

THE BEST & WORST STATES FOR BUSINESS

Once again, we asked CEOs where you like—and dislike—doing business. Here's what you said. **BY DALE BUSS**



THE PANDEMIC CRATERED ECONOMIC DEVELOPMENT FOR NOW, but it hasn't changed CEOs' opinions about three important things: Texas remains the best place in America to do business, in their eyes; having a capable workforce is still their top concern, despite now-record unemployment; and states' "blue" political leanings concern them—except when they don't.

Welcome to *Chief Executive's* annual "Best & Worst States for Business" survey, Covid edition. Once again, for the 16th year out of the 16 years we have conducted our poll, Texas ranks No. 1 (see p. 39). Despite the shutdown of much of its oil industry by the coronavirus recession, the state retains extremely business-friendly characteristics and policies. The rest of the top 10 states also remained essentially unchanged from the 2019 rankings. Similarly, the bottom 10 in the rankings were relatively frozen, with California once again in last place (see p. 36).

Michigan's jump of 19 spots, to No. 13, was one of the biggest single-year moves in the Best & Worst States for Business ranking history and reflected a broad surge of confidence by CEOs even as the auto industry has leveled off. "We're seeing a diversification in the economy including more tech firms," says Alan Barr, CEO of Creative Change, a consulting firm in Manistique, Michigan.

Still, about 52 percent of site-selection projects nationwide were paused by the pandemic, according to an April survey of members of the Site Selection Guild, though none said clients were outright canceling projects.

"Like the stock market, a lot of site-selection projects are built on speculation, on confidence in how things will look one or two years down the road," says Brian Corde, co-founder of Atlas Insight. "If confidence isn't high, it slows the pace."

Because the food industry largely gained during the Covid-19 crisis, many of those

RANKING 2020 BEST & WORST STATES FOR BUSINESS



With the oil patch under assault by Covid-19, Texas is facing the worst economic crisis in decades. But don't expect it to fall in our ranking anytime soon (see p. 39).

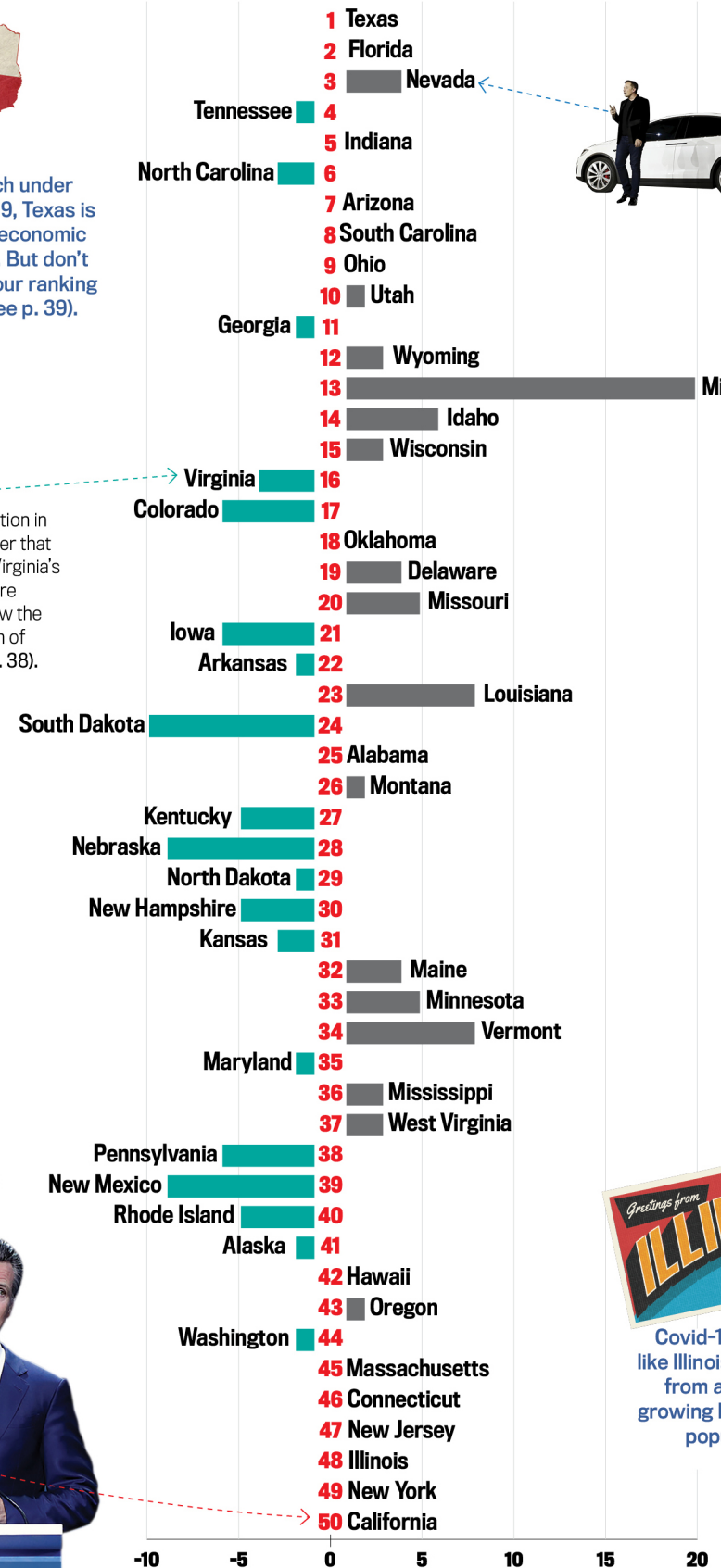


The election in November that turned Virginia's legislature blue drew the attention of CEOs (p. 38).



No surprise, California Governor Gavin Newsom says he isn't a fan of our list (p. 36).

<<LOSS FROM 2019 RANK GAIN FROM 2019>>



The Tesla factory near Reno attracted other tech companies to a nearby industrial park (pgs 37 & 38).



Michigan had a huge leap in the standings under Democrat Gretchen Whitmer.



Covid-19 will rock states like Illinois, already suffering from a vicious cycle of growing liabilities and falling population (p. 37).

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