

Best States to Make a Living 2020

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This annual ranking of the best states for making a living has never been conducted in the midst of anything as disruptive as the coronavirus pandemic.

That might make this information more important than ever before.

After all, knowing how strong each state was before the crisis in terms of unemployment rates, high median wages, and other favorable job market characteristics provides clues as to which were best positioned to weather this challenge.

How did they do?

As the hard evidence comes in about the economic impact of widespread lockdowns, we can draw comparisons that show the magnitude of the event.

In addition, MoneyRates.com added an element to this year's study to factor in the rate of job losses in the early weeks of the crisis. That allows the study to take into account where conditions are getting worse most quickly.

Here's how that can help:

If your career has been disrupted by the coronavirus, this information might point you toward one of the top states to live in where residents enjoy high wages.

Even if your career is thriving, information in this study could help you find places where your earnings and savings could go further.

Best to Worst States: What is the Range of Economic Conditions?

Washington State was found to be the best state to make a living, while Hawaii ranked last.

The chief benefits offered by Washington are an average median income that ranks fourth nationally and the fact that it has no state income tax.

Hawaii, on the other hand, suffers from the highest cost of living in the nation and compounds that with the second-highest state income tax.

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To measure the best states to make a living, MoneyRates.com factored in six criteria:

1. Cost of living
2. Median annual wage
3. State income tax
4. Unemployment rate
5. Increase in unemployment since the COVID-19 lockdowns began
6. Workplace safety

Comparing Median Annual Wage

These conditions all vary greatly from state to state. For example, the median annual wage in Massachusetts is nearly \$20,000 higher than in Mississippi:

Comparing Median Annual Wage



Comparing median annual wage in light of purchasing power

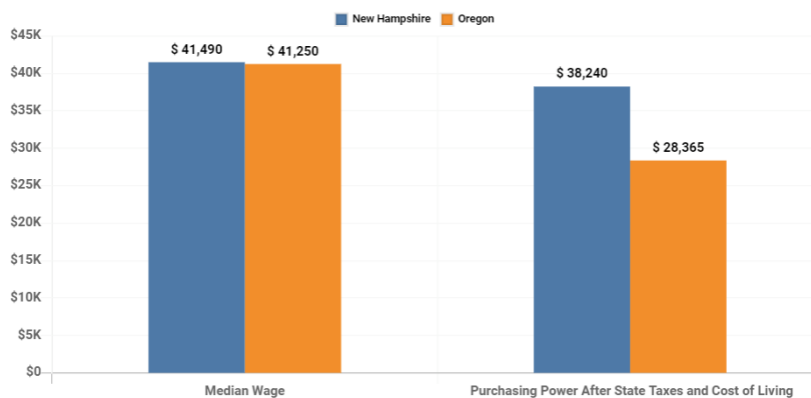
Wage comparisons don't tell the whole story, though. Take New Hampshire and Oregon, for example.

These two states have similar median wages - but Oregon is one of the worst states to live in financially.

While New Hampshire has no state income tax and only a slightly higher-than-average cost of living, Oregon has one of the highest state income tax rates in the nation and also one of the highest costs of living.

The result is that the purchasing power of the median wage in Oregon is a lot lower than that of New Hampshire after you account for state taxes and cost of living:

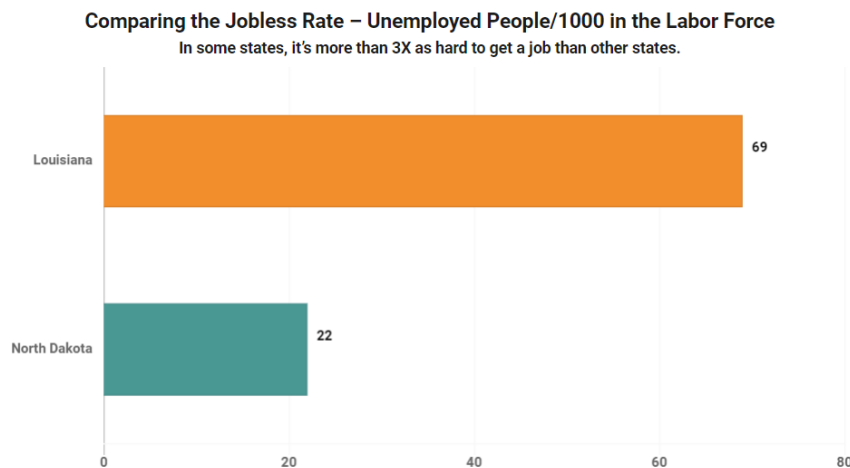
Similar Wages, Different Wealth



Comparing the jobless rate

Then there's the question of getting a job in the first place. One of the best states for jobs was North Dakota, which has the lowest unemployment rate in the nation.

