



THE VOICE of BUSINESS

Analysis of CNBC’s *America’s Top States for Business 2024*

Summary

Virginia placed 1st in CNBC’s *America’s Top States for Business 2024*, released today. This is the sixth time CNBC has named Virginia the Top State for Business, the most of any state since CNBC inaugurated the rankings in 2007. This is also Virginia’s third win in the past five years, following first place results in 2019 and 2021.

Each year, CNBC awards points to each state based on their rankings in ten broad categories ranging from workforce and education to the cost of doing business and the cost of living. While these categories are generally constant from year to year, the individual metrics within each category and the overall weight of each category are adjusted each year to reflect the latest trends and issues in business. This year, for the first time in the history of the rankings, CNBC gave the most weight, 17% of overall score, to the infrastructure category. The categories in Figure 1 below are listed in descending order of weight, with cost of living comprising just 2% of a state’s overall score.

VIRGINIA SCORE AND RANKING

CATEGORY ↓	2024 SCORE ↓	2024 RANK ↓	2023 RANK ↓	2024 GRADE ↓
INFRASTRUCTURE	273	3	10	A
WORKFORCE	232	9	7	C+
ECONOMY	227	11	13	B-
QUALITY OF LIFE	189	19	16	C+
COST OF DOING BUSINESS	160	24	34	B
TECHNOLOGY & INNOVATION	167	15	15	B+
BUSINESS FRIENDLINESS	170	5	6	B+
EDUCATION	91	1	1	A+
ACCESS TO CAPITAL	58	8	4	B+
COST OF LIVING	28	19	25	C+
OVERALL	1595	1	2	

Figure 1: Virginia Score and Ranking, 2024, CNBC

This year saw the closest difference yet recorded between the first and second place states in the rankings—Virginia won a total of 1595 points, out of a maximum of 2,500, to claim the top position, followed by North Carolina with 1592 points. Virginia and North Carolina have traded positions in the *America's Top State for Business* rankings in recent years—Virginia placed 2nd overall to North Carolina in 2023, and 3rd overall to North Carolina and Washington, respectively, in 2022. In 2024, Texas, Georgia, and Florida round out the top five.

Virginia's recognition as the Top State for Business was bolstered by a strong performance in each of the ten categories—Virginia finished in the top half of every category, including ranking 1st in Education, 3rd in Infrastructure, and 5th in Business Friendliness.

The following sections detail Virginia's performance in each of the ten categories. Two visualizations follow these sections. The first visualization shows Virginia's performance overall and in each of the ten categories from 2016 to present. The second compares Virginia's overall rank in these years to the Commonwealth's neighboring and competitor states.

Infrastructure

Virginia received 273 of 425 possible points in the Infrastructure category. Metrics used include the value and volume of goods shipped by air, water, road, and rail; the condition of highways and bridges; the availability of air travel; commute time; the quality, availability, and price of broadband service; access to markets as measured by population living within 500 miles of each state; the availability of vacant land, office, and industrial space; the condition of drinking water and wastewater systems; the reliability of the electrical grid; the availability of renewable energy; and the sustainability of overall infrastructure, based on the risk of flooding, wildfires, and extreme weather. Finally, for the first time in 2024, this category also measures state site readiness programs in terms of overall funding and number of certified sites.

Virginia ranked 3rd in Infrastructure this year, furthering the Commonwealth's rapid improvement on this metric in recent years—in 2016, Virginia ranked 32nd overall in the category, steadily rising to a 9th place finish in 2022 and 10th in 2023. Georgia ranked 1st in Infrastructure among all states, successfully defending its 1st place finish in the category last year.

The Virginia Business Ready Sites Program and related initiatives played a major role in the Commonwealth's high rank in the Infrastructure category, highlighting the ongoing importance of such programs to our overall business climate. As other states, including Georgia, continue to provide funding for their site readiness programs, it remains critical that Virginia do the same.

Workforce

Virginia received 232 of 375 possible points in the Workforce category. Metrics used include concentration of science, technology, engineering, and math (STEM) workers; the percentage of workers with college degrees, associate degrees, and industry-recognized credentials; the net migration of educated workers to the state; state worker training programs; right to work laws; and worker productivity based on economic output per job.

Virginia ranked 9th in Workforce this year, down from 7th in 2023. Prior to 2022, Virginia ranked in the top three in Workforce each year since 2016, claiming the top position once in 2019. Texas ranked 1st in Workforce this year, up from 2nd in 2023.

Economy

Virginia received 227 of 350 possible points in the Economy category. Metrics used included gross domestic product (GDP) growth and job growth over the past year; the overall fiscal condition based on credit ratings and outlook; the health of the residential real estate market based on factors including inventory, price appreciation, among others; the number of major corporations headquartered in the state; and new business formations. Finally, new in 2024, this category also measures foreign direct investment (FDI) in absolute terms and as a percentage of state GDP.

Virginia ranked 11th in Economy this year, up from 13th in 2023. As with Infrastructure, Virginia has steadily climbed the Economy rankings since 2016 when the Commonwealth ranked 30th. Florida ranked 1st in Economy this year, successfully defending its 1st place finish in the category last year.

Quality of Life

Virginia received 189 of 325 possible points in the Quality of Life category. Metrics used include per capita crime rates; environmental quality; health care; worker protections; the strength of state laws protecting against discrimination; voting rights and secure election systems; the availability and affordability of qualified childcare facilities; and state laws on abortion.

Virginia ranked 19th in Quality of Life this year, down from 16th in 2023. The Commonwealth's position has held relatively steady in this category since 2016, ranging from 19th (in 2018 also) to 11th in 2021. Vermont ranked 1st in Quality of Life again this year, having claimed the top position in this category each year since 2021.

