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Foundation



**VETERAN ENTREPRENEUR
INVESTMENT PROGRAM**

**2022 TOP US CITIES
FOR VETERAN
ENTREPRENEURS**

METHODOLOGY

Edelman Data & Intelligence (DxI) 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.



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 any bias within the dataset

*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 Child Care 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

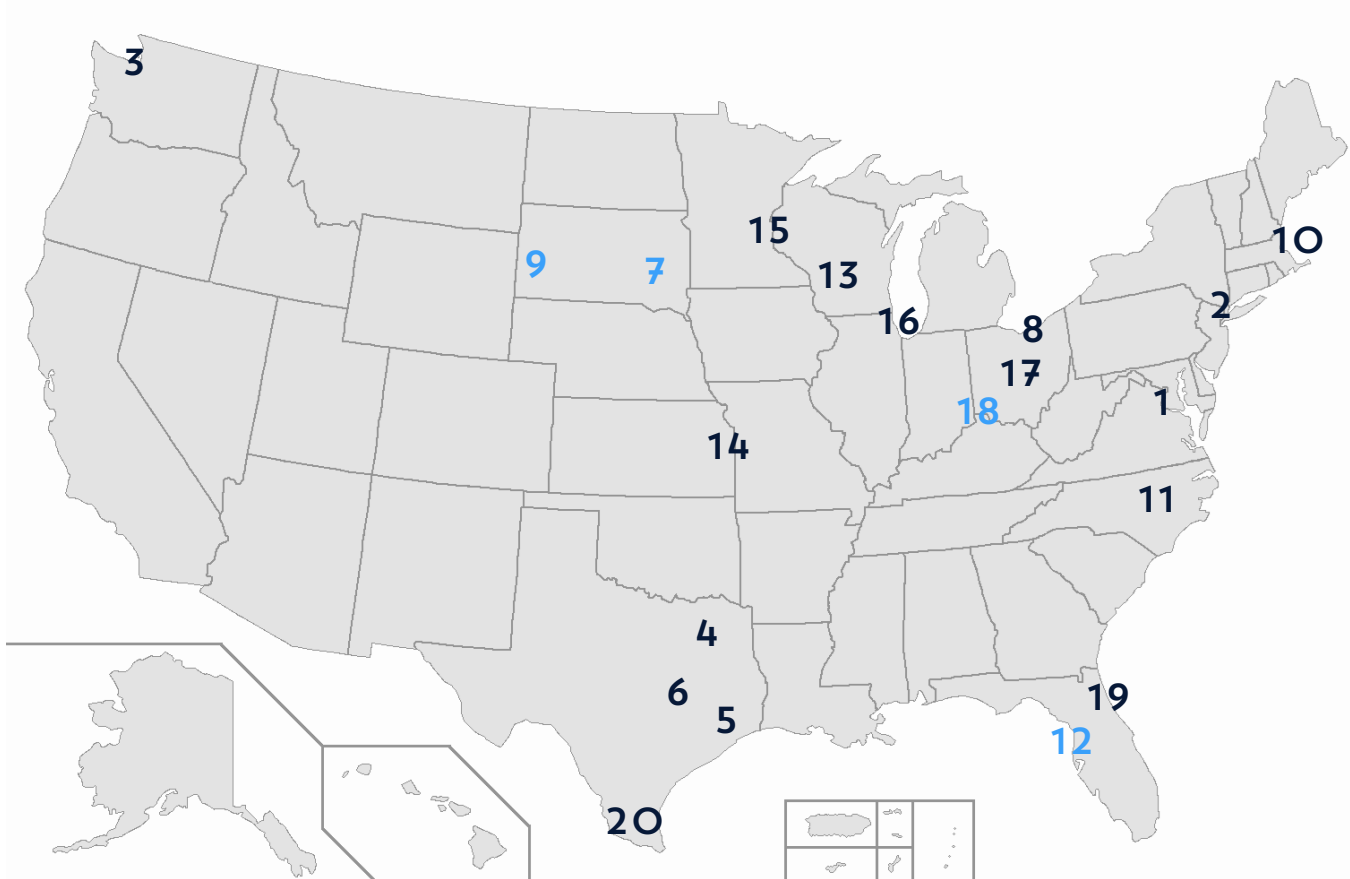
1. Top Corp. Income Tax Rate
2. VC Investment
3. Veteran Entrepreneurs
4. Incubators
5. Rate of New Entrepreneurs
6. Opportunity Entrepreneurship Share
7. Survival Rate
8. Kauffman Index
9. Share of Coworking Space
10. Most Educated Labor Force
11. Veteran Focused Incubators

