

# 2023 Top US Cities FOR VETERAN ENTREPRENEURS

November 2023



**PENFED**  
Foundation

VETERAN ENTREPRENEUR  
INVESTMENT PROGRAM



# Methodology

**Edelman Data & Intelligence** collected a robust set of quantitative data from existing PenFed Foundation partners and openly available data sources to paint the full picture of veteran support, city characteristics and entrepreneurship ability across the US and rank US Metropolitan areas (MSAs) by these characteristics.

Using a custom scoring algorithm, DXI highlighted the MSAs that are the best places for Veteran Entrepreneurship.



# Constant Reinvention

## The Veteran

Entrepreneurship program re-evaluates the scoring algorithm each cycle to reflect changing conditions and needs of Veterans

\* [Truist](#) Small Business Survey 2023: Inflation concerns high but less than 2022, confidence in economy is down

\*\*[Truist](#) also reports owners seeking to cover cash shortfalls rely on owners cash, business reserves, and lines of credit

## Scoring Changes

### LESS

#### FOCUS ON:

- COVID Cases
- PPP Loans and PPP Jobs saved
- Public Transit Ranking
- Inflation (less important than in 2022)\*
- Number of Veteran Associations (found to boost larger cities)

### MORE

#### EMPHASIS ON LIVABILITY AND ECONOMIC FACTORS:

- Regional Price Parity and unemployment\*
- Home prices and foreclosures\*
- Number of new business opened and bankruptcies
- Corporate Tax Rate\*\*

### NEW

#### METRICS AVAILABLE FOR ABILITY TO START A BUSINESS:

- Government contract Dollars (carefully added to not emphasize major cities with large contractors)
- Number of Venture Capital Deals close this year\*\*
- 5 year Survival Rate of business



# Our Data

## 30+ Data Sources\*

- Government Databases (ex. BLS)
- Census Information
- Private Foundations (ex. Kauffman)
- NAVSO and VA

**100%** Quantitative Data

**390** Metropolitan Statistical Areas (MSAs) Analyzed\*\*

**Scaled** data collection by scraping open-source data on veteran support networks across the web

# Scoring Approach

**4** Main categories evaluated

- Livability
- Growing Economy
- Support for Veterans
- Ability to Start a Business

**10-15** Weighted factors in each category\*

**Normalized** data to account for differences in data sources

**Transformed** data to eliminate bias within the data set

\*Full lists can be found in the appendix

\*\*Top 100 can be found in the appendix



# Key Factors That Affect Veteran Entrepreneurship\*

## Livability

1. Change in Standard of Living
2. Park Score
3. Public Transit Rank
4. Food/Drinking Establishments per Capita
5. Health Establishments per Capita
6. Best Schools
7. Infant Care Cost
8. Children living in Childcare Deserts
9. Homelessness
10. COVID Cases
11. Regional Price Parities

## Growing Economy

1. Unemployment Rate
2. Change in Unemployment Rate
3. Job Growth
4. Productivity Growth
5. Change in Median Earnings
6. Number of New Businesses
7. Spouse Unemployment %
8. PPP Loans Given
9. Jobs Created by PPP loans
10. Investment in New Housing
11. Bankruptcy Filings
12. Foreclosure Rate
13. Median Home Price Increase
14. SMB COVID Loan Programs
15. GDP per Capita

## Support for Veterans

1. Places with Veteran Support Groups
2. Veteran Unemployment Rate
3. VA Expenditures per Veteran
4. VA Medical Care Expenditures
5. VA Accredited Attorneys
6. Number of Student Veterans on the GI Bill
7. Veteran Concentration in Cities
8. National Veteran Associations
9. Veteran Homelessness
10. Local Veteran Associations

