



Other Business Climate Rankings
Beacon Hill, Forbes, CNBC, Site Selection and Others

Other Business Climate Rankings

Rankings of state business climate or competitiveness have proliferated. Some are more defensible than others; some are a black box. Here are some of the more prominent examples beyond ALEC and the Tax Foundation.

Beacon Hill Institute's *State Competitiveness Report*

Beacon Hill's competitiveness index is a collection of potential causal variables, outcomes variables, components of growth, correlates of income, and other measures, and turns out to be of no use as a predictor of state income growth. [Read more](#)

The SBEC's *Small Business Policy Index*

While the Small Business and Entrepreneurship Council claims to assess how states support entrepreneurship and small business development, in actuality their index is just a rough measure of the level of progressive taxes and leaves out most factors that significantly impact small business survival and entrepreneurship. [Read more](#)

CNBC's *America's Top States for Business*

CNBC ranks states on a broad array of measures, including not only direct business costs but also the quality of life, the cost of living, and the quality of state infrastructure and education systems. But the usefulness of the rankings is unclear because the scores include both cause and effect: factors thought to contribute to growth, and measures of actual economic performance. [Read more](#)

Site Selection Magazine's *Business Climate Rankings*

Site Selection produces a very narrowly conceived and rather muddled index of business competitiveness, consisting primarily of counts of new business projects in a state and an

opinion survey of consultants on “business friendliness.” [Read more](#)

Forbes’ *Best States for Business*

The Forbes ranking of states (and a similar one for cities) is based on a mix of factors claimed to be important in business location decisions (business costs, labor supply, regulations) and factors important in attracting a professional workforce (job growth, cost of living, culture and leisure opportunities). [Read more](#)

Alternative Measures of Business Taxes

Other approaches to measuring differences in how states tax businesses are more defensible but can have their own problems. Measures of average tax levels can be a useful summary. [Read more](#)

Representative firm models are a more sophisticated approach and show promise, but can suffer from significant defects. [Read more](#)