*Full list with descriptions and weights can be found in the appendix



VETERAN ENTREPRENEUR INVESTMENT PROGRAM

TOP 20 CITIES



1	Washington – Arlington – Alexandria	-
2	New York – Newark – Jersey City	-
3	Seattle – Tacoma – Bellevue	-
4	Dallas – Fort Worth – Arlington	+1
5	Houston – The Woodlands – Sugar Land	+7
6	Austin – Round Rock	+7
7	Sioux Falls	+13
8	Cleveland - Elyria	-1
9	Rapid City	+12
10	Boston – Cambridge - Newton	-
11	Raleigh	-2
12	Tampa – St. Petersburg - Clearwater	+12
13	Madison	+4
14	Kansas City	-6
15	Minneapolis – St. Paul – Bloomington	-9
16	Chicago – Naperville – Elgin	-12
17	Columbus	-1
18	Cincinnati	+11
19	Jacksonville	-4
20	McAllen – Edinburg - Mission	+6

EDELMAN DXI / PENFED CREDIT UNION

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

Key

-- Top City
-- Emerging City

TOP 5 FOR EACH MAJOR CATEGORY



LIVABILITY

- 1 McAllen-Edinburg-Mission, TX Metro Area
- 2 Milwaukee-Waukesha-West Allis, WI Metro Area
- 3 Madison, WI Metro Area
- 4 Raleigh, NC Metro Area
- 5 Pine Bluff, AR Metro Area



GROWING ECONOMY

- 1 Denver – Aurora – Lakeland, CA Metro Area
- 2 San Jose – Sunnyvale – Santa Clara, CA Metro Area
- 3 Burlington – South Burlington, VT Metro Area
- 4 Sioux Falls, SD Metro Area
- 5 Austin – Round Rock, TX 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 Dallas-Fort Worth-Arlington Metro Area
- 4 Chicago-Naperville-Elgin, IL-IN-WI Metro Area
- 5 Phoenix – Mesa – Scottsdale, AZ Metro Area



ABILITY TO START A BUSINESS

- 1 Cleveland-Elyria, OH Metro Area
- 2 Victoria, TX Metro Area
- 3 Carson City, NV Metro Area
- 4 San Angelo, TX Metro Area
- 5 Sherman – Denison, TX Metro Area

MAIN DRIVERS OF SUCCESS

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



LIVABILITY

1. Have a relatively cheap cost of living
2. Have access to affordable and nearby childcare and school systems
3. Access to quality green space & public transportation



GROWING ECONOMY

1. Have a continued lower unemployment rate year over year
2. Have a low foreclosure rate
3. Have strong job growth



SUPPORT FOR VETERANS

1. Have a low veteran unemployment rate
2. Have a high veteran population
3. Have a plethora of support groups and associations for Veterans



ABILITY TO START A BUSINESS

1. Have a low corporate income tax
2. Have a high number of veteran entrepreneurs
3. Have a high company survival rate



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>
1	SIOUX FALLS, SD METRO AREA +13	Lower Cost of Living (Regional Price Parity) & Lower Veteran Unemployment Rate	Student Veteran Bills & City Veteran Concentration
2	TAMPA-ST. PETERSBURG-CLEARWATER, FL METRO AREA +12	Good Schools and Job Growth & Lower Unemployment Rate	Student Veteran Bills & Lower Corporate Tax
3	CINCINNATI, OH-KY-IN METRO AREA +11	Quality Green Space & Higher Veteran Concentration	Higher Amount of Entrepreneurs & Local Vet Associations
4	RAPID CITY, SD METRO AREA +9	Lower Cost of Living (Regional Price Parity) & Lower Foreclosure Rate	Student Veteran Bills & Local Vet Associations