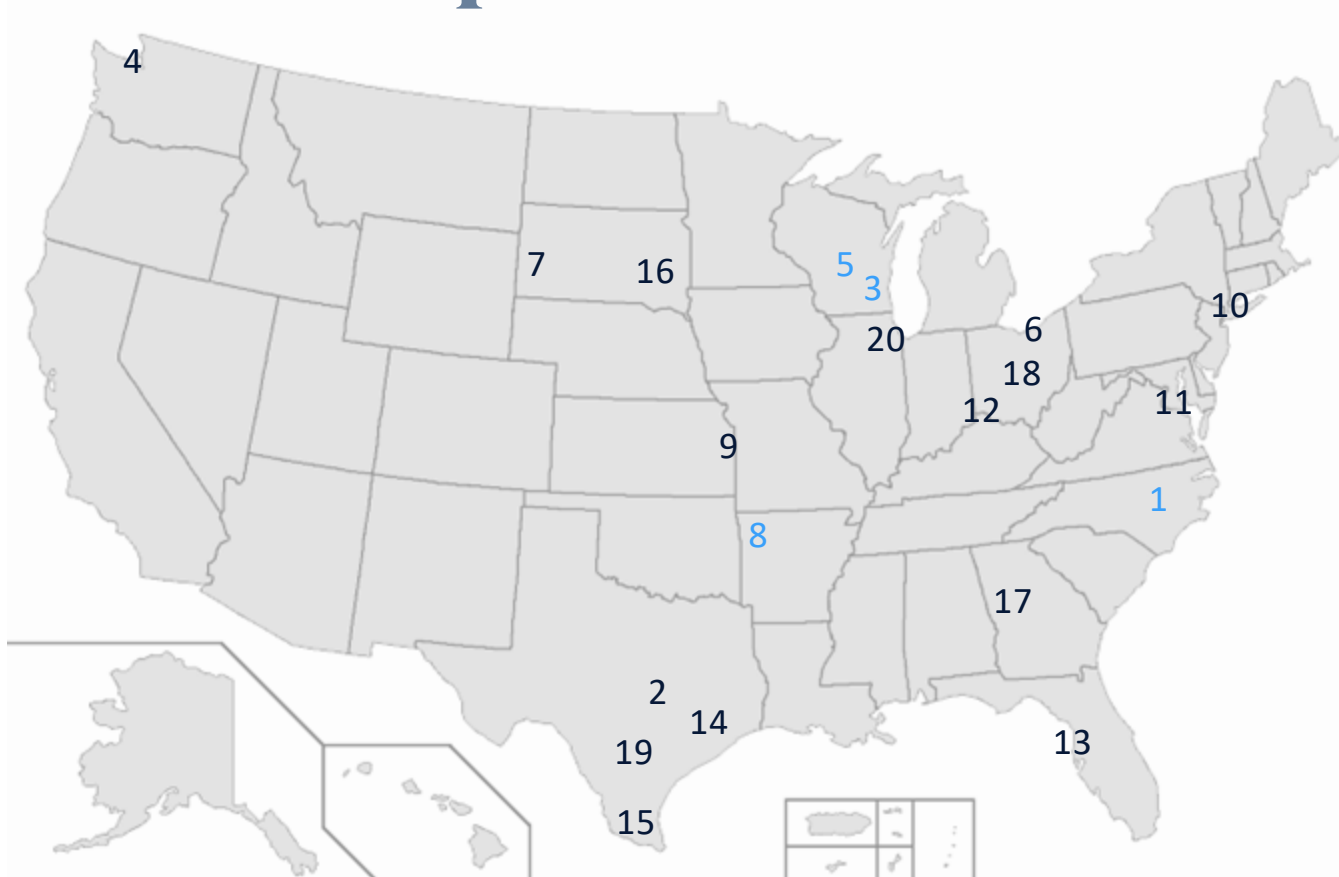
## Ability to Start a Business

1. Top Corp. Income Tax Rate
2. VC Investment
3. Veteran Entrepreneurs
4. Incubators
5. Rate of New Entrepreneurs
6. Opportunity Entrepreneurship Share
7. Survival Rate
8. # of VC Deals Closed
9. Amount of \$ in Gov't Contracts
10. Kauffman Index
11. Share of Coworking Space
12. Most Educated Labor Force
13. Veteran Focused Incubators



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# Top 20 Cities



**Key**  
-- Top City  
-- Emerging City

Please note that scores are weighted averages of the categories & subcategories described on the previous slide and each city's score within each subcategory

