

The 50 Best Cities for Entrepreneurs

And how 50 business owners made their cities work for them.

IF YOU HAVE AN ONLINE BUSINESS, zero employees, and are happy to travel 24-7, then your physical address doesn't matter much. Everyone else? "No question, the resources available to CEOs depend on where they locate their company," says Peter Cohan, an investor and author of *Disciplined Growth Strategies*. "Beyond a great product, strong marketing, and sufficient capital, startups thrive or fizzle depending on their environment and the people in them."

That's why we assembled this list of the 50 best cities for entrepreneurs. But even if your city isn't named and you're not looking to move, it should serve as an important reminder: Businesses thrive when local people band together. *Where you are* is intricately linked to *who you know*, and you can always find new value in your local community. We heard that repeatedly from people who live in the cities on our list—that their lives improved when they joined Meetup groups for founders, referred customers to neighboring businesses, traded the home couch for a coworking space, and more. "Join professional organizations, get involved in your chamber of commerce, find local small-business groups, attend community events," advises Lisa Gundry, Ph.D., a professor of management and entrepreneurship at DePaul University. Those relationships will make or break a business.

For Kathryn Hawkins, cofounder of Portland, Maine-based Eucalypt Media, sleuthing for the right events has even served as a low-cost, crash-course MBA: She has soaked up insights from entrepreneurs across the country at the annual Maine Startup and Create Week, workshopped her business with local business leaders House of Genius, a monthly, invitation-only panel devoted to solving a startup's specific problem. And she gets a regular boost from her ongoing FocusMe group of women entrepreneurs. Last year, she and her cofounder participated in ScaleUp, a free program funded by the Small Business Association, complete with curriculum, homework, and guest speakers. "We used what we learned to hire our first full-time employee, and we've since grown the team to five," she says. "We've found a very grounded, supportive community here."

ABOUT OUR LIST: *Entrepreneur* partnered with Livability.com to find the top 50 small and midsize cities that can help business founders thrive. The Livability team crunched a mountain of data, including household income growth, employment rate, housing affordability, per capita spending, commute times, safety, diversity, rates of healthcare coverage, wage growth, and more. On the following pages, see how one founder in each city got a local boost. For a deeper dive into each city, visit entm.ag/bestcities2017.



1

Alexandria, Va.

"Having a D.C. address used to be important for business, but now customers see it as cost wasted on overhead. D.C. power brokers are crossing the river because it's more affordable, and Virginia's general pro-growth, pro-business approach is a real enticement."

—Chaz Cirame, founder, lobbying firm Cc:External Affairs

2 Iowa City, Iowa

"Folks here are progressive, educated, and cultured. The small-town vibe means word of mouth and cultivating regulars are a critical aspect of our business. We can't rely on cycling through customers like you might in a metropolitan area." —Rodney Anderson, Pancheros Mexican Grill

3 Chapel Hill, N.C.

"I started an eco lawn-care business. I went door-to-door at first, but joining the chamber of commerce helped a lot. The president is great at picking up the phone to talk." —Mik Beetham, owner, Green Energy Lawn Care

4 Boulder, Colo.

"There's a nonprofit called Naturally Boulder that brings together the natural foods community for networking. It's been a great way to grow my business and learn from other founders about accounting and legal to operations and distribution." —Elizabeth Stein, founder, natural foods company Purely Elizabeth

5 Corvallis, Oreg.

"This area is full of young people starting businesses, and many are owned and operated by women. It's created this unique culture that really thrives on companionship and openness." —Ann Schneider, owner, Tried & True Coffee

6 Bozeman, Mont.

"Bozeman is full of tech professionals who moved from bigger cities to raise their families. And because of the skiing here, we attract a lot of visitors and people with second homes. Successful people help fuel the entrepreneurial spirit." —Mike Myer, founder, software firm QUIQ

