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Career & Workplace

Arizona holds steady in CNBC's top states for business ranking



Arizona ranked in the top quarter of CNBC's 2025 ranking of the top states to do business.

ARIZONA DEPARTMENT OF TRANSPORTATION



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Story Highlights

- Arizona ranked 12th in CNBC's 2025 Top States for Business
- The state excelled in infrastructure but struggled in education
- Arizona's economy ranking dropped from 5th to 13th place

Arizona didn't make the highest echelon of [CNBC's](#) annual ranking of the best states to do business, but it remained in the top quarter.

The Grand Canyon State held on to its No. 12 spot on the business television network's [America's Top States for Business 2025](#) rankings, released on July 10.

CNBC's list aims to identify factors companies consider while selecting sites. The rankings for this list were determined based on 135 metrics in 10 categories: economy, infrastructure, workforce, cost of doing business, business friendliness, quality of life, technology and innovation; education; access to capital, and cost of living.

The top category for Arizona was infrastructure, where the state earned an A grade from CNBC by ranking No. 3 in the nation. That was down from No. 2 in 2024. Next highest for Arizona was No. 6 for its workforce – the same ranking in that category as the previous year. That earned the state a B grade.

The slight dip in the infrastructure ranking could have something to do with this year's metrics being enhanced by CNBC to determine how states are

keeping up with power and data demands. Those demands increasingly go hand-in-hand in Arizona, which is a hot spot for new data center growth but whose power grid is facing a backlog of users – with most of those being data centers, [according to Jeff Guldner](#), the former CEO of Arizona Public Service, the state's largest power utility.

These and other concerns have already prompted three Valley cities to place regulations or restrictions on data center growth, with [Phoenix being the latest to do so](#). Phoenix Mayor Kate Gallego also in May came out against tax incentives for data centers, [calling them "antiquated," during her state of the city address](#).

Arizona dropped sharply in economy category

Arizona slipped significantly in the economy category, dropping from No. 5 in 2024 to No. 13 this year. By contrast, the state made a more significant leap for its business friendliness, jumping from No. 26 to No. 17.

Arizona's worst placement was in the education category, where CNBC gave the state its only F grade for ranking No. 47, the same spot it held last year in the network's assessment. Other categories where Arizona ranked in the lower half of states included cost of living (No. 39), quality of life (No. 39, but that was up from No. 41 in 2024) and cost of doing business (No. 32). Arizona also ranked No. 25 for access to capital.

Coming in on top nationally in CNBC's rankings was North Carolina, followed by Texas, Florida, Virginia and Ohio in the top five. Arizona came in just behind No. 11 Colorado and just ahead of No. 13 Illinois.

[A year earlier](#), Virginia held the top spot in the rankings, followed by North Carolina, Texas, Georgia and Florida in the top five.

CNBC compiled its economic profiles for the states using data from the [U.S. Census Bureau](#), the U.S. Bureau of Economic Analysis, the [U.S. Bureau of Labor](#)

[Statistics](#), the Federation of Tax Administrators, the Energy Information Administration, Moody's Investor Service and S&P Global Market Intelligence.

This year's report also factored in states' risks from a trade war and a shrinking federal budget, CNBC said.

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