1	Raleigh	+8	6
2	Austin – Round Rock	+4	
3	Milwaukee – Waukesha – West Allis	+19	
4	Seattle – Tacoma - Bellevue	-1	
5	Madison	+8	
6	Cleveland - Elyria	+2	
7	Rapid City	+2	
8	Fayetteville – Springdale - Rogers	+37	
9	Kansas City	+5	
10	New York – Newark – Jersey City	-8	
11	Washington – Arlington – Alexandria	-10	
12	Cincinnati	+6	
13	Tampa – St. Petersburg - Clearwater	-1	
14	Houston – The Woodlands – Sugar Land	-9	
15	McAllen – Edinburg - Mission	+5	
16	Sioux Falls	-9	
17	Atlanta – Sandy Springs - Roswell	+5	
18	Columbus	-1	
19	San Antonio – New Braunfels	+4	
20	Chicago – Naperville – Elgin	-4	



# Top 5 for Each Major Category



## LIVABILITY

- 1 Milwaukee-Waukesha-West Allis, WI Metro Area
- 2 Madison, WI Metro Area
- 3 Fayetteville-Springdale-Rogers, AR-MO Metro Area
- 4 McAllen-Edinburg-Mission, TX Metro Area
- 5 Raleigh, NC Metro Area



## SUPPORT FOR VETERANS

- 1 Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area
- 2 New York-Newark-Jersey City, NY-NJ-PA Metro Area
- 3 Los Angeles-Long Beach-Anaheim, CA Metro Area
- 4 Rapid City, SD Metro Area
- 5 Chicago-Naperville-Elgin, IL-IN-WI Metro Area



## GROWING ECONOMY

- 1 Sioux Falls, SD Metro Area
- 2 Denver-Aurora-Lakewood, CO Metro Area
- 3 Madison, WI Metro Area
- 4 Seattle-Tacoma-Bellevue, WA Metro Area
- 5 Boise City, ID Metro Area



## ABILITY TO START A BUSINESS

- 1 Seattle-Tacoma-Bellevue, WA Metro Area
- 2 Spokane-Spokane Valley, WA Metro Area
- 3 Walla Walla, WA Metro Area
- 4 Carson City, NV Metro Area
- 5 Austin-Round Rock, TX Metro Area



# Main Drivers of Success

Within each category, the cities that performed best tended to have:



## LIVABILITY

1. Relatively cheap cost of consumption goods & services
2. Affordable & nearby childcare & school system access
3. Affordable housing rent



## SUPPORT FOR VETERANS

1. Low veteran unemployment rate
2. High veteran population
3. Plethora of groups & associations for Veterans



## GROWING ECONOMY

1. Lower unemployment rate year over year
2. Investment in new housing
3. Strong job & productivity growth



## ABILITY TO START A BUSINESS

1. No corporate income tax
2. High start-up survival rate
3. High percent of entrepreneurs who create a business by choice instead of necessity





# Emerging Cities

Cities in the top 20 that made the biggest jump in the rankings this year

<u>CITY</u>	<u>STRENGTHS</u>	<u>OPPORTUNITIES</u>
<b>1</b> FAYETTEVILLE-SPRINGDALE-ROGERS, AR-MO METRO AREA +37	High Job Growth & Low Childcare Cost	Lower Cost of Living (Regional Price Parity) & Investment in New Housing
<b>2</b> MILWAUKEE-WAUKESHA-WEST ALLIS, WI METRO AREA +19	Good Schools and Low Foreclosure Rates	Increase Productivity Growth & Lower Childcare Cost
<b>3</b> RALEIGH, NC METRO AREA +10	High Median Earnings & High Investment in New Housing	Lower Foreclosure Rates & Higher Amount of Entrepreneurs
<b>4</b> MADISON, WI METRO AREA +8	High Productivity Growth & Low Unemploymentt Rate	Increase Median Earnings & Increase Early Survival Rate