7 Ann Arbor, Mich.

"When I moved here, I fell into a group of fellow entrepreneurs from really different backgrounds—an architect, an SEO expert, a bakery owner—but we all feed off each other, trading tips and resources. One of us found a great accountant, and now we're all using that accountant." —Nicole Haley, owner, Nicole Haley Photography

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8 Ames, Iowa

"We launched as a food cart near the campus of Iowa State, but people started asking if we'd sell our pretzels near them. So we opened a store and purchased a mobile unit. There are so many entrepreneurs in Ames, it makes it really easy to approach people." —Alex Van Alstyne, cofounder, Salt & Pretzel

9 Rochester, Minn.

"You'd think the long winters would hurt ice cream sales, but I have a lot of regulars who come in and like their frozen dessert drinks even when it's minus-14 degrees outside. And I'm certainly happy to provide." —Bryan Bachman, owner, sandwich shop Nowhere Special

10 Manhattan, Kans.

"We have one of the best chambers of commerce in the state, and I think that has a big impact on new businesses getting started. Our community is very focused on working as a region, since our labor pool really comes from a seven-county area." —Kristin Brighton, founder, marketing firm New Boston Creative Group

11 Provo, Utah

"Provo is a very open community in terms of business, lending, and new ideas. I've never had a door shut in my face." —Jeff Pedersen, owner, indoor-climbing gym The Quarry

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12 Burlington, Vt.

"Businesses are passionate about being socially responsible and having great work environments. It's a small enough area that you get to know and learn from each other." —Ted Castle, founder, ice cream manufacturer Rhino Foods

13 Portland, Maine

"The cost of living is so much lower than in bigger cities; it really reduces the pressure on our capital requirements and helps us price our services more competitively." —Kathryn Hawkins, cofounder, marketing agency Eucalypt Media

14 Beaverton, Oreg.

"Beaverton is anchored by Nike, Columbia Sportswear, and Intel, but there's a ton of small businesses up and down the old main streets. My business is mostly word of mouth and referrals bouncing back and forth between all the interesting people who live close by." —Katherine Andrews, owner, sewing and alterations business What Sew Ever

15 Gainesville, Fla.

"There's a myth that because we're a college town, retaining customers can be a challenge. But there's a sizable population here of people raising their families, and they need our businesses all year long." —Lauren MacKay, owner, Zen Vibe Yoga

16 Columbia, Mo.

"We have 20,000 students at the university and 25 percent turnover every year, which means new blood all the time. We also have fewer big businesses here than you'd find in a more metropolitan-type town. I see a lot of new businesses open. The city is pretty receptive to new ideas." —Steve Stonecipher-Fisher, owner, sports retailer Tryathletics

17 Madison, Wis.

"I know all the other Pilates studio owners. We are all aware of our different teaching styles, locations, demographics, and business models. This provides the best opportunity to create your own brand." —Vanessa Washicheck, owner, Pilates Central

18 White Plains, N.Y.

"We have a large amount of businesspeople here, and we have big companies like IBM,

Pepsi, Heineken, and Mastercard, so people don't mind paying the prices at my upscale barbershop. They want high-end service." —Peter Palushi, owner, Gentleman's Barber Spa

19 Palo Alto, Calif.

"Our customers are pushing the envelope in every part of their lives, so they keep us on our toes. We modify our programming a little to appeal to the venture capitalist, startup founder, or Fortune 100 exec." —Darryl Brandon, owner, Reach Fitness

20 Cambridge, Mass.

"The people are educated, and they actually take my experience to heart. I have a highly successful little pet-grooming shop that barely has a down season. I've got poodles coming out of my ears." —Jeana Ward, owner, Jeana's Dirty Dogs

21 Bellevue, Wash.

"The abundance of technical and business talent enables us to grow and thrive. And we get to enjoy everything from good parking, to the range of places to eat and drink, to the public transit links from throughout the greater Seattle area." —Bruce Jaffe, CEO, tech firm Donuts