NEXT 10 UP

<u>OVERALL RANK</u>	<u>MSA</u>	<u>BIGGEST NEED TO BECOME AN EMERGING MSA</u>	<u>YoY CHANGE</u>
21	Atlanta-Sandy Springs-Roswell, GA Metro Area	Reduce foreclosure rates	-8
22	Milwaukee-Waukesha-West Allis, WI Metro Area	More new entrepreneurs	-3
23	San Antonio-New Braunfels, TX Metro Area	Increase investment in new housing	+10
24	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	Reduce corporate tax rate	-13
25	San Francisco-Oakland-Hayward, CA Metro Area	More veteran associations and student bills	+9
26	Boise City, ID Metro Area	Reduce bankruptcy filings	-8
27	Cheyenne, WY Metro Area	Increase expenditures for veterans	+40
28	Omaha-Council Bluffs, NE-IA Metro Area	Increase number of PPP Loans	-5
29	St. Louis, MO-IL Metro Area	Increase productivity growth	-4
30	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	Improve Parks and Green Space	-8

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

SIOUX FALLS, SD +13

Livability – Low Cost of Living (Regional Price Parities)

CHEYENNE, WY +40

Growing Economy – Low Unemployment Rate

LARGEST FALLERS

Largest Category Fall

VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC -13

Ability to Start a Business – Increase in Corporate Tax Rate

CHICAGO-NAPERVILLE-ELGIN, IL-IN-WI -12

Ability to Start a Business – Increase in Corporate Tax Rate



TRENDING METRO AREAS

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

	<u>CITY</u>	<u>2020 RANKING</u>		<u>2021 RANKING</u>		<u>2022 RANKING</u>
1	CHEYENNE, WY METRO AREA +62	90	— +23 →	67	— +40 →	27
2	LOUISVILLE/JEFFERSON COUNTY, KY-IN METRO AREA +39	73	— +2 →	71	— +38 →	33
3	SIOUX FALLS, SD AREA +34	43	— +23 →	20	— +11 →	9
4	TAMPA-ST. PETERSBURG-CLEARWATER, FL METRO AREA +19	31	— +7 →	24	— +12 →	12



GROWING CITIES IN THE TOP 10

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.

SIOUX FALLS, SD +13

Livability – Low Cost of Living
Ability to Start a Business – Low Corporate Tax Rate

**HOUSTON – THE
WOODLANDS –
SUGAR LAND, TX +7**

Growing Economy – Decrease in Unemployment Rate
Good City for Veterans – Low Veteran Unemployment Rate

RAPID CITY, SD +23

Ability to Start a Business – Low Corporate Tax Rate
Livability – Low Cost of Living

**AUSTIN – ROUND
ROCK, TX +7**

Growing Economy – Increase in Productivity
Livability – Quality Schools & Green Space



IMPACT OF INFLATION

While inflation effected all cities across the US some were impacted more than others



Year over year Gas prices rose by **23%** in **Minneapolis – St. Paul – Bloomington** compared to the national average of 18%



Washington – Arlington – Alexandria food prices rose **6%** compared to the national average of 11%



While national average Energy costs increased year over year by 20%, **Chicago – Naperville – Elgin** Energy prices increased by **42%**



While national average Shelter costs increased year over year by 7%, **New York – Newark – Jersey City** Shelter prices increased by **4%**

APPENDIX



CATEGORIES AND DESCRIPTIONS (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	5.0%
	Health Establishments per Capita	Health establishments per capita	10.0%
	Best Schools	Best primary public schools ranking	10.0%
	Infant Care Costs	Average Annual Infant Care Cost	7.5%
	Children in child Care Deserts	Percent of population that lives in a child care desert	7.5%
	Homelessness	Homelessness	5.0%
	COVID cases	Number of COVID cases	5.0%
	Regional Price Parities	Price parity score for an MSA compared to average	25.0%
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	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	5.0%
	VA Medical Care Expenditures	VA Medical Care Expenditures per Veteran	5.0%
	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	20.0%



CATEGORIES AND DESCRIPTIONS (ECONOMY & STARTING 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	5.0%
	Spouse Unemployment %	Unemployment rate for working spouses	5.0%
	PPP Loans	PPP Loan Amount Distributed	2.5%
	PPP Jobs Created	Jobs Created from PPP Funds	2.5%
	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	5.0%
	SMB Programs	SMB Programs	10.0%
	GDP per Capita	GDP per capita	20.0%
	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)
VC Investment/New Business Loans		Value of Venture Capital Investment/New Business Loans per Capita	15.0%
Veteran Entr. Per MSA		Veteran Entrepreneur Per MSA	15.0%
Incubators		Incubators per Capita	10.0%
Rate of New Ent.		Rate of New Entrepreneurs based on Kauffman	10.0%
Opp. Ent. Share		% of entrepreneurs who start a business based on opportunity - based on Kauffman statistics	10.0%
Survival Rate		5 year Survival Rate based on Kauffman statistics	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	15.0%