# Next 10 Up

<u>RANK</u>	<u>CITY</u>	<u>BIGGEST NEED TO BECOME AN EMERGING MSA</u>	<u>YOY CHANGE</u>
21	Boise City, ID Metro Area	Increase Productivity Growth	+5
22	Cheyenne, WY Metro Area	Increase Park Score	+5
23	Boston-Cambridge-Newton, MA-NH Metro Area	Decrease Childcare Cost	-13
24	Dallas-Fort Worth-Arlington, TX Metro Area	Decrease Cost of Living (Regional Price Parity)	-20
25	San Jose-Sunnyvale-Santa Clara, CA Metro Area	Decrease Childcare Cost	+104
26	St. Louis, MO-IL Metro Area	Increase Survival Rate	+3
27	Cape Girardeau, MO-IL Metro Area	Increase Investment in New Housing	+20
28	Orlando-Kissimmee-Sanford, FL Metro Area	Decrease Cost of Living (Regional Price Parity)	+72
29	Jacksonville, FL Metro Area	Increase Median Earnings	-10
30	Lexington-Fayette, KY Metro Area	Increase Rate of New Entrepreneurs	+19



# Biggest Movers

Within the top 30, several cities made significant moves throughout the rankings. Highlighted below are the largest risers and fallers, and the categories that drove most of that change.

## LARGEST RISERS

Largest Category Rise

Orlando-Kissimmee-Sanford,  
FL Metro Area **+72**

Growing Economy – Decreased Median Home  
Price Increase

San Jose-Sunnyvale-Santa Clara,  
CA Metro Area **+104**

Growing Economy – Highest Productivity  
Growth

## LARGEST FALLERS

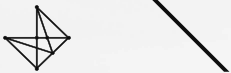
Largest Category Fall

Boston-Cambridge-Newton,  
MA-NH Metro Area **-13**

Livability – Increased Cost of Living (Regional  
Price Parities)

Dallas-Fort Worth-Arlington,  
TX Metro Area **-20**

Livability – Increased Cost of Living (Regional  
Price Parity)



# Trending Metro Areas

Top cities that see continued year over year positive movement the rankings

	<u>CITY</u>	<u>2021</u> <u>Ranking</u>		<u>2022</u> <u>Ranking</u>		<u>2023</u> <u>Ranking</u>
1	ORLANDO-KISSIMMEE-SANFORD, FL METRO AREA +85	113	— +13 →	100	— +72 →	28
2	CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA +69	100	— +42 →	58	— +27 →	31
3	COLUMBIA, MO METRO AREA +57	90	— +17 →	73	— +40 →	33
4	CAPE GIRARDEAU, MO-IL METRO AREA +52	79	— +32 →	47	— +20 →	27





# Living in a New Economic Reality

Post COVID and ongoing inflation has highlighted cities that faired well despite economic challenges



National median earnings decreased by 2.2%,  
Raleigh, NC median earnings increased by **32.3%**



While national average childcare cost 34.1% of  
single parent median income, Arkansas averages  
the second lowest across the states at **27.4%**



National regional price parities decreased by  
0.02%, Austin-Round Rock regional price parities  
decreased by **1.72%**



National average unemployment decreased by  
3%, **Madison**, WI decreased by **12%** (*resting at*  
2.2%)



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# Appendix

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# Categories & Descriptions (1/2)

## Livability & Support for Veterans

Category	Subcategory	Description	Weight
Livability – 20% - The degree to which an MSA provides the amenities one looks for when choosing where to live	Change in Standard of Living	YoY change in the standard of living per capita	15.0%
	Park Score	Score for parks relative to other cities	5.0%
	Public Transit Rank	Ranking of public transit relative to other cities	5.0%
	Food/Drinking Establishments per Capita	Food/drink establishments per Capita	2.5%
	Health Establishments per Capita	Health establishments per capita	10.0%
	Best Schools	Best primary public schools ranking	12.5%
	Infant Care Costs	Average Annual Infant Care Cost	5.0%
	Children in childcare Deserts	Percent of population that lives in a child care desert	4.0%
	Homelessness	Homelessness	5.0%
	COVID cases	Number of COVID cases	2.5%
Support for Veterans – 30% - The degree to which an MSA provides the foundation for a veteran to have support and provided with the tools to be successful	Regional Price Parities	Price parity score for an MSA compared to average	33.0%
	Places with Veteran Support Groups	Number of Community Support Groups with Military Focus per Capita	10.0%
	Veteran Unemployment Rate	Veteran Unemployment Rate	15.0%
	VA Expenditures per Veteran	VA Expenditures per Veteran	7.5%
	VA Medical Care Expenditures	VA Medical Care Expenditures per Veteran	7.5%
	VA Accredited Attorneys	VA Accredited Attorneys per Capita	5.0%
	Number of Student Veterans on the GI Bill	Student Veterans on GI Bill & Post 9/11 Bill per Capita	10.0%
	Veteran Concentration in Cities	Veteran Concentration in Cities	15.0%
	National Vet. Associations	National Vet. Associations per Capita	10.0%
	Total Veteran Homelessness	Number of Homeless Vets per capita	5.0%
	Local Vet. Associations	Local Vet. Associations per Capita	15.0%



