BEST-PERFORMING CITIES 2012

Where America's Jobs Are Created and Sustained

JANUARY 2013

MILKEN INSTITUTE

Ross C. DeVol, Armen Bedroussian, and Yu Liu

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A nonprofit, nonpartisan economic think tank, the Milken Institute works to improve lives around the world by advancing innovative economic and policy solutions that create jobs, widen access to capital, and enhance health. We produce rigorous, independent economic research—and maximize its impact by convening global leaders from the worlds of business, finance, government, and philanthropy. By fostering collaboration between the public and private sectors, we transform great ideas into action.

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EXECUTIVE SUMMARY

Why are some places in America prospering, and some struggling? What separates the cities that are positioned well for the future from those that are still mired in the setbacks inflicted by the financial crisis and the Great Recession? Our annual Best-Performing Cities report provides a data-driven, comprehensive measure of economic strength across metropolitan areas, illuminating the job, wage, and technology trends that shape prospects for success.

In 2012, high-tech was high-powered. Rewards accrued to communities that embraced technological know-how. Designing and producing communications and computing devices, and serving companies and consumers online, were good businesses to be in. It also helped to have the stuff in the ground to meet America's energy needs and host industries that lent stability to the local economy, if not spectacular growth. Overall, the regions that weathered the downturn best and are recovering fastest reveal a range of ideas and strategies for seizing opportunity and keeping risk at bay.

Among this year's key findings:

- **San Jose-Sunnyvale-Santa Clara, Calif.,** vaulted 50 spots from last year to lead our Best-Performing Large Cities index, a position it last held in the 2001 rankings.
- **Texas metros** didn't dominate the rankings quite as much as last year but still took three of the Top 10 positions and seven of the Top 25.
- **Tech centers** performed well, holding 12 of the Top 25 positions. In addition to San Jose, **Austin-Round Rock-San Marcos, Texas; Raleigh-Cary, N.C.; Washington-Arlington-Alexandria, DC-Va.-Md.-W.Va.; Salt Lake City, Utah;** and **Cambridge-Newton-Framingham, Mass.,** were in the Top 10.
- **Logan, Utah-Idaho** remained the Best-Performing Small City for 2012 with the help of a thriving technology sector.
- **Holland-Grand Haven, Mich.,** enjoyed the biggest surge among large cities, rising 108 spots.

Broader economic trends reveal a mixed picture, which shapes how strength is distributed across the country. At the end of 2012, the U.S. economy was crawling along at about 2 percent growth. Business investment in information and communication technologies had led the recovery through the second quarter of the year. The bad news is that investment in equipment and structures has slowed, along with exports, a result of the global headwinds stemming from the eurozone crisis and the weakness spreading to Asia, especially China. Domestic policy uncertainty relating to the "fiscal cliff" has exacerbated the slack pace of business investment. The good news is that households are buying cars again, and housing appears to have finally found a bottom.

Additional good news came in the form of a recovery in traditional manufacturing. The two most important: autos and heavy capital goods, including mining equipment, excavators, machine tools, and the steel and other metals that are inputs into the process. Job growth has marginally improved in recent months. December's employment report showed a gain of 155,000, better than the 2012 monthly average of 153,000. Unemployment stood at 7.8 percent in December. However, most of the progress in the rate since the recovery began has been attributable to a dramatic decline in labor force participation.

TOP 25 BEST-PERFORMING LARGE CITIES

The return of technology clusters to the list of Best-Performing Cities is the top story for 2012. The resurgence of business investment in equipment, especially information technology and software, has been the unheralded story of this recovery.

In the early stages of the current recovery, growth was spurred by businesses making IT purchases that had been deferred. With the depreciation rate for computers and communications gear so high—more than 40 percent annually compared with about 6 percent for more traditional types of equipment—businesses are behind the curve in covering replacement demand, let alone adding to their capital stocks. Without these investments, firms risk allowing their competitive positions to erode, leading to lost market share and, potentially, sales.

