



New Jersey slips in CNBC's Top States for Business list

Matthew Fazelpoor/July 11, 2024

The Garden State fell from No. 19 in 2023 to No. 25 in the newest CNBC Top States for Business list, out July 11.

“Last year there was great pride when New Jersey climbed 23 places, earning the distinction as the most improved state for doing business on CNBC’s Top States for Business list,” New Jersey Chamber of Commerce President and CEO Tom Bracken told NJBIZ in a statement. “That’s why it is disappointing that New Jersey is moving in the wrong direction.”

Virginia topped the annual list, followed by North Carolina, Texas, Georgia and Florida. In this region, Pennsylvania (No. 17) and New York (No. 22) both ranked higher than New Jersey.

John Boyd Jr. is principal of location advisory firm The Boyd Co. Founded in Princeton in 1975, The Boyd Co. has been active in the Garden State for over five decades. It serves as one of the nation’s most trusted and experienced corporate site selection outfits. The company provides independent location counsel to leading Fortune 500 as well as up-and-coming corporations worldwide.

Boyd was a contributor to the 2024 list. He said it is one of the most high-profile business climate rankings each year.

“Keep in mind that surveys like this carry significant weight. Today, more and more companies carry out their site selection investigations primarily in-house, relying less on third-party intermediaries,” Boyd told NJBIZ. “This is true given their ready access to data on the internet, on websites of economic development organizations, and prior in-house relocation experience. Also, of course, surveys like this one.”

New Jersey report card

CNBC scored all 50 states on 128 metrics across 10 categories of competitiveness.

New Jersey's ranking and grade in those categories include:

CATEGORY	2024 RANKING	2024 GRADE	2023 RANKING
Infrastructure	No. 30	C-	No. 21
Workforce	No. 15	C	No. 16
Economy	No. 17	C+	No. 19
Quality of Life	No. 3	A-	No. 3
Cost of Doing Business	No. 42	D	No. 44
Technology & Innovation	No. 26	C	No. 21
Business Friendliness	No. 49	F	No. 48
Education	No. 8	A-	No. 4
Access to Capital	No. 7	B+	No. 11
Cost of Living	No. 37	C-	No. 30

Unfortunate, but not surprising



Siekerka

“As in past years in this ranking, there is both good and bad to be found for New Jersey as it relates to business,” said New Jersey Business & Industry Association (NJBIA) President and CEO Michele Siekerka. “It’s encouraging to see our state fares well in areas like quality of life, access to capital, and education. These are attributes to be proud of – forming a solid and needed foundation which is needed for business growth and employer success.”

Siekerka said that the disappointing rankings in business friendliness and cost of doing business are “unfortunately not surprising.”

“Particularly after New Jersey just maintained the top corporate business tax in the nation after a broken promise in the reduction of that tax,” she said.



Bracken

“We placed second-to-last in business friendliness, we have one of the highest costs of doing business – and fell in the infrastructure, cost of living, and technology and innovation categories,” said Bracken. “We realize that there are initiatives in place to improve infrastructure and technology – but we need to continue to provide enhanced focus on those two areas. Also of great concern is neighboring New York and Pennsylvania are ahead of us – states that are actively luring companies and jobs away from us.”

Middle of the pack

“NJ ranks in the middle of the CNBC pack at No. 25 – with strong showings in workforce and quality of life: 130 miles of coastline, mountains in the Northwest part of the state, iconic restaurants and bars, proximity to NYC and Philadelphia’s tourism and cultural assets, top-rated public schools and universities – that remain a draw for a workforce,” said Boyd. “I suspect concerns about NJ Transit service hurt NJ’s ranking in the important infrastructure category which was prioritized this year. The state’s increase in the corporate income tax also hurts in the tax category.”

“Factoring that national outlier status with our other high business taxes, our extreme regulatory burdens that bring further high costs and our sharp decline in Fortune 500 companies, it’s clear there is much improvement to be made in these areas so we can better compete,” said Siekerka. “And we have the power to make considerable improvements – if only we had the appetite for it.”

Bracken also stressed this ranking does not fully take into account the “negative impact” of the recently signed state budget. That spending plan included the aforementioned corporate transit fee. According to Bracken, that will certainly impact the state’s future business attraction and retention efforts.

“All of this reinforces our longstanding plea for the administration and the Legislature to provide more support and attention for the business community,” Bracken emphasized.

Siekerka said it is also important to remember that this ranking represents a “current moment in time.”

“We continue to encourage policies that will make New Jersey a more desired and competitive destination for business over the course of years and decades,” she said.