2024 Top US Cities
FOR VETERAN ENTREPRENEURS

November 2024

PENFED Foundation | VETERAN ENTREPRENEUR 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, with a special emphasis on larger cities and their successful, veteran-owned businesses.

Constant Reinvention

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

MORE

EMPHASIS ON TOP CITIES TO START A BUSINESS:

- Large cities that have a solid population and economy for business success
- Established veteran-owned business ecosystems (veteran owned business more like to hire veterans themselves)
- High volume of government contracts

LESS

FOCUS ON:

- COVID (public health emergency ended in May 2023)
- PPP Loans and PPP Jobs saved
- Smaller cities with high relative rankings but may not be targets to scale businesses for venture capital investment

NEW

METRICS AVAILABLE FOR ABILITY TO START A BUSINESS:

- The emphasis on metro areas with existing successful veteran-owned companies

Our Data

32+ 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

*Top 40 Large Cities can be found in the appendix
**Top 60 Small Cities can be found in the appendix

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

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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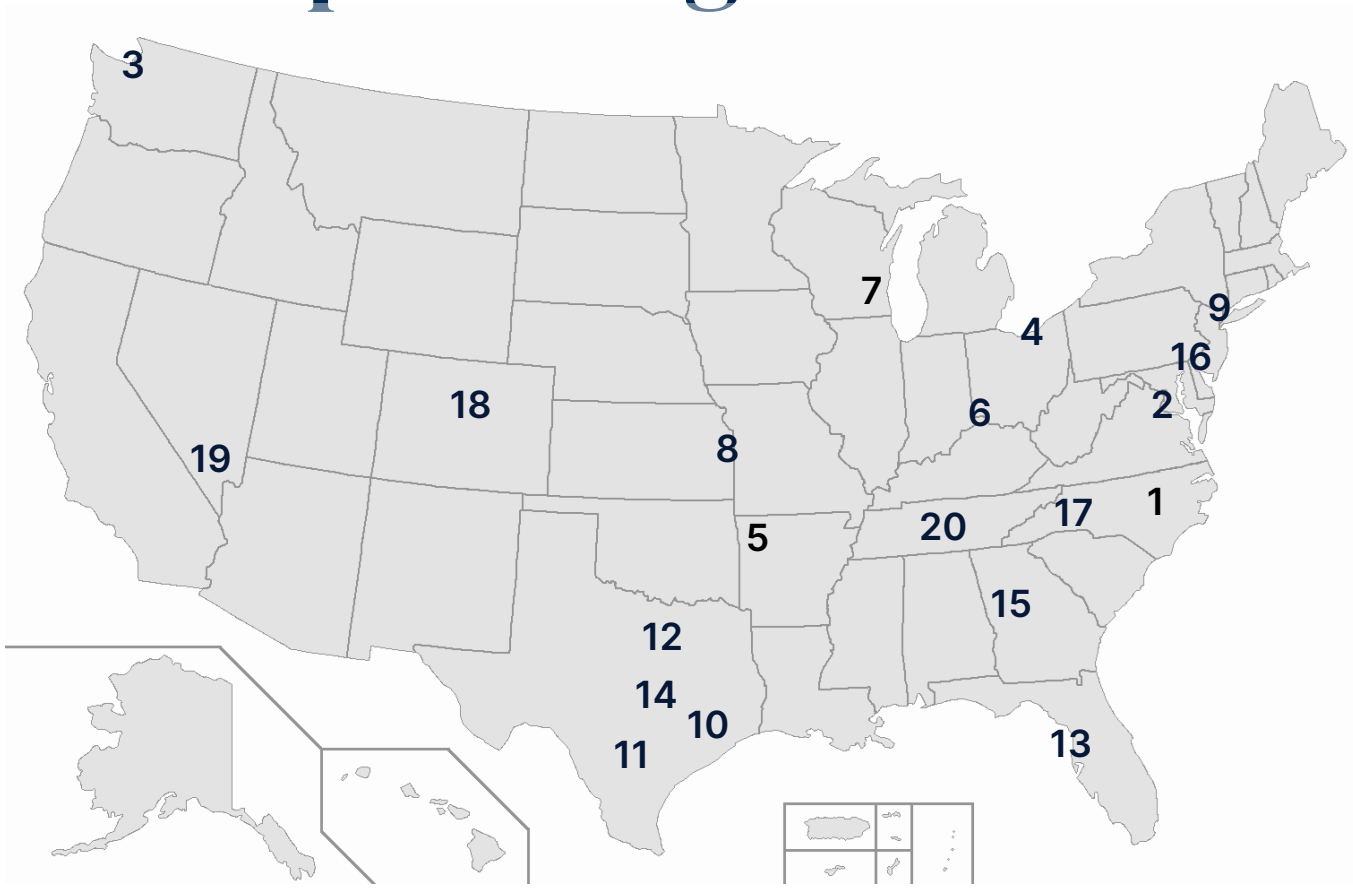
Top 20 Large Cities*