IT now accounts for 60 percent of total equipment and software investment. Purchases of servers, routers, other communications equipment, and the software that controls their operation surged over the past two years. Throw in some social media, iPads, the apps that run them and clean technology, and it becomes clear why these tech centers advanced in 2012.

Energy played a role in the good fortunes of **Houston-Sugar Land-Baytown, Texas; Lafayette, La.,** and **Bakersfield-Delano, Calif.** Texas continued to surpass other states in the performance of its metro economies, with tech, telecom, energy and a favorable business climate claiming credit. Utah had two metros in the Top 10 Best-Performing Large Cities list, and another, Logan, claiming the top spot in the Small Cities list. North Carolina had two cities among the Top 25 Large Cities.

2012 BEST-PERFORMING CITY

As the home of innovation and "disruptive" technologies, San Jose's unique industrial ecosystem is susceptible to the same volatile forces, causing wide swings in performance. Right now, it's on a roll. The latest technology wave is powered by social media, mobile devices, clean tech, and "big data" analytics, in which data generated online are processed for clues to targeting customers more effectively and enhancing operations. The area, known more broadly as Silicon Valley, is still a powerhouse in Internet search, communications networking, semiconductor and computer design, medical technology, telecom services, and data processing.

San Jose's recovery has spread throughout the regional economy, thanks to the high multipliers associated with the tech industry. For each new job added to the field—exemplified by growing social media firms such as Facebook and Twitter—two professional positions (doctors and accountants, for example) and three nonprofessional jobs (waiters, hairstylists, and store clerks) are created.[1] For example, Apple is estimated to have 34,000 employees in the town of Cupertino and surrounding areas. Altogether, Apple is responsible for another 170,000 jobs throughout the region.

Table 1. Best-Performing Cities: Top 25 large metros

Metropolitan statistical area (MSA)	2012 rank	2011 rank
San Jose-Sunnyvale-Santa Clara, CA	1	51
Austin-Round Rock-San Marcos, TX	2	4
Raleigh-Cary, NC	3	14
Houston-Sugar Land-Baytown, TX	4	16
Washington-Arlington-Alexandria, DC-VA-MD-WV	5	17
Salt Lake City, UT	6	6
Provo-Orem, UT	7	9
Cambridge-Newton-Framingham, MA	8	12
Charleston-North Charleston-Summerville, SC	9	11
Fort Worth-Arlington, TX	10	24
New York-White Plains-Wayne, NY-NJ	11	75
Fort Collins-Loveland, CO	12	3
Seattle-Bellevue-Everett, WA	13	27
Dallas-Plano-Irving, TX	14	20
Boulder, CO	15	59
Kennewick-Pasco-Richland, WA	16	10
Peabody, MA	17	40
El Paso, TX	18	2
Bakersfield-Delano, CA	19	47
Lubbock, TX	20	25
Durham-Chapel Hill, NC	21	33
San Antonio-New Braunfels, TX	22	1
Portland-Vancouver-Hillsboro, OR-WA	23	65
Lafayette, LA	24	93
Knoxville, TN	25	58

Source: Milken Institute

BIGGEST GAINERS

The key for the metros that rose the most was a recovery in traditional manufacturing. This explains why nine of the 20 are located in the upper Midwest, for example **Holland-Grand Haven, Mich.; Gary, Ind., and Rockford, Ill.** Several Southern metros benefitted from this pattern as well, including **Spartanburg** and **Greenville-Mauldin-Easley, S.C.** Elsewhere in the South, **Atlanta, Ga.,** and **Naples-Marco Island, Fla.,** moved up as their severe housing slumps bottomed out. Another factor was the return of steadier times in financial services, including insurance. Northern metros were aided by this development.