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
- U.S. Census
- 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



TOP 100 MSA'S OVERALL (1/5)

Ranking	MSA	Score	Strongest Category
1	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	0.304	Support for Veterans
2	New York-Newark-Jersey City, NY-NJ-PA Metro Area	0.291	Support for Veterans
3	Seattle-Tacoma-Bellevue, WA Metro Area	0.282	Support for Veterans
4	Dallas-Fort Worth-Arlington, TX Metro Area	0.276	Support for Veterans
5	Houston-The Woodlands-Sugar Land, TX Metro Area	0.271	Support for Veterans
6	Austin-Round Rock, TX Metro Area	0.271	Growing Economy
7	Sioux Falls, SD Metro Area	0.270	Growing Economy
8	Cleveland-Elyria, OH Metro Area	0.270	Ability to Start a Business
9	Rapid City, SD Metro Area	0.266	Growing Economy
10	Boston-Cambridge-Newton, MA-NH Metro Area	0.266	Growing Economy
11	Raleigh, NC Metro Area	0.262	Livability
12	Tampa-St. Petersburg-Clearwater, FL Metro Area	0.261	Support for Veterans
13	Madison, WI Metro Area	0.261	Livability
14	Kansas City, MO-KS Metro Area	0.261	Support for Veterans
15	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	0.260	Growing Economy
16	Chicago-Naperville-Elgin, IL-IN-WI Metro Area	0.260	Support for Veterans
17	Columbus, OH Metro Area	0.260	Ability to Start a Business
18	Cincinnati, OH-KY-IN Metro Area	0.259	Ability to Start a Business
19	Jacksonville, FL Metro Area	0.258	Ability to Start a Business
20	McAllen-Edinburg-Mission, TX Metro Area	0.257	Livability



TOP 100 MSA'S OVERALL (2/5)

Ranking	MSA	Score	Strongest Category
21	Atlanta-Sandy Springs-Roswell, GA Metro Area	0.256	Livability
22	Milwaukee-Waukesha-West Allis, WI Metro Area	0.255	Livability
23	San Antonio-New Braunfels, TX Metro Area	0.254	Support for Veterans
24	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	0.254	Support for Veterans
25	San Francisco-Oakland-Hayward, CA Metro Area	0.252	Ability to Start a Business
26	Boise City, ID Metro Area	0.251	Growing Economy
27	Cheyenne, WY Metro Area	0.250	Ability to Start a Business
28	Omaha-Council Bluffs, NE-IA Metro Area	0.250	Support for Veterans
29	St. Louis, MO-IL Metro Area	0.248	Support for Veterans
30	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	0.248	Support for Veterans
31	Los Angeles-Long Beach-Anaheim, CA Metro Area	0.247	Support for Veterans
32	Fargo, ND-MN Metro Area	0.246	Growing Economy
33	Louisville/Jefferson County, KY-IN Metro Area	0.245	Growing Economy
34	Parkersburg-Vienna, WV Metro Area	0.244	Support for Veterans
35	Wichita Falls, TX Metro Area	0.244	Ability to Start a Business
36	Pittsburgh, PA Metro Area	0.244	Support for Veterans
37	Victoria, TX Metro Area	0.244	Ability to Start a Business
38	Toledo, OH Metro Area	0.244	Livability
39	Des Moines-West Des Moines, IA Metro Area	0.244	Growing Economy
40	Bismarck, ND Metro Area	0.244	Growing Economy



TOP 100 MSA'S OVERALL (3/5)

Ranking	MSA	Score	Strongest Category
41	Amarillo, TX Metro Area	0.243	Support for Veterans
42	Charleston-North Charleston, SC Metro Area	0.243	Growing Economy
43	Grand Island, NE Metro Area	0.243	Support for Veterans
44	Bangor, ME Metro Area	0.242	Growing Economy
45	Fayetteville-Springdale-Rogers, AR-MO Metro Area	0.242	Growing Economy
46	Wilmington, NC Metro Area	0.242	Support for Veterans
47	Cape Girardeau, MO-IL Metro Area	0.242	Ability to Start a Business
48	Canton-Massillon, OH Metro Area	0.242	Ability to Start a Business
49	Lexington-Fayette, KY Metro Area	0.241	Livability
50	Albany, GA Metro Area	0.241	Livability
51	Jonesboro, AR Metro Area	0.241	Livability
52	Great Falls, MT Metro Area	0.241	Growing Economy
53	Texarkana, TX-AR Metro Area	0.241	Ability to Start a Business
54	Denver-Aurora-Lakewood, CO Metro Area	0.241	Growing Economy
55	Mansfield, OH Metro Area	0.240	Ability to Start a Business
56	Lincoln, NE Metro Area	0.240	Livability
57	Lima, OH Metro Area	0.239	Ability to Start a Business
58	Charlotte-Concord-Gastonia, NC-SC Metro Area	0.239	Support for Veterans
59	Laredo, TX Metro Area	0.239	Ability to Start a Business
60	Walla Walla, WA Metro Area	0.239	Ability to Start a Business