# Categories & Descriptions (2/2)

## Economy & Ability to Start a Business

Category	Subcategory	Description	Weight
Growing Economy— 25% - The relative growth of an MSA across multiple economic indicators and economic resiliency to COVID-19	Unemployment Rate	Current unemployment rate	7.5%
	Change in Employment Rate	YoY change in the employment rate	7.5%
	Job Growth	YoY change in jobs	5.0%
	Productivity Growth	YoY change in GDP	5.0%
	Change in Median Earnings	YoY change in median earnings	5.0%
	Number of new businesses	New businesses started, per capita	10.0%
	Spouse Unemployment %	Unemployment rate for working spouses	5.0%
	PPP Loans	PPP Loan Amount Distributed	0.0%
	PPP Jobs Created	Jobs Created from PPP Funds	0.0%
	Housing Supply	Investment in New Housing	5.0%
	Bankruptcy Filings	Business Bankruptcy Filings	7.5%
	Foreclosure Rate	Foreclosure Rate	7.5%
	Housing Demand	Median Home Price Increase	10.0%
	SMB Programs	SMB Programs	10.0%
	GDP per Capita	GDP per capita	15.0%
Ability to Start a Business –25% - The ability of an MSA to foster new business development and entrepreneurial success	Top Corporate Tax Income Rate (State Level)	Top Corporate Tax Income Rate (State Level)	12.5%
	VC Investment/New Business Loans	Value of Venture Capital Investment/New Business Loans per Capita	10.0%
	Veteran Entr. Per MSA	Veteran Entrepreneur Per MSA	12.5%
	Incubators	Incubators per Capita	7.5%
	Rate of New Ent.	Rate of New Entrepreneurs based on Kauffman	5.0%
	Opp. Ent. Share	% of entrepreneurs who start a business based on opportunity - based on Kauffman statistics	7.5%
	Survival Rate	5 year Survival Rate based on Kauffman statistics	10.0%
	# VC Deals Closed	Number of VC deals closed in the previous year	12.5%
	Amount of \$ in Gov't Contracts	Amount of \$ in Gov't Contracts	7.5%
	Kauffman Index	Kauffman Index	0.0%
	Share of Coworking Space	Share of Coworking Space among overall retail space	0.0%
	Most Educated Labor Force	Most Educated Labor Force	7.5%
	Vet Focused Incubators	Vet Focused Incubators per capita	7.5%





# Full List of Data Sources

- The Brookings Institution
- The Trust for Public Land
- WalletHub
- US Census Data
- US News & World Report
- Bureau of Economic Analysis
- US Census/American Community Survey
- U.S. Small Business Administration
- Bureau of Labor Statistics
- Measuring Communities
- Department of Veteran Affairs
- Tax Foundation
- Baker Institute
- Survey of Business Owners/U.S. Census
- Ewing Marion Kauffman Foundation
- Yelp
- Statista
- Google
- National Association of Veteran Serving Organizations (NAVSO)
- Washington Post
- Central Intelligence Agency
- Guam Economic Development Authority
- Guam Regional Transit Authority
- Child Care Deserts
- Economic Policy Institute
- Realtor.com
- Construction Coverage
- USA Today
- US Interagency Council on Homelessness
- Institute for local self-reliance
- NPR
- World Population Review
- New York Times
- ATTOM
- USSPENDING.GOV