BEST-PERFORMING SMALL CITY

Logan, Utah-Idaho, defended its title as best-performing small metro in the 2012 ranking. This year, better performance in short-term technology output and wage increases drove the results—it was employment growth in 2011. Due to the stable state budget, Utah State University, Logan's primary employer, saw its finances improve and continued to expand its research capacity. Moreover, the state-funded Utah Science Technology and Research (USTAR) initiative prompted high-tech producers to hire more aggressively.

ON THE WEB

Data for each metro area can be found at ***bestcities.milkeninstitute.org***

INTRODUCTION

The Best-Performing Cities index was designed to measure which U.S. metropolitan areas are promoting economic vitality based on job creation and retention, the quality of new jobs, and other criteria. The index pinpoints where employment is stable and expanding, wages and salaries are increasing, and economies and businesses are thriving.

With this practical information, businesses, investors, industry associations, development agencies and government officials, academics, and public-policy groups can assess, monitor, and gain insight into each metro's performance relative to the rest. It also provides benchmarking data that can inform approaches to improving a region's performance.

Moreover, the index provides a tool for understanding consumer markets and business opportunities as communities recover from the financial crisis and Great Recession. A relative handful of communities have seen employment rebound to prerecession levels; they are poised to gain a bigger share of the accelerating expansion we expect to see. Identifying the regions that weathered the downturn best and are recovering fastest reveals a range of ideas and strategies for seizing opportunity and keeping risk at bay.

The 2012 edition applies the methodology used previously. We employ the geographic terms and definitions used by the Office of Management and Budget. The OMB defines a metropolitan statistical area (MSA) as a region generally consisting of a large population nucleus and adjacent territory with a high degree of economic and social integration, as measured by community ties.[2] With these parameters, the agency identifies 379 metropolitan statistical areas.[3] County population growth accounts for the creation of new MSAs.

If specific criteria are met, an MSA with a single nucleus and a population of 2.5 million or more is further divided into geographic areas called metropolitan divisions, of which there are currently 29 in the country. For example, two metropolitan divisions (Los Angeles–Long Beach–Glendale and Santa Ana–Anaheim–Irvine) make up the Los Angeles–Long Beach–Santa Ana MSA. We include the smaller MDs in the index to reflect more detailed geographic growth patterns.

THE EMPHASIS IS ON OUTCOMES

Table 2 shows the components used to calculate our rankings. The index measures growth in jobs, wages and salaries, and technology output over a five-year span (2006-11 for jobs and technology output and 2005-10 for wages and salaries) to adjust for extreme variations in business cycles. It also incorporates the latest available year's performance in these areas (2010-11 for jobs and technology output and 2009-10 for wages and salaries). In addition, it includes a measure of 12-month job growth (May 2011-May 2012) to capture recent momentum among metropolitan economies.[4]

Employment growth is weighted most because of its critical importance to community vitality. Wage and salary growth measures the quality of the jobs being created and retained. Technology output growth is another key element of economic vigor.

Other measures reflect the concentration and diversity of technology industries within the MSAs. High-tech location quotients (LQs), which measure the industry's concentration in a particular metro relative to the national average, are included to gauge an area's participation in the knowledge-based economy. We also measure the number of specific high-tech fields (out of a possible 22) whose concentrations in an MSA are higher than the national average.

Table 2. Components of the Best-Performing Cities index

Metropolitan statistical area (MSA)	Weight
Job growth (2006-11)	0.143
Job growth (2010-11)	0.143
Wage growth (2005-10)	0.143
Wage growth (2009-10)	0.143
Short-term job growth (May 2011-May 2012)	0.143
High-tech GDP growth (2006-11)	0.071
High-tech GDP growth (2010-11)	0.071
High-tech GDP concentration (2011)	0.071
Number of high-tech industries with LQ>1 (2011)	0.071

Source: Milken Institute.

Best-Performing Cities is solely an outcomes-based index. It does not incorporate input measures (business costs, cost-of-living components, and quality-of-life conditions such as commute times or crime rates). These measures, although important, are prone to wide variations and can be highly subjective, making them less meaningful than objective indicators of outcome.

