

Technology

# Arizona ranks among top 10 states to start a business



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WalletHub has evaluated the all 50 states across 25 key indicators of startup success to determine the best states for starting a business.

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Arizona ranks No. 9 overall among the best states to start a business in 2025.

That's according to a report released Jan. 20 on personal finance website [WalletHub](#).

The Grand Canyon State also ranked No. 6 for average growth in number of small businesses, No. 24 for average length of work week (in hours), No. 28 in labor costs, No. 29 in both availability of human capital and cost of living, and No. 50 for accessible financing.

[WalletHub compared the 50 states](#) across 25 key indicators of startup success. The study, which used data from the [U.S. Bureau of Labor Statistics](#), reported that one-in-five new businesses fail within the first year.

WalletHub Analyst Chip Lupo said in a statement that it's crucial for new business owners to establish their business in a state that will maximize chances of success because roughly half of all new businesses don't survive five years.

"The best states have low corporate tax rates, strong economies, an abundance of reliable workers, easy access to financing and affordable real estate," Lupo said.

In 2022, the Business Journal reported that [Arizona came in at No. 15](#) among the best states to succeed in business that year, in a report from Florida-based management software firm Harrington Group International.

In the latest study, WalletHub's five best states for starting a business are Florida, Georgia, Utah, Texas and Idaho. New Jersey, Connecticut and Rhode Island were at the bottom of the rankings. A year ago, WalletHub had Utah ranked as the No. 1 state to start a business, while Georgia was still ranked No. 2 and Florida had been ranked No. 3, followed by Idaho and Nevada.

The methodology determined the best and worst states to start a business by comparing them in three key areas: business environment (50 points), access to resources (25 points) and business costs (25 points).

The three areas were evaluated using 25 relevant metrics. Each metric was graded on a 100-point scale, with a score of 100 representing the most favorable conditions for new-business creation. Finally, each state's weighted average across all metrics were determined to calculate its overall score. The resulting scores were used to rank-order the sample.

In another recent WalletHub study, one Arizona city was ranked as having [the best job market in the country](#), for the second year in a row.

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