1	Raleigh	+0
2	Washington – Arlington – Alexandria	+6
3	Seattle – Tacoma - Bellevue	+1
4	Cleveland - Elyria	+1
5	Fayetteville – Springdale - Rogers	+3
6	Cincinnati	+3
7	Milwaukee – Waukesha – West Allis	-4
8	Kansas City	-2
9	New York – Newark – Jersey City	-2
10	Houston – The Woodlands – Sugar Land	+1
11	San Antonio – New Braunfels	+3
12	Dallas – Fort Worth – Arlington	+5
13	Tampa – St. Petersburg - Clearwater	-12
14	Austin – Round Rock	-12
15	Atlanta – Sandy Springs - Roswell	-12
16	Philadelphia – Camden – Wilmington	+15
17	Charlotte – Concord – Gastonia	+5
18	Denver – Aurora – Lakewood	+9
19	Las Vegas – Henderson – Paradise	+18
20	Nashville – Davidson – Franklin	+8

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

* Large cities have metro populations over 1 million with exception of Fayetteville, which ranked exceptionally high year-over-year and is seeing strong population growth

Top 5 Large Cities for Each Major Category

LIVABILITY

1. Milwaukee-Waukesha-West Allis, WI Metro Area
2. Fayetteville-Springdale-Rogers, AR-MO Metro Area
3. Raleigh, NC Metro Area
4. Tampa-St. Petersburg-Clearwater, FL Metro Area
5. Kansas City, MO-KS 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. Dallas-Fort Worth-Arlington, TX Metro Area
5. Chicago-Naperville-Elgin, IL-IN-WI Metro Area

GROWING ECONOMY

1. Austin-Round Rock, TX Metro Area
2. Fayetteville-Springdale-Rogers, AR-MO Metro Area
3. Minneapolis-St. Paul-Bloomington, MN-WI Metro Area
4. Denver-Aurora-Lakewood, CO Metro Area
5. Portland-Vancouver-Hillsboro, OR-WA Metro Area

ABILITY TO START A BUSINESS

1. Seattle-Tacoma-Bellevue, WA Metro Area
2. Cleveland-Elyria, OH Metro Area
3. Cincinnati, OH-KY-IN Metro Area
4. Dallas-Fort Worth-Arlington, TX 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 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

Next 10 Large Cities' Needs

RANK	CITY	BIGGEST NEED TO BREAK INTO THE TOP 20	YoY CHANGE
21	Columbus, OH Metro Area	Decrease Unemployment Rate	-8
22	St. Louis, MO-IL Metro Area	Increase Job Growth	-3
23	Boston-Cambridge-Newton, MA-NH Metro Area	Increase School Score	-7
24	Jacksonville, FL Metro Area	Decrease Homelessness	-3
25	Chicago-Naperville-Elgin, IL-IN-WI Metro Area	Increase New Housing Investment	-10
26	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	Increase Job Growth	+10
27	Oklahoma City, OK Metro Area	Increase Number of New Businesses	-10
28	Indianapolis-Carmel-Anderson, IN Metro Area	Increase Public Transit Rating	+14
29	Louisville/Jefferson County, KY-IN Metro Area	Decrease Unemployment Rate	-6
30	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	Increase Park Score	+2