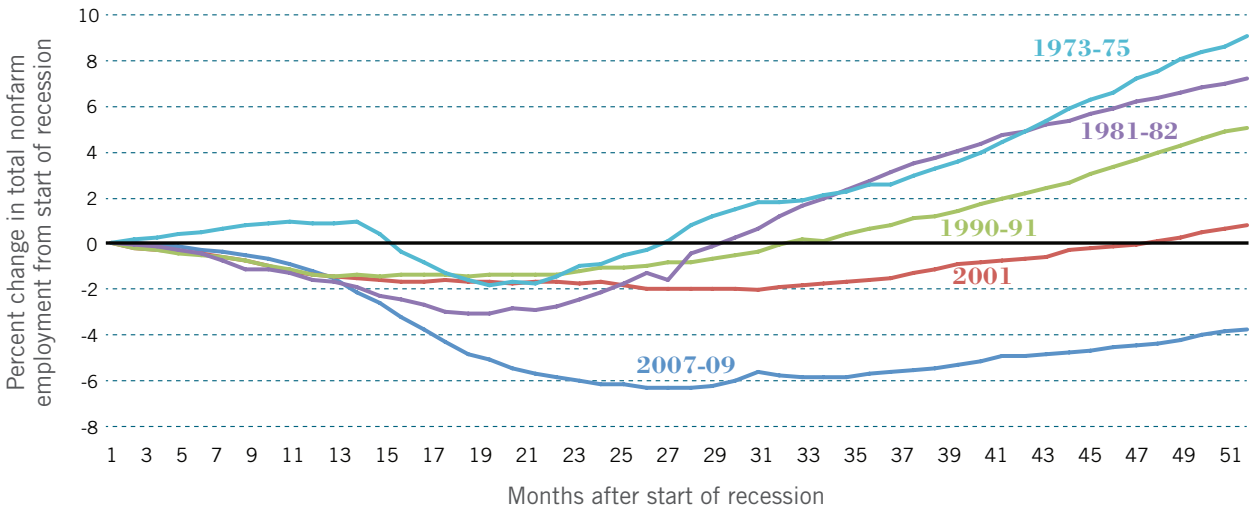
Businesses choose to locate in particular areas for various reasons. Some, for instance, remain in high-cost cities despite the availability of lower-cost locations. The output measures we use include the benefits of situating in expensive locales with abundant assets for business. Theoretically, a prospering region will raise wages and rents as its businesses tap into more human capital and work space. Nevertheless, holding other factors constant (such as the productivity associated with one location compared with another), a company will generally choose to set up where business costs are lower and employees enjoy higher living standards.

NATIONAL ECONOMIC CONDITIONS

At the end of 2012, the U.S. economy was crawling along at about 2 percent growth. Business investment in information and communication technologies had led the recovery through the second quarter of the year. The bad news is that investment in equipment and structures has slowed, along with exports, a result of the global headwinds stemming from the eurozone crisis and the weakness spreading to Asia, especially China. Domestic policy uncertainty relating to the "fiscal cliff" has exacerbated the listless pace of business investment. The good news is that households are buying cars again, and housing appears to have finally found a bottom.

Figure 1 illustrates how deep the job loss was during the Great Recession and how weak the recovery has been relative to recent business cycles. Businesses with fewer than 50 employees created 2.3 million fewer jobs during the 2007–09 recession than comparable firms did during the 2000–01 downturn. Fewer businesses were started, and existing small firms were frustrated while seeking bank loans for expansion. Entrepreneurs became uncharacteristically risk-averse as they tried to ride out the storm.

Figure 1: Weak U.S. job growth in 2007-09 compared with previous recoveries



Sources: U.S. Bureau of Labor Statistics, Milken Institute.

