



2007 Cost-of-Doing Business Index

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2007 Rank	Previous Rank	State	Wage Cost Index ⁽¹⁾	Tax Burden Index ⁽²⁾	Electricity Cost Index ⁽³⁾	Industrial Rent Cost Index ⁽⁴⁾	Office Rent Cost Index ⁽⁵⁾	Cost of Doing Business Index
1	1	Hawaii	91.9	162.1	260.7	269.5	140.4	151.5
2	2	New York	128.5	102.5	141.5	154.4	189.4	130.9
3	3	Alaska	100.3	153.0	150.3	232.7	84.5	130.8
4	5	Massachusetts	122.1	101.0	187.8	129.0	165.2	130.6
5	4	Connecticut	128.9	106.8	163.8	113.5	116.1	127.5
6	6	California	114.8	120.6	134.7	141.4	141.4	122.9
7	7	New Jersey	121.2	94.5	129.7	161.0	117.3	120.9
8	8	Vermont	83.9	173.1	134.0	91.9	87.3	110.2
9	9	Delaware	110.5	132.1	87.8	96.3	112.3	110.1
10	14	Rhode Island	94.6	105.6	174.9	74.0	118.7	108.0
11	11	Maryland	108.9	90.4	124.1	94.7	115.4	106.4
12	12	New Hampshire	98.5	61.9	187.2	120.4	71.1	105.3
13	10	Minnesota	98.8	133.2	77.7	121.3	89.0	104.3
14	16	Nevada	96.4	102.2	115.9	114.2	134.5	104.2
15	17	Washington	104.3	105.4	74.0	116.0	136.2	102.7
16	19	Wyoming	86.1	155.8	68.0	133.6	77.4	101.6
17	28	Maine	80.4	129.1	143.1	86.8	81.7	100.3
18	15	Illinois	107.5	88.2	80.3	100.8	128.0	99.9
19	20	Florida	91.4	88.3	117.3	125.0	116.5	99.3
20	13	Michigan	99.5	106.7	95.9	87.9	92.7	98.9
21	18	Pennsylvania	96.6	97.9	102.2	86.9	105.8	97.2
22	22	New Mexico	82.5	135.5	92.4	102.1	83.5	96.6
23	23	Wisconsin	86.2	110.0	93.9	120.6	102.7	96.4
24	26	Texas	100.1	69.9	118.1	95.7	91.0	95.9
25	21	Virginia	104.6	88.3	72.1	97.0	102.6	95.6
26	25	Louisiana	85.7	111.8	114.5	74.0	82.7	93.9
27	29	Colorado	102.7	70.4	94.9	81.8	98.7	92.8
28	24	Arizona	94.2	92.8	83.8	75.6	115.3	91.6
29	32	Oregon	89.1	93.7	77.5	111.1	106.7	91.4
30	27	Ohio	90.8	99.0	93.4	71.2	92.8	91.0
31	31	North Carolina	88.4	111.0	81.5	77.2	90.3	90.8
32	30	Georgia	95.5	87.7	87.3	72.6	100.5	90.7
33	37	Utah	83.9	113.1	66.1	104.7	101.7	90.1
34	42	Mississippi	73.5	119.2	107.2	79.4	77.0	88.4
35	38	Kentucky	82.8	124.0	64.8	71.4	84.2	87.3
36	33	Indiana	86.4	102.0	79.6	74.1	86.4	87.3
37	34	West Virginia	77.0	138.2	61.9	71.4	90.4	87.1
38	36	Kansas	83.6	100.5	77.0	86.9	93.7	86.8
39	39	Alabama	84.7	91.1	80.8	88.2	86.7	85.8
40	45	Oklahoma	80.7	103.8	89.2	68.9	81.6	85.4
41	35	Arkansas	75.9	136.3	74.1	56.1	69.2	85.4
42	40	Tennessee	87.7	83.9	85.6	72.3	89.9	85.2
43	41	Missouri	87.5	81.9	63.2	103.5	92.7	84.6
44	48	Montana	73.3	112.8	85.0	81.7	78.4	84.1
45	44	South Carolina	81.0	93.6	80.1	71.3	92.1	82.9
46	46	Idaho	76.2	110.0	60.7	97.5	77.7	82.8
47	43	Nebraska	80.5	100.1	68.5	68.9	96.5	82.3
48	49	North Dakota	73.7	120.5	68.9	61.2	76.9	81.3
49	47	Iowa	80.4	94.9	80.2	51.0	68.0	79.7
50	50	South Dakota	71.8	68.5	73.7	61.2	69.0	70.2

Data for the 2007 Cost-of-Doing-Business Index is from January - December 2006.

Previous ranking analyzes data from January - December 2005.

Definitions:

- 1 - Wage cost measures the average annual wage per employee in all industries (receives 50 % weight)
- 2 - Tax Burden measures the annual state tax revenue as a share of personal income (receives 20 % weight)
- 3 - Measures the cost of commercial and industrial electricity cost in cents per kilowatt-hour (receives 15 % weight)
- 4 - Measures the cost of renting industrial (warehouse) space on a per square foot basis (receives 10 % weight)
- 5 - Measures the cost of renting office space on a per square foot basis (receives 5 % weight)

Footnotes:

An index score of 100 means that the state is equal to the U.S. average in that particular category.

If a state's business cost index is 120, it means that the state's cost of doing business is 20% above than the national average.

Similarly, if a state's business cost index is 80, it means that the state's cost of doing business is 20% less than the national average.

Sources:

- 1 - Global Insight, Economy.com, Milken Institute
- 2 - U.S. Census State Government Tax Collections, Milken Institute
- 3 - Energy Information Administration, Milken Institute
- 4 - CBRE, NAI Global, Global Real Analytics (National Real Estate Index), Milken Institute
- 5 - CBRE, NAI Global, Global Real Analytics (National Real Estate Index), Milken Institute