# Top 100 MSA'S Overall (1/5)

Ranking	MSA	Score	Strongest Category
1	Raleigh, NC Metro Area	0.344	Growing Economy
2	Austin-Round Rock, TX Metro Area	0.333	Growing Economy
3	Milwaukee-Waukesha-West Allis, WI Metro Area	0.327	Livability
4	Seattle-Tacoma-Bellevue, WA Metro Area	0.325	Ability to Start a Business
5	Madison, WI Metro Area	0.324	Livability
6	Cleveland-Elyria, OH Metro Area	0.322	Ability to Start a Business
7	Rapid City, SD Metro Area	0.317	Support for Veterans
8	Fayetteville-Springdale-Rogers, AR-MO Metro Area	0.317	Livability
9	Kansas City, MO-KS Metro Area	0.317	Growing Economy
10	New York-Newark-Jersey City, NY-NJ-PA Metro Area	0.314	Support for Veterans
11	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	0.314	Support for Veterans
12	Cincinnati, OH-KY-IN Metro Area	0.313	Ability to Start a Business
13	Tampa-St. Petersburg-Clearwater, FL Metro Area	0.313	Livability
14	Houston-The Woodlands-Sugar Land, TX Metro Area	0.312	Ability to Start a Business
15	McAllen-Edinburg-Mission, TX Metro Area	0.310	Livability
16	Sioux Falls, SD Metro Area	0.310	Growing Economy
17	Atlanta-Sandy Springs-Roswell, GA Metro Area	0.306	Livability
18	Columbus, OH Metro Area	0.306	Ability to Start a Business
19	San Antonio-New Braunfels, TX Metro Area	0.306	Ability to Start a Business
20	Chicago-Naperville-Elgin, IL-IN-WI Metro Area	0.305	Support for Veterans



# Top 100 MSA'S Overall (2/5)

Ranking	MSA	Score	Strongest Category
21	Boise City, ID Metro Area	0.304	Growing Economy
22	Cheyenne, WY Metro Area	0.304	Support for Veterans
23	Boston-Cambridge-Newton, MA-NH Metro Area	0.302	Growing Economy
24	Dallas-Fort Worth-Arlington, TX Metro Area	0.301	Support for Veterans
25	San Jose-Sunnyvale-Santa Clara, CA Metro Area	0.301	Growing Economy
26	St. Louis, MO-IL Metro Area	0.301	Growing Economy
27	Cape Girardeau, MO-IL Metro Area	0.300	Growing Economy
28	Orlando-Kissimmee-Sanford, FL Metro Area	0.300	Livability
29	Jacksonville, FL Metro Area	0.300	Livability
30	Lexington-Fayette, KY Metro Area	0.299	Livability
31	Charlotte-Concord-Gastonia, NC-SC Metro Area	0.299	Ability to Start a Business
32	Toledo, OH Metro Area	0.298	Livability
33	Columbia, MO Metro Area	0.296	Growing Economy
34	Provo-Orem, UT Metro Area	0.294	Growing Economy
35	Lawton, OK Metro Area	0.294	Livability
36	Louisville/Jefferson County, KY-IN Metro Area	0.294	Support for Veterans
37	Enid, OK Metro Area	0.294	Livability
38	Colorado Springs, CO Metro Area	0.294	Ability to Start a Business
39	Oklahoma City, OK Metro Area	0.293	Growing Economy
40	Buffalo-Cheektowaga-Niagara Falls, NY Metro Area	0.292	Livability