Early in the recovery, businesses continued to streamline their operations and were reluctant to take on new employees. The post-recession advance has remained subdued, partly in consequence, and its sustainability is often questioned. In recent months, however, there have been signs that small firms are getting bank loans and beginning to hire again.

Job growth has marginally improved. December's employment report showed a gain of 155,000, better than the 2012 monthly average of 153,000. The unemployment rate stood at 7.8 percent in December. However, most of the progress in the rate since the recovery began has been attributable to a dramatic decline in labor force participation.

How much of the current labor market slackness is rooted in a skills gap (structural) and how much is caused by insufficient aggregate demand (cyclical)? Our analysis suggests that about one-quarter is structural and three-quarters is cyclical—primarily a problem of demand. At the current pace, it will take two more years to reach the peak levels of employment prior to the recession.

BIGGEST GAINERS

Broad and diverse economic trends drove the fortunes of most of the large metros that jumped in the 2012 rankings. Traditional manufacturing, in the throes of a recovery, led the way, paced by autos and heavy capital goods, including mining equipment, excavators, machine tools, and the steel and other metals they are built with. This explains why nine of the 20 are located in the upper Midwest, for example **Holland-Grand Haven, Mich.; Gary, Ind.,** and **Rockford, Ill.** Several Southern metros benefitted from this pattern as well, including **Spartanburg** and **Greenville-Mauldin-Easley, S.C.** Elsewhere in the South, **Atlanta, Ga.,** and **Naples-Marco Island, Fla.,** moved up as their severe housing slumps bottomed out. Another factor was the return of steadier times in the financial services industry, including insurance. Northern metros were aided by this development.

Table 3. Biggest gainers among large MSAs

Metropolitan statistical area (MSA)	2012 rank	2011 rank	Spots climbed
Holland-Grand Haven, MI	40	148	108
Minneapolis-St. Paul-Bloomington, MN-WI	49	143	94
Memphis, TN-MS-AR	99	191	92
Gary, IN	112	195	83
Naples-Marco Island, FL	113	193	80
Charlotte-Gastonia-Rock Hill, NC-SC	35	114	79
Atlanta-Sandy Springs-Marietta, GA	70	145	75
Bridgeport-Stamford-Norwalk, CT	94	169	75
Spartanburg, SC	108	181	73
Warren-Troy-Farmington Hills, MI	92	163	71
Indianapolis-Carmel, IN	51	121	70
Lafayette, LA	24	93	69
Fort Wayne, IN	59	127	68
Santa Ana-Anaheim-Irvine, CA	97	165	68
New York-White Plains-Wayne, NY-NJ	11	75	64
Rockford, IL	115	177	62
Greenville-Mauldin-Easley, SC	52	113	61
Green Bay, WI	96	157	61
New Haven-Milford, CT	109	170	61
Grand Rapids-Wyoming, MI	100	159	59

Source: Milken Institute.

BIGGEST DECLINERS

The metros that fell the most all have unique stories. However, the most important commonality was that they tended to be dependent on the service sector. Without much of a manufacturing presence, they sat out the recovery. A couple, such as **Charleston, W. Va.,** suffered from diminished coal production and the spillover effects on the regional economy. The biggest decliner, **Little Rock-North Little Rock-Conway, Ark.,** was harmed by the end of expansion by Wal-Mart suppliers and a pullback in natural gas exploration due to weak prices. One, **Killeen-Temple-Fort Hood, Texas,** grappled with the completion of a military base buildout.