Contrast that with the jobless rate in Louisiana which is more than three times as bad:



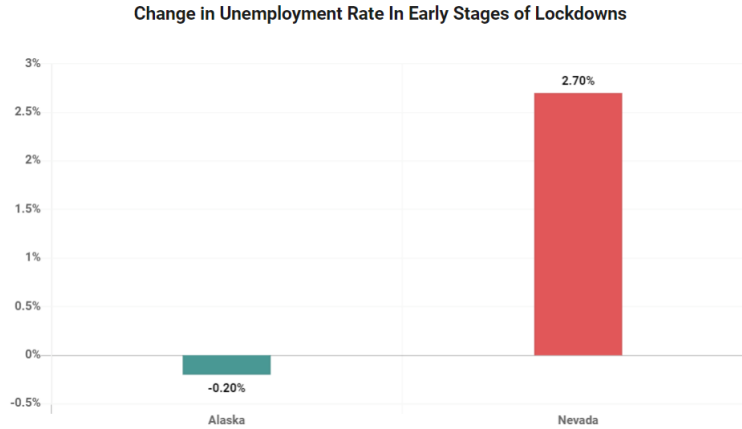
Economic Conditions and the Coronavirus Pandemic

Large-scale business shutdowns due to the coronavirus began in mid-March. By the end of that month, 32 states had already seen their unemployment rate rise.

How conditions for making a living change in each state as the coronavirus situation continues depends both on how conditions were when the crisis began and how rapidly jobs are being lost due to business shutdowns.

Since these job losses are likely to have a growing impact on conditions in each state, MoneyRates.com included this recent development in its calculation.

As with all the factors in this study, the immediate impact of COVID-19 on the job market varied greatly from state to state. Alaska led the way among seven states that actually saw their unemployment rates drop. In contrast, Nevada saw a 2.7% jump in unemployment in the month of March alone:



Best States to Make a Living 2020

MoneyRates.com used a proprietary formula to weigh the six factors listed above and produce a rank for all 50 states in terms of conditions for making a living. The following ranked as the ten best states for making a living in 2020:

1. Washington



In the ten years MoneyRates.com has been conducting this study, Washington has topped the list five times.

This year, it reclaims the top spot after coming in second last year.

Washington is one of eight states with no state income tax. Combine that with the fact that it also has the fourth-highest median income in the nation (\$48,140/year) and its underlying strengths are clear.

One caution, though: Washington was hit hard in the early stages of the COVID-19 outbreak, and one consequence was that its unemployment rate jumped by 1.3% in the month of March alone.

2. North Dakota



This is the third straight year North Dakota has made the top ten in this study and, for 2020, it climbed from ninth place last year all the way to second.

North Dakota has the lowest unemployment rate in the nation, and that rate was unchanged in the first month of widespread coronavirus-related shutdowns.

One negative should be noted, however: North Dakota ranks third-worst nationally for workplace safety.

3. Minnesota



After finishing fourth in each of the last two years, Minnesota climbed a notch to third place this year.

Its 3.1% unemployment rate is tied for seventh-lowest in the nation, and that rate was unchanged in March.

However, Minnesota's biggest weakness as a place to make a living is a state-income-tax burden that is higher than that of most states.

4. Michigan



For the fourth consecutive year, Michigan has made the top ten - and it has improved its rank in each of those years.

Michigan is one of the ten cheapest states to live in; and when combined with a median income that is higher than most states, it goes a long way toward making it a good place to make a living.

5. Texas



Though it dropped a couple slots after two consecutive third-place finishes, Texas remains a strong place to make a living based on a few factors:

- No state income tax
- More affordable than most states
- Workplace safety is better than most states

6. Illinois



In addition to topping the ranking in the initial year of this study (2011), Illinois has made the top ten in eight out of ten years.

