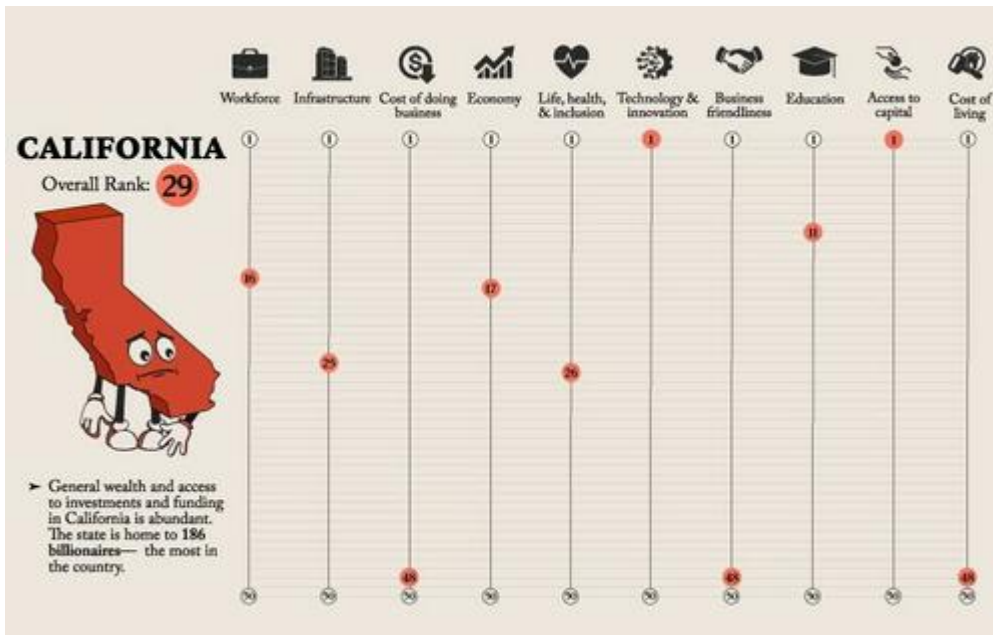
Some states that perhaps surprisingly don't crack the top 10 include California and New York, both often considered centers of finance and entrepreneurship. But with the high costs of living and of starting a business in those states, their overall score is reduced.

A Look at the Scoring — North Carolina, California, and Nevada

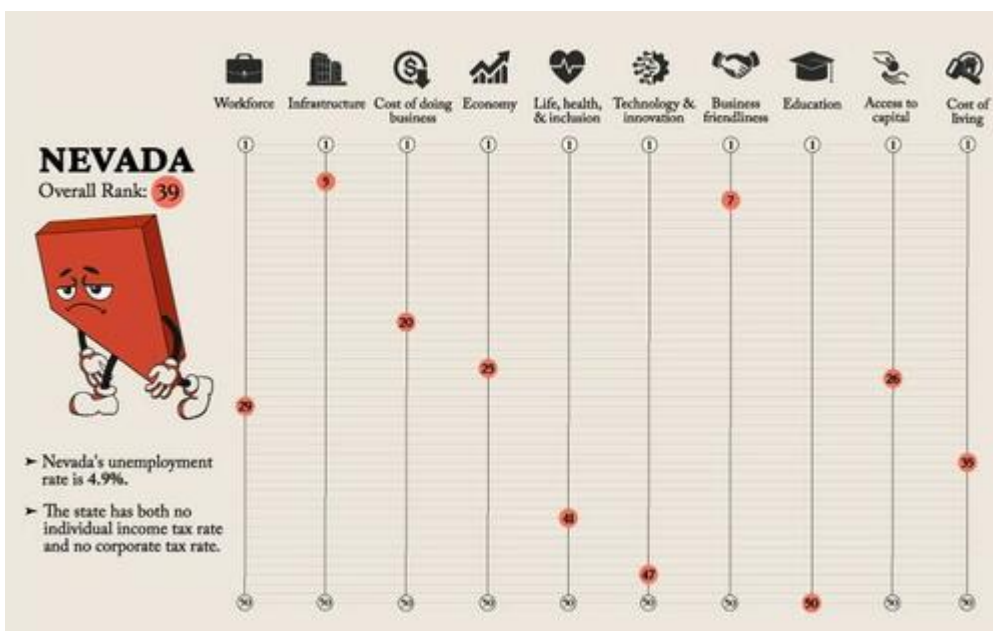
To better understand how this ranking works we've broken down three different states and how they ranked in all 10 categories that gave them their overall spot. Here's a brief look at their place in each category:



While North Carolina is the number one state to do business in and has an extremely strong [economy](#), they are 26th when it comes to the Cost of Doing Business.



Whereas California ranks low overall, the state ranks first in terms of Technology and Innovation, as well as Access to Capital.



Although Nevada scored highly in the Infrastructure and Business Friendliness categories, the state scored poorly in Technology and Innovation, and was dead last in the Education category.

Doing Business in America

New business applications have actually [decreased](#) 4% this year in comparison to the same timeframe in 2021.

Here’s a look at new business applications by region as of July 2022:

- Northeast: 63,058
- Midwest: 70,827
- South: 197,663
- West: 94,150

New business applications in July were the highest in the retail trade industry, numbering around **69,000** new applications, according to the U.S. Census Bureau. Applications for professional service businesses were the second highest at 53,000, followed closely by construction businesses at 43,000.

Here’s a closer look at the industry breakdown:

Industry	Number of Applications
Retail Trade	68,974
Professional Services	53,321
Construction	43,442
Other Services	38,605
Transportation and Warehousing	34,952
Administrative and Support	31,602
Health Care and Social Assistance	25,725
Accommodation and Food Services	24,166
Real Estate	23,953
Finance and Insurance	18,890
Arts and Entertainment	12,684
Unclassified	12,350
Wholesale Trade	8,893
Information	7,802
Educational Services	5,762
Manufacturing	5,744
Management of Companies	4,166
Agriculture	3,703
Mining	542
Utilities	421

A potential looming recession, alongside rising interest rates and inflation, may be creating a sense of cautiousness among businesspeople, leading to the lower rate of business applications compared to last year. And, at existing companies, the economic situation has lead to cuts in growth forecasts and subsequently, major layoffs.

But overall, the U.S. is a country which values entrepreneurship—even during the pandemic, massive spikes in new business formations were recorded—and certain industries and states will continue to flourish in any business environment.

by Tyler Durden

Category

1. Economy-Business-Fin/Invest
2. Main

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