Exploring VC Trends In Large Cities

TOP 5 STATES*

1. Virginia
2. Texas
3. California
4. Florida
5. North Carolina

TOP INDUSTRIES*

1. Government Contracting
2. Business Products & Services
3. Construction
4. Health
5. Software

TOP 5 METRO AREAS*

1. Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area
2. Atlanta-Sandy Springs-Roswell, GA Metro Area
3. Dallas-Fort Worth-Arlington, TX Metro Area
4. Denver-Aurora-Lakewood, CO Metro Area
5. Los Angeles-Long Beach-Anaheim, CA Metro Area

TOP 5 VETERAN COMPANY RECENT FUNDING**

1. Black Rifle Coffee – Specialty Coffee – Salt Lake City - $1.0 Billion
2. Shield AI – Defense Intel – San Diego - $200 Million
3. Voyager Space – Space Technology – Denver - $80 Million
4. Hover – 3D mapping for Properties – San Francisco - $60 Million
5. Shift5 – Defense Systems – Arlington - $33 Million

**Rankings from the Syracuse University D'Aniello Institute for Veterans & Military Families*

***Most recent round of capital funding raised according to LeadIQ.com*

Notable Companies in Top-Ranked Cities

Several metro areas that ranked in the Top 20 are home to successful, veteran-owned businesses

BLACK RIFLE COFFEE COMPANY

Black Rifle is a premium coffee retailer and the nation's 3rd largest veteran-founded company valued at $1 billion. Some stores located in **San Antonio, TX**.

LeaseLock

LeaseLock provides insurance solutions and is the nation's 10th largest veteran-owned company, with a $222-million valuation. Located in **Dallas, TX**.

SHIFT5

Shift5 is a cybersecurity technology platform listed in Fast Company's Most Innovative Companies 2024. It is based out of **Rosslyn, VA (DC Metro Area)**.

UNITE US

Unite US is an integrated platform providing referrals and social care for veterans and their families. Based out of **New York, NY** and valued at $1.6 billion after Series C funding in 2021.

Emerging Small Cities

Highest-scoring small cities and metropolitan areas

CITY	STRENGTHS	OPPORTUNITIES
1 RAPID CITY, SD METRO AREA	Low Homelessness Rates & Low Bankruptcy Filings	Small Venture Capital Presence & Fewer Veteran Support Groups
2 SIOUX FALLS, SD METRO AREA	Low Childcare Costs & Low Foreclosure Rate	Few Venture Capital Deals Closed & Fewer Veteran Support Groups
3 CHEYENNE, WY METRO AREA	Low Childcare Costs & More Stable Unemployment Rates	Small Venture Capital Presence & Low VA Expenditures Per Veteran
4 MADISON, WI METRO AREA	Strong Public Transit & Strong Median Earnings	Less Favorable Corporate Tax Policies & Fewer Veteran Support Groups

Economic Challenges and Hope In Larger Cities

Ongoing inflation, housing shortages, and high interest rates have posed challenges to the stability of large cities, especially for business owners and their customers

New housing supply nationally remains low and keeps housing costs high, **Austin** has 3.7% New Approved Units to Existing Units and **Raleigh** has 3.3%, leading to a 5% and 4% respective decrease in housing costs yearly

Childcare, on average, costs around one-third of a single parent's median income. But that cost is 28% lower in **Cleveland & Cincinnati** and 34% lower in **Atlanta**

Cost of Living is rising 3% year-over-year nationally. But Regional Price Parity is 7% lower in **Kansas City, Cleveland, & Cincinnati** and 5% lower in **San Antonio**