This year, a top-ten ranking for workplace safety is its greatest strength, with the most obvious flaw being that it has one of the highest state-income-tax burdens for median earners.

7. Kansas



This is the third time in ten years Kansas has made the top ten.

It has the sixth-lowest cost of living and seventh-lowest unemployment rate of any state - and that unemployment rate held steady in the first month of coronavirus lockdowns.

8. Tennessee



This is the first time Tennessee has made the top ten since 2011, when it also ranked eighth.

Tennessee benefits from both a low cost of living and a relatively low state-income-tax burden.

9. Colorado



This ranking continues a streak of making the top ten in every year of this study.

This year, Colorado benefited from top-ten rankings for affordability and workplace safety.

An emerging concern is that Colorado's unemployment rate jumped by 2% in March, the second-biggest rise in unemployment of any state.

10. Oklahoma



This is Oklahoma's third time making the top ten, and its first time since 2014.

Oklahoma has the third-lowest cost of living of any state; so even though the median income is relatively low, the money goes a long way.

Oklahoma also has one of the ten lowest unemployment rates, so the prospects for getting a job there should be relatively good.

Your Career and Personal Finance Situation

The economic impact of the COVID-19 outbreak has impacted most Americans, but some states went into it on a stronger economic footing than others.

If you find yourself in one of the worst states to make a living, you might consider taking a broad view of the job market. Conditions might be much better in another state, so relocation might be helpful to getting your career back on track.

If you've been fortunate enough to keep your job despite the economic lockdown, look at this as an opportunity to save a little extra money.

Staying at home means there are fewer ways to spend money. Putting a little extra toward an [emergency fund](#) or your [retirement savings](#) could come in handy in the future.

>> [Compare savings accounts](#)

Best States to Make a Living 2020

Methodology

The six factors used in calculating the best states for making a living came from the following sources:

1. **Cost of living by state** was based on an average of each state's metro area costs of living data as reported by the Council for Community and Economic Research.
2. **Median annual wage** was based on the 2019 state-by-state average for all occupations from the Bureau of Labor Statistics.
3. **State income tax** was calculated using state income-tax brackets from the Tax Foundation and applying them to the median income in each state.
4. **Unemployment rate** was based on March, 2020 state unemployment data from the Bureau of Labor Statistics.
5. **Increase in unemployment since the COVID-19 lockdowns began** was calculated by comparing the March and February 2020 state unemployment data from the Bureau of Labor Statistics.
6. **Workplace safety** was based on Bureau of Labor Statistics data on both rates of non-fatal occupational injuries and illnesses and fatal occupational injuries.

Full Listing

Here's the complete ranking of all 50 states:

Best States to Make a Living 2020	
Rank	State
1	Washington
2	North Dakota
3	Minnesota
4	Michigan
5	Texas
6	Illinois

Best States to Make a Living 2020








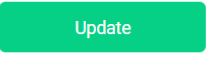
Rank	State
7	Kansas
8	Tennessee
9	Colorado
10	Oklahoma
11	Virginia
12	Ohio
13	Missouri
14	Nebraska
15	Wyoming
16	Wisconsin
17	Georgia
18	Iowa
19	Indiana
20	New Hampshire
21	New Mexico
22	Massachusetts

Best States to Make a Living 2020

Rank	State
23	Arizona
24	Alabama
25	North Carolina
26	Connecticut
27	Utah
28	Idaho
29	Pennsylvania
30	New Jersey
31	Delaware
32	Alaska
33	Rhode Island
34	Florida
35	Arkansas
36	South Carolina
37	Kentucky
38	Maryland

Best States to Make a Living 2020	
Rank	State
39	Mississippi
40	Vermont
41	Louisiana
42	South Dakota
43	West Virginia
44	Montana
45	New York
46	Maine
47	Nevada
48	California
49	Oregon
50	Hawaii

Here are leading offers from other online banks

Account Type: Savings + MMA 	Credit Rating: Select 	Amount: \$25,000 to \$49,999 	Purpose Of Account: Select 
Household Income: Select 	Currently Banking With: <input checked="" type="checkbox"/> None 	Deposit Frequency Select 	<div style="text-align: center;">  </div>

