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Virginia edges NC as CNBC's top business state for 2024

Richard Craver – July 11, 2024

North Carolina's streak as the nation's Top State for Business, as determined by cable business channel CNBC, has been snapped at two years by its northern neighbor and rival.

However, the Tar Heel state slipped just to No. 2 in the 2024 ranking released Thursday.

"CNBC again ranking North Carolina as one of the top states for business in the nation is a testament to our state's competitive advantages," state Commerce Secretary Machel Baker Sanders said in a statement.

"Successful states stay laser focused on improving their education systems, upgrading their infrastructure, and paying attention to critical quality of life issues like childcare. I'm confident we'll continue to do the work that's required to bring economic prosperity to all North Carolinians."

Three points separated Virginia (1,595) and North Carolina (1,592) on the 2,500-point scale for the 10 individual categories: access to capital; business friendliness; cost of doing business; cost of living; economy; education; infrastructure; quality of life; technology and innovation; and workforce.

CNBC said it was the closest margin between the top-two states in the 17-year history of its annual rankings. The rest of the top five were Texas, Georgia and Florida.

The difference from North Carolina achieving a threepeat was the two states' ranking in terms of infrastructure status — which CNBC said was its "heaviest-weighted category" for 2024.

Virginia was listed No. 3, while North Carolina was No. 20.

CNBC cited North Carolina's overall performance "was strong," pointing out remaining No. 2 in business friendliness and No. 3 for workforce "as people keep moving to the area."

North Carolina's successful balancing act in recruiting and retaining major employers — particularly involving advanced manufacturing in the Triad — was recognized.

“But that means growing pains, dropping the state to No. 20 for infrastructure — a major culprit, possibly because of its rapid growth.”

“North Carolina water utilities face more than \$20 billion in repair and maintenance needs over the next 20 years, according to the U.S. Environmental Protection Agency. Electricity customers are dealing with nearly eight hours without power per year, according to the most recent data from the U.S. Energy Information Administration.”

North Carolina’s lowest ranking among the 10 categories was No. 32 in quality of life, which factors affordability and availability of childcare, access to reproductive healthcare and rights, and voting rights.

“North Carolina’s biggest room for improvement in CNBC’s rankings is in the “Quality of Life” category, which includes affordability and availability of childcare, access to reproductive healthcare and rights, and voting rights.

“While the General Assembly provided critical, but limited, grants to help keep childcare centers open for the next few months, Gov. (Roy) Cooper continues to push Republican legislators to make the investments needed for parents, businesses and children by extending these grants, investing in NC Pre K and investing more in quality early childhood education,” according to a news release from the governor’s office.

“As CNBC’s methodology confirms, North Carolina’s economic future depends on it.”

Although there is a cottage industry of annual state business climate rankings, CNBC’s Top States for Business has perhaps the highest profile.

It is the sixth time Virginia has been listed as the top state when counting 2007, 2009, 2011, 2019 and 2021.

CNBC cited Virginia being “one of America’s most accessible states, and it offers a wealth of shovel-ready sites for companies looking to build fast.”

“But Virginia’s biggest competitive strength is its education system, which ranked No. 1. The state offers first-rate higher education opportunities and has some of the most individualized K-12 instruction in the nation, which appears to be translating to strong test scores.”

Among the sources for the CNBC rankings was John H. Boyd, founder and principal with global site-selection firm The Boyd Co. of Boca Raton, Fla., who is very familiar with North Carolina and Virginia economic-development projects.

“CNBC sent a film crew to our office in Boca Raton several weeks ago where we contributed insights and data to this year’s survey which, importantly, prioritized two site selection factors in particular: site readiness and infrastructure,” Boyd said.

“This emphasis underscores the importance and the timeliness of the Selectsite Readiness Program being rolled out by the Economic Development Partnership of N.C.

“There is a serious shortage of shovel-ready industrial sites in the U.S. today, and programs like North Carolina’s Selectsite Readiness is very much spot-on.”