22 Berkeley, Calif.

"The Bay Area music scene exploded in the late '60s, and we had the opportunity to work alongside many artists performing in the area. Those relationships continue. Berkeley is filled with artists and scientists, and we are constantly inspired by those we meet." —Helen Meyer, cofounder, speaker brand Meyer Sound

23 East Lansing, Mich.

"Our company started with three engineering students from Michigan State University in 2014. We were supported by the student startup resources at The Hatch and Spartan Innovations in East Lansing, and even closed two investment deals with funds from the area." —Alexa Jones, cofounder, TheraB Medical products

24 Bloomington, Ind.

"Bloomington has enough people, growth, and income to support a business like mine. Not very many small cities can do that. I saw the growth happening and knew I could grow with it." —Josh Smith, owner, Clutch Fabrication and Design

25 Brookings, S.D.

"Early on, we were uncertain if we could be successful in a town and region the size of ours. But Brookings is incredibly supportive of local businesses, and the community is quite diverse, much like a slice of a much larger city." —Trevor Clements, cofounder, Coteau des Prairies Olive Oil Co

Santa Fe, N.M.

"The people here take pride in blazing their own trails. So much of Santa Fe is represented in our business, from our eclectic recipes inspired by ancient traditions to our health-oriented and sustainability-oriented company culture." —James Hill, cofounder, Honeymoon Brewery

26.



27 Boise, Idaho
 “Boise is a great incubator to test concepts in the consumer packaged-goods and food-service industries. I thought if I could build my burrito brand successfully here, I’d have a better chance to scale nationally.”
 —Shige Toyoguchi, CEO, *Fit Wrapz*

28 Overland Park, Kans.
 “To grow our concept in a smaller town is a great asset, because we got feedback right away. We’ve got stores all across the country now, and you don’t get that same customer interaction.” —Jeff Martin, founder, *Smallcakes Cupcakery & Creamery*

29 Miami Beach, Fla.
 “If travel, hospitality, banking, or import/export is your industry, Miami Beach is a great. We have two of the largest cruise-ship ports in the world, which means tens of thousands of people arrive every week for vacation. Plus, we are the gateway to Latin America and Europe for many travelers.” —Gus Moore, co-owner, *Miami Tour Company*

30 Portsmouth, N.H.
 “Through the chamber of commerce, a retail committee has formed for downtown merchants. Shop owners meet over breakfast on most Fridays to develop strategies for how to work together and encourage downtown shopping.”
 —Karin Scott, owner of *Celtic Crossing*

31 Somerville, Mass.
 “There is something to be said about living in the community in which you run a business. Every Saturday for three-plus years, I was in the farmers’ market in Union Square, so I met other chefs and people who worked in the government, and the mayor, and my neighbors. And then they came and bought donuts.”
 —Josh Danoff, cofounder, *Union Square Donuts*

32 Moscow, Idaho
 “The high-tech-business community in Moscow has evolved over the past 16 years. We all know each other, and we’ve grown smarter as we bounce ideas off each other.” —Kjell Christophersen, cofounder, *Emsi*

33 Newport, R.I.
 “Newport is great for a startup because all businesses here are local. Meeting and

connecting—all business owners kind of know each other. Plus, there are great photographers and content writers around.”
 —Amar Punjaba, director, *Atlantic Designs*

34 Royal Oak, Mich.
 “Downtown Royal Oak has lots of bars, restaurants, shops, hair salons, the Royal Oak Music Theater, and the farmers’ market. On a summer weekend, there are probably 10,000 people walking through. We get a ton of foot traffic.” —Brian Lane, owner, *Bingo Pet Salon*

35 Sugar Land, Tex.
 “Our target customers are mothers with young children. It is a very diverse and welcoming community. We were supported from day one.” —Zawadi Bryant, cofounder and CEO, *NightLight Pediatric Urgent Care*

36 Denton, Tex.
 “All of our hired interns from area colleges have converted to full-time positions. We’ve found millennials to be very hard workers with great value and energy.” —Cindy Tysinger, CEO, tech services firm *GSATI*