The best 10-year average job growth rate was observed in **Austin** (45%), followed by **Fayetteville, Raleigh, & Nashville** (30+%)

Appendix

Categories & Descriptions (1/2)
Livability & Support for Veterans

Category	Subcategory	Description	Weight
Livability – 20.5% - 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	5.5%
	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	2.5%
	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%
	Regional Price Parities	Price parity score for an MSA compared to average	33.0%
Support for Veterans – 25% - The degree to which an MSA provides the foundation for a veteran to have support and provided with the tools to be successful	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– 22.5% - 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 – 32% - 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	5.5%
	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	7.5%
	# 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	12%
	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
- LeadIQ.com
- 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
- Syracuse University D’Aniello Institute

Top 40 Large MSAs Overall (1/2)

Ranking	MSA	Strongest Category
1	Raleigh, NC Metro Area	Livability
2	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	Support for Veterans
3	Seattle-Tacoma-Bellevue, WA Metro Area	Ability to Start a Business
4	Cleveland-Elyria, OH Metro Area	Ability to Start a Business
5	Fayetteville-Springdale-Rogers, AR-MO Metro Area	Livability & Growing Economy
6	Cincinnati, OH-KY-IN Metro Area	Ability to Start a Business
7	Milwaukee-Waukesha-West Allis, WI Metro Area	Livability
8	Kansas City, MO-KS Metro Area	Livability
9	New York-Newark-Jersey City, NY-NJ-PA Metro Area	Support for Veterans
10	Houston-The Woodlands-Sugar Land, TX Metro Area	Ability to Start a Business
11	San Antonio-New Braunfels, TX Metro Area	Ability to Start a Business
12	Dallas-Fort Worth-Arlington, TX Metro Area	Support for Veterans & Ability to Start a Business
13	Tampa-St. Petersburg-Clearwater, FL Metro Area	Livability
14	Austin-Round Rock, TX Metro Area	Growing Economy
15	Atlanta-Sandy Springs-Roswell, GA Metro Area	Livability
16	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	Growing Economy & Support for Veterans
17	Charlotte-Concord-Gastonia, NC-SC Metro Area	Ability to Start a Business
18	Denver-Aurora-Lakewood, CO Metro Area	Growing Economy
19	Las Vegas-Henderson-Paradise, NV Metro Area	Ability to Start a Business
20	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	Growing Economy

Top 40 Large MSAs Overall (2/2)

Ranking	MSA	Strongest Category
21	Columbus, OH Metro Area	Ability to Start a Business
22	St. Louis, MO-IL Metro Area	Growing Economy & Ability to Start a Business
23	Boston-Cambridge-Newton, MA-NH Metro Area	Growing Economy
24	Jacksonville, FL Metro Area	Livability & Ability to Start a Business
25	Chicago-Naperville-Elgin, IL-IN-WI Metro Area	Support for Veterans
26	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	Support for Veterans
27	Oklahoma City, OK Metro Area	Ability to Start a Business
28	Indianapolis-Carmel-Anderson, IN Metro Area	Growing Economy
29	Louisville/Jefferson County, KY-IN Metro Area	Livability
30	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	Growing Economy
31	Pittsburgh, PA Metro Area	Livability
32	Phoenix-Mesa-Scottsdale, AZ Metro Area	Support for Veterans
33	Orlando-Kissimmee-Sanford, FL Metro Area	Ability to Start a Business
34	Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	Ability to Start a Business
35	Salt Lake City, UT Metro Area	Growing Economy
36	San Francisco-Oakland-Hayward, CA Metro Area	Support for Veterans
37	San Jose-Sunnyvale-Santa Clara, CA Metro Area	Growing Economy
38	Tucson, AZ Metro Area	Livability
39	Tulsa, OK Metro Area	Livability
40	Memphis, TN-MS-AR Metro Area	Livability

Top 60 Small MSAs Overall (1/3)