Cost of Doing Business

Virginia received 160 of 275 possible points in the Cost of Doing Business category. Metrics used include ranking each state's tax burden and strength of its overall business tax climate; the cost of wages and utilities; the cost of office and industrial space; incentives and tax breaks offered to reduce business costs; and incentives for development of disadvantaged communities. Finally, new in 2024, this category also measures increases in commercial property and casualty insurance premiums.

Virginia ranked 24th in Cost of Doing Business this year, up from 34th in the category in 2023. Virginia's ranking in this category has also improved dramatically since 2016 when the Commonwealth ranked 36th. This year's result appears to mark the first time Virginia has placed in the top half of all states in the category. Oklahoma ranked 1st in Cost of Doing Business this year, up from 3rd in 2023.

Technology & Innovation

Virginia received 167 of 250 possible points in the Technology & Innovation category. Metrics used include the number of patents issued per capita; health, science, and agriculture research

grants; and domestic semiconductor research, development, and manufacturing. Finally, new in 2024, this category also measures each state's role in the development of artificial intelligence (AI) and the availability of AI jobs, as well as state success securing a "Tech Hub" designation from the federal government through the CHIPS and Science Act.

Virginia ranked 15th in Technology & Innovation this year, unchanged from 2023. Virginia's position in this category has held relatively constant since 2016, when Virginia also ranked 15th. Since 2016, Virginia has not ranked lower than 17th in Technology & Innovation. Texas and New York were tied for 1st in the category this year; last year, Massachusetts and California tied for 1st in the category.

Business Friendliness

Virginia received 170 of 250 possible points in the Business Friendliness category. Metrics used include lawsuit and liability climates; regulatory regimes covering areas including trade and labor; overall bureaucracy; and hospitality to emerging industries. Finally, new in 2024, this metric also considers state regulations guiding AI industry development, as well as state land use regulations.

Virginia ranked 5th in Business Friendliness this year, up from 6th in both 2022 and 2023. CNBC has consistently ranked Virginia one of the most business friendly states since 2016, when the Commonwealth ranked 3rd in the category. North Dakota ranked 1st once again in Business Friendliness this year, having claimed the top position in this category in 2022 and 2023.

Education

Virginia received 91 of 125 possible points in the Education category. Metrics used include K-12 test scores, class sizes, and spending; the number of colleges and universities; long-term trends in state support for higher education; the number and presence of historically Black colleges and universities (HBCUs); and the strength of each state's community college and career education systems.

Virginia ranked 1st in Education this year, successfully defending its 1st place finish in the category in 2023. Since 2016, Education has consistently been the Commonwealth's top-performing category. Indeed, Virginia has ranked 1st or 2nd in the category each year since 2019. Massachusetts, the only state to outrank Virginia in Education since 2019, placed second this year.

Access to Capital

Virginia received 58 of 75 possible points in the Access to Capital category. Metrics used include venture capital investments in each state; traditional bank lending both absolute and relative to other states; and state-backed capital assistance and loan guarantee programs.

Virginia ranked 8th in Access to Capital this year, down from 4th in 2023. Despite the slip in rankings this year, Virginia has also steadily improved its ranking in this category since 2016 when the Commonwealth ranked 15th. California again claimed 1st place in Access to Capital—California has ranked 1st in this category each year since 2017.

Cost of Living

Virginia received 28 of 50 possible points in the Cost of Living category. The single metric for this category is an index of costs for basic items by state; in addition to goods, this index also includes housing affordability and, for the first time in 2024, the cost to insure a median priced home.

Virginia ranked 19th overall in Cost of Living this year, up from 25th in the category in 2023. Similar to Infrastructure and Cost of Doing Business, Virginia has made great progress in Cost of Living since 2016, when the Commonwealth ranked 30th overall. Virginia's improvement in this category was critical to securing the overall 1st place result, particularly as Virginia outperformed North Carolina (31st in Cost of Living) for the first time ever. West Virginia ranked 1st for Cost of Living in 2024, up from 5th in 2023.

Visualizations

Virginia's Performance in CNBC's America's Top States for Business, 2016-2024

Year	Overall Rank	Workforce	Infrastructure	Cost of Doing Business	Economy	Quality of Life	Technology & Innovation	Business Friendliness	Education	Access to Capital	Cost of Living
2024	1	9	3	24	11	19	15	5	1	8	19
2023	2	7	10	34	13	16	15	6	1	4	25
2022	3	11	9	25	20	13	17	6	2	6	30
2021	1	3	24	25	13	11	16	11	2	9	32
2019	1	1	13	35	16	17	17	3	1	15	32
2018	4	3	20	34	13	19	15	5	6	13	33
2017	7	2	25	35	20	17	16	7	13	13	28
2016	13	3	32	36	30	16	15	3	5	15	30
Average	4.0	4.9	17.0	31.0	17.0	16.0	15.8	5.8	3.9	10.4	28.6

Overall Rank of State in CNBC's America's Top States for Business, 2016-2024

Year	Virginia	North Carolina	Texas	Georgia	Florida	Tennessee	South Carolina	Maryland	West Virginia	Kentucky
2024	1	2	3	4	5	8	19	31	40	27
2023	2	1	6	4	8	3	27	22	46	38
2022	3	1	5	10	11	6	36	27	44	26
2021	1	2	4	6	17	5	39	12	47	41
2019	1	3	2	6	12	13	34	31	45	39
2018	4	9	1	7	10	13	30	31	48	42
2017	7	5	4	2	12	9	29	25	50	35
2016	13	5	2	8	10	18	27	30	47	35
Average	4.0	3.5	3.4	5.9	10.6	9.4	30.1	26.1	45.9	35.4