# Top 100 MSA'S Overall (3/5)

Ranking	MSA	Score	Strongest Category
41	Great Falls, MT Metro Area	0.291	Livability
42	Sierra Vista-Douglas, AZ Metro Area	0.291	Support for Veterans
43	Victoria, TX Metro Area	0.291	Ability to Start a Business
44	Phoenix-Mesa-Scottsdale, AZ Metro Area	0.291	Support for Veterans
45	Elizabethtown-Fort Knox, KY Metro Area	0.291	Support for Veterans
46	Jackson, MS Metro Area	0.290	Livability
47	Albuquerque, NM Metro Area	0.290	Livability
48	Casper, WY Metro Area	0.289	Ability to Start a Business
49	Durham-Chapel Hill, NC Metro Area	0.289	Ability to Start a Business
50	Jonesboro, AR Metro Area	0.289	Livability
51	Denver-Aurora-Lakewood, CO Metro Area	0.289	Growing Economy
52	Texarkana, TX-AR Metro Area	0.289	Ability to Start a Business
53	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	0.289	Growing Economy
54	Memphis, TN-MS-AR Metro Area	0.288	Livability
55	Lima, OH Metro Area	0.288	Livability
56	Walla Walla, WA Metro Area	0.288	Ability to Start a Business
57	Mansfield, OH Metro Area	0.288	Livability
58	Spokane-Spokane Valley, WA Metro Area	0.287	Ability to Start a Business
59	Tulsa, OK Metro Area	0.287	Ability to Start a Business
60	Canton-Massillon, OH Metro Area	0.287	Ability to Start a Business



# Top 100 MSA'S Overall (4/5)

Ranking	MSA	Score	Strongest Category
61	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	0.287	Support for Veterans
62	Huntsville, AL Metro Area	0.286	Growing Economy
63	Chattanooga, TN-GA Metro Area	0.286	Support for Veterans
64	Asheville, NC Metro Area	0.286	Ability to Start a Business
65	Dayton, OH Metro Area	0.286	Ability to Start a Business
66	Akron, OH Metro Area	0.286	Ability to Start a Business
67	Abilene, TX Metro Area	0.286	Support for Veterans
68	Dubuque, IA Metro Area	0.286	Livability
69	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	0.285	Growing Economy
70	Fort Wayne, IN Metro Area	0.285	Support for Veterans
71	Reno, NV Metro Area	0.285	Ability to Start a Business
72	Springfield, MO Metro Area	0.285	Growing Economy
73	Laredo, TX Metro Area	0.285	Ability to Start a Business
74	Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	0.284	Ability to Start a Business
75	Grand Forks, ND-MN Metro Area	0.284	Livability
76	Danville, IL Metro Area	0.284	Support for Veterans
77	San Angelo, TX Metro Area	0.284	Ability to Start a Business
78	Gulfport-Biloxi-Pascagoula, MS Metro Area	0.283	Livability
79	Jefferson City, MO Metro Area	0.283	Growing Economy
80	Charleston-North Charleston, SC Metro Area	0.283	Growing Economy



# Top 100 MSA'S Overall (5/5)

Ranking	MSA	Score	Strongest Category
81	Brownsville-Harlingen, TX Metro Area	0.283	Livability
82	Tucson, AZ Metro Area	0.283	Ability to Start a Business
83	Pittsburgh, PA Metro Area	0.283	Ability to Start a Business
84	Des Moines-West Des Moines, IA Metro Area	0.282	Growing Economy
85	St. Joseph, MO-KS Metro Area	0.282	Livability
86	Amarillo, TX Metro Area	0.282	Support for Veterans
87	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	0.282	Support for Veterans
88	Montgomery, AL Metro Area	0.281	Support for Veterans
89	Jacksonville, NC Metro Area	0.281	Support for Veterans
90	Las Vegas-Henderson-Paradise, NV Metro Area	0.281	Ability to Start a Business
91	Springfield, OH Metro Area	0.281	Livability
92	Corpus Christi, TX Metro Area	0.281	Ability to Start a Business
93	Billings, MT Metro Area	0.281	Support for Veterans
94	Wilmington, NC Metro Area	0.280	Support for Veterans
95	Lewiston, ID-WA Metro Area	0.280	Livability
96	Albany, GA Metro Area	0.280	Support for Veterans
97	Los Angeles-Long Beach-Anaheim, CA Metro Area	0.280	Support for Veterans
98	Omaha-Council Bluffs, NE-IA Metro Area	0.280	Support for Veterans
99	New Bern, NC Metro Area	0.280	Ability to Start a Business
100	Columbia, SC Metro Area	0.279	Support for Veterans

# Thank you.

EDELMAN DXI