

RHINO TIMES

State Ranked First For Business For Third Consecutive Year

John Hammer

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For the third year in a row, North Carolina was rated by Forbes as the best state in the country for business.

The ranking is based on 17 different criteria. North Carolina ranked first in “Regulatory Environment” and fourth in “Business Costs”

The number two state in the country for business according to Forbes is Texas.

And of the neighboring states, Virginia is ranked fourth, Georgia is sixth, Tennessee is seventh and South Carolina is 16th.

Florida is number five and Alabama, which in 2018 got the Toyota-Mazda plant Greensboro wanted, is 40.

In the rankings, business costs include labor, energy and taxes, with labor costs weighted the most heavily, which probably works to North Carolina’s benefit since the state is one of 15 that still has a franchise tax. The franchise tax is based on the corporation’s net worth, whether the company is making a profit or not. The state budget passed by the Republican legislature lowered the franchise tax, but since the budget was vetoed that reduction is on hold with the rest of the budget.

Labor supply uses Census Bureau figures for college and high school degrees. Since North Carolina is one of the faster growing states, the fact that they considered migration and projected population growth would help.

Forbes includes figures from the Cato Institute to figure regulatory environment, where North Carolina ranked number one. It also uses information from the US Chamber Institute for Legal Reform to determine the best and worst legal climates. The state’s fiscal health and laws on employment discrimination are also factors in the regulatory environment ranking.

Economic climate considers job, income and gross state product growth as well as average unemployment. The number of the biggest public and private companies by revenue headquartered in the state is another factor in this category.

In the quality of life category, Virginia ranked number one. Forbes takes into consideration the cost of living, school test performance and crime rates. The weather also counts, as well as the number of top-ranked four year colleges in the state based on the Forbes’ annual college

rankings. Cultural and recreation opportunities are based on an index created by Bert Sperling. Commute times and health are also considered for quality of life.