37 Salt Lake City
 “I make leather bags, and Salt Lake City is a large hub for refugees. I train and hire them and give them flexibility to take care of their families and fluctuating priorities. Other small businesses learned I was doing this and wanted to support the cause as well.” —Sarah Burroughs, founder, *anne b designs*

38 Durham, N.C.
 “I started this out of my dorm room at Duke, but after graduation I decided to stay because resources were readily available. And I can spend time mentoring Duke undergrad entrepreneurs!” —Tatiana Birgisson, CEO, *MATI Energy*

39 Champaign, Ill.
 “We incubate at EnterpriseWorks at the University of Illinois. The community really pushes innovation, and the cost of living is low. A future here is sustainable.” —Ashley S. Moy, CEO, *Cast21*

40 Bethesda, Md.
 “Bethesda is expensive; we’ve got to sell a lot of candy to pay rent. But there is an incredible outpouring of support from people who really want us to make it,



and who want to keep Bethesda local.” —Patty Craver, owner, *Henry’s Sweet Retreat*

41 New Rochelle, N.Y.
 “We have great school systems that attract talented, educated workers. Everything we do at our camps is skill-based, so that’s invaluable to me.”
 —Ed Metzendorf, founder, *Next Level Day Camps*

42 Carmel, Ind.
 “When we first opened, we reached out to a little coffee shop we used to frequent, to ask what we need to know. The community’s small-business owners have been so generous with their time.” —Heidi Wernicke, cofounder, *The Quirky Feather Confectionery*

43 Norman, Okla.
 “Oklahoma can be kind of Bible Belt-ish, so my tattoo shop wasn’t met with a lot of warmth when I opened in 2006. But since, Norman has become quite the little art town. There’s a gallery association and monthly art walks where they shut down the streets and bring in food trucks. It’s great to see a community grow around an art scene.” —Kenny Hall, owner, *Hall of Tattoos*

44 Fargo, N.D.
 “The state’s Bank of North Dakota is sort of a socialist concept in a state that’s very Republican. They partner alongside local banks to lend credit, which gives startups access to bigger loans.” —Jake Joraanstad, CEO, *Myriad Mobile*

45 Anchorage, Alaska
 “There’s probably not a single person who would say no to meeting and a cup of coffee. We do kind of suffer from isolationism here, so you take care of your own.” —Kyle Reading, cofounder, *Cut & Caliber*

46 Bentonville, Ark.
 “When I got back from serving in Afghanistan, I was looking at employment opportunities,

and Bentonville is really affordable. We were the first Hispanic food truck in town. Because of Wal-Mart and the diversity of their employees, the community embraces all cultures.”
 —Rafael Rios, owner, *Yeyo’s Mexican Grill*

Asheville, N.C.
 “We want to bring clothing manufacturing back to the U.S., and the entire supply chain is here in North Carolina, South Carolina and Georgia. We can just drive to our suppliers and meet them face-to-face.” —Mariano de Guzman, CEO, apparel brand *Appalach*

48 Reno, Nev.
 “We launched in Fayetteville, Arkansas, but ran into fund-raising walls. We looked at a lot of cities, and there is change happening in Reno now. There are fantastic state incentive programs, and we’ve had more attention from coast capital. And I haven’t been called ‘sweetheart’ since we got here.”
 —Katie Lay, cofounder, *CAEK*

49 Idaho Falls, Idaho
 “The downtown district is almost all private, small-business owners, which is really important to our community. And all the business owners have a fantastic relationship—we’re good customers to each other.”
 —Indy Fowler, owner, *Metamorphosis Salon*

50 Tempe, Ariz.
 “I tapped the local Small Business Association office for help in the early days and met with instructors at the Arizona State business school for mentorship. They helped a lot with my plan and networking.” —Curtis Smith, founder, exercise brand *Handle Fitness*

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