Ranking	MSA	Strongest Category
1	Rapid City, SD Metro Area	Support for Veterans
2	Sioux Falls, SD Metro Area	Growing Economy
3	Cheyenne, WY Metro Area	Support for Veterans
4	Madison, WI Metro Area	Livability
5	Walla Walla, WA Metro Area	Ability to Start a Business
6	Grand Forks, ND-MN Metro Area	Livability
7	Toledo, OH Metro Area	Livability
8	Reno, NV Metro Area	Ability to Start a Business
9	Omaha-Council Bluffs, NE-IA Metro Area	Growing Economy
10	Boise City, ID Metro Area	Growing Economy
11	Durham-Chapel Hill, NC Metro Area	Ability to Start a Business
12	Lexington-Fayette, KY Metro Area	Livability
13	Colorado Springs, CO Metro Area	Support for Veterans
14	Spokane-Spokane Valley, WA Metro Area	Ability to Start a Business
15	Lawton, OK Metro Area	Livability
16	Columbia, MO Metro Area	Support for Veterans
17	Provo-Orem, UT Metro Area	Growing Economy
18	Elizabethtown-Fort Knox, KY Metro Area	Support for Veterans
19	Fargo, ND-MN Metro Area	Growing Economy
20	McAllen-Edinburg-Mission, TX Metro Area	Livability

Top 60 Small MSAs Overall (2/3)

Ranking	MSA	Strongest Category
21	Fayetteville, NC Metro Area	Support for Veterans
22	Texarkana, TX-AR Metro Area	Livability
23	Asheville, NC Metro Area	Support for Veterans
24	Dayton, OH Metro Area	Ability to Start a Business
25	Albuquerque, NM Metro Area	Support for Veterans
26	Cape Girardeau, MO-IL Metro Area	Livability
27	Grand Island, NE Metro Area	Growing Economy
28	Akron, OH Metro Area	Ability to Start a Business
29	Sierra Vista-Douglas, AZ Metro Area	Support for Veterans
30	Ann Arbor, MI Metro Area	Support for Veterans
31	Amarillo, TX Metro Area	Support for Veterans
32	Victoria, TX Metro Area	Ability to Start a Business
33	Mansfield, OH Metro Area	Livability
34	Canton-Massillon, OH Metro Area	Ability to Start a Business
35	Lima, OH Metro Area	Ability to Start a Business
36	Casper, WY Metro Area	Ability to Start a Business
37	Lincoln, NE Metro Area	Growing Economy
38	Youngstown-Warren-Boardman, OH-PA Metro Area	Livability
39	Abilene, TX Metro Area	Support for Veterans
40	Kokomo, IN Metro Area	Support for Veterans

Top 60 Small MSAs Overall (3/3)

Ranking	MSA	Strongest Category
41	Enid, OK Metro Area	Livability
42	Portland-South Portland, ME Metro Area	Growing Economy
43	Bismarck, ND Metro Area	Growing Economy
44	Brownsville-Harlingen, TX Metro Area	Livability
45	Des Moines-West Des Moines, IA Metro Area	Support for Veterans
46	Fort Wayne, IN Metro Area	Support for Veterans
47	Killeen-Temple, TX Metro Area	Ability to Start a Business
48	Dubuque, IA Metro Area	Livability
49	Jonesboro, AR Metro Area	Livability
50	Laredo, TX Metro Area	Ability to Start a Business
51	Jackson, MS Metro Area	Support for Veterans
52	Charleston-North Charleston, SC Metro Area	Growing Economy
53	Springfield, MO Metro Area	Livability
54	San Angelo, TX Metro Area	Ability to Start a Business
55	Chattanooga, TN-GA Metro Area	Support for Veterans
56	Sherman-Denison, TX Metro Area	Ability to Start a Business
57	Pine Bluff, AR Metro Area	Livability
58	Tyler, TX Metro Area	Support for Veterans
59	Jacksonville, NC Metro Area	Support for Veterans
60	Huntsville, AL Metro Area	Growing Economy

Thank you.

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