TOP 100 MSA'S OVERALL (4/5)

Ranking	MSA	Score	Strongest Category
61	Grand Rapids-Wyoming, MI Metro Area	0.238	Oklahoma City, OK Metro Area
62	Little Rock-North Little Rock-Conway, AR Metro Area	0.238	Casper, WY Metro Area
63	Jefferson City, MO Metro Area	0.238	Grand Forks, ND-MN Metro Area
64	Beckley, WV Metro Area	0.238	Jefferson City, MO Metro Area
65	Albany, GA Metro Area	0.237	Odessa, TX Metro Area
66	Memphis, TN-MS-AR Metro Area	0.237	Detroit-Warren-Dearborn, MI Metro Area
67	Cheyenne, WY Metro Area	0.237	Elizabethtown-Fort Knox, KY Metro Area
68	Portland-South Portland, ME Metro Area	0.237	Phoenix-Mesa-Scottsdale, AZ Metro Area
69	Jackson, MS Metro Area	0.237	Beckley, WV Metro Area
70	Huntington-Ashland, WV-KY-OH Metro Area	0.237	Harrisonburg, VA Metro Area
71	Louisville/Jefferson County, KY-IN Metro Area	0.236	St. Joseph, MO-KS Metro Area
72	Topeka, KS Metro Area	0.236	Portland-South Portland, ME Metro Area
73	Knoxville, TN Metro Area	0.236	Columbia, MO Metro Area
74	Savannah, GA Metro Area	0.236	Albuquerque, NM Metro Area
75	Grand Forks, ND-MN Metro Area	0.236	Durham-Chapel Hill, NC Metro Area
76	Fayetteville, NC Metro Area	0.236	Warner Robins, GA Metro Area
77	St. Joseph, MO-KS Metro Area	0.236	The Villages, FL Metro Area
78	Auburn-Opelika, AL Metro Area	0.236	Provo-Orem, UT Metro Area
79	Cape Girardeau, MO-IL Metro Area	0.235	Abilene, TX Metro Area
80	Danville, IL Metro Area	0.235	Akron, OH Metro Area



TOP 100 MSA'S OVERALL (5/5)

Ranking	MSA	Score	Strongest Category
81	San Angelo, TX Metro Area	0.235	Ability to Start a Business
82	Richmond, VA Metro Area	0.235	Support for Veterans
83	Dubuque, IA Metro Area	0.235	Livability
84	Idaho Falls, ID Metro Area	0.235	Growing Economy
85	Portland-Vancouver-Hillsboro, OR-WA Metro Area	0.235	Growing Economy
86	Huntington-Ashland, WV-KY-OH Metro Area	0.234	Livability
87	St. Cloud, MN Metro Area	0.234	Growing Economy
88	Midland, TX Metro Area	0.234	Ability to Start a Business
89	Lewiston-Auburn, ME Metro Area	0.234	Growing Economy
90	Mankato-North Mankato, MN Metro Area	0.234	Growing Economy
91	Baltimore-Columbia-Towson, MD Metro Area	0.234	Support for Veterans
92	Dayton, OH Metro Area	0.234	Ability to Start a Business
93	Jackson, MS Metro Area	0.233	Livability
94	Sierra Vista-Douglas, AZ Metro Area	0.233	Support for Veterans
95	Topeka, KS Metro Area	0.233	Growing Economy
96	Fayetteville, NC Metro Area	0.233	Ability to Start a Business
97	Springfield, MO Metro Area	0.233	Growing Economy
98	Colorado Springs, CO Metro Area	0.233	Growing Economy
99	Twin Falls, ID Metro Area	0.233	Livability
100	Orlando-Kissimmee-Sanford, FL Metro Area	0.233	Livability



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