Table 4. Biggest decliners among large MSAs

Metropolitan statistical area (MSA)	2012 rank	2011 rank	Spots down
Little Rock-North Little Rock-Conway, AR	151	19	-132
Springfield, MA	154	57	-97
Charleston, WV	143	48	-95
Lexington-Fayette, KY	137	45	-92
Pensacola-Ferry Pass-Brent, FL	163	73	-90
Springfield, MO	144	60	-84
Spokane, WA	161	80	-81
Savannah, GA	147	70	-77
Mobile, AL	105	34	-71
Gainesville, FL	167	100	-67
Tallahassee, FL	192	126	-66
Salem, OR	156	91	-65
Montgomery, AL	183	120	-63
Omaha-Council Bluffs, NE-IA	82	22	-60
Honolulu, HI	103	43	-60
Beaumont-Port Arthur, TX	116	56	-60
Duluth, MN-WI	178	118	-60
Killeen-Temple-Fort Hood, TX	63	5	-58
Merced, CA	119	63	-56
Port St. Lucie, FL	195	140	-55

Source: Milken Institute.

TOP 25 BEST-PERFORMING LARGE CITIES

San Jose-Sunnyvale-Santa Clara, CA

The region vaulted 50 spots from last year to top our Best-Performing Large Cities in 2012, a position it last held in the 2001 rankings. As the home of innovation and "disruptive" technologies, San Jose's economy is susceptible to the same volatile forces, causing wide swings in performance. Right now, it's on a roll. The latest technology wave is powered by social media, mobile devices, clean tech, and "big data" analytics, in which online information is processed for clues to targeting customers more effectively and enhancing operations. Silicon Valley is still a powerhouse in Internet search, communications networking, semiconductor and computer design, medical technology, telecom services, and data processing.

San Jose recorded the fastest wage growth in the nation in 2010 and likely did so again in 2011 and 2012. Its job growth in 2011 ranked 10th and those new positions tended to pay well. In most other categories, Silicon Valley earned a place in the top tier, but not the Top 5.

San Jose's recovery has spread throughout the regional economy, thanks to the high multipliers associated with the tech sector. For each job added to the field—by growing social media firms Facebook and Twitter, for instance—two professional positions (doctors and accountants, for example) and three nonprofessional jobs (waiters, hairstylists, and store clerks) are created.[5] For example, Apple is estimated to have 34,000 employees in the town of Cupertino and surrounding areas. Altogether, Apple is responsible for another 170,000 jobs in the region. Recently, the company said it was absorbing additional office space to house about 5,000 employees.[6]

#1 San Jose-Sunnyvale-Santa Clara, CA

(gained 50 spots)

JOB GROWTH (2006-11)	61ST
JOB GROWTH (2010-11)	10TH
WAGE GROWTH (2005-10)	26TH
WAGE GROWTH (2009-10)	1ST
SHORT-TERM JOB GROWTH (MAY 2011-MAY 2012)	11TH
HIGH-TECH GDP GROWTH (2006-11)	10TH
HIGH-TECH GDP GROWTH (2010-11)	9TH
HIGH-TECH GDP CONCENTRATION	1ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	6TH

ASSETS:

» World's preeminent tech cluster with rapid growth in social media.

» Unique industrial ecosystem linking venture capital, research universities, start-ups, and established firms.

LIABILITIES:

» Eurozone recession could harm information and communication technology (ICT) sales more than anticipated. Slowdown in Asia could bite as well. Prop. 30 might cause some entrepreneurs to exit San Jose and the Silicon Valley area.

Silicon Valley's entrepreneurial culture is again fueling numerous start-up firms and attracting the venture capital to make it happen. The San Jose metro area accounts for more than 40 percent of venture capital placements in the U.S., with $3.2 billion invested in the second quarter of 2012. That represented a 4-percent increase over the same period in 2011, while the national total dropped 12 percent. Firms even relocate to Silicon Valley to be part of this entrepreneurial environment. Box, an online data storage firm, moved to the Valley town of Los Altos from Seattle because its CEO believed it needed to be there to succeed.[7]

Some of the Valley's stalwarts, such as Hewlett-Packard and Intel, are being socked by slowing personal computer sales, but even they have diversified their offerings to include tablets and the chips for them. Besides, Silicon Valley isn't as dependent on PCs as it was 10 years ago. The entire region, however, does depend on ICT equipment and software. Businesses largely deferred ICT purchases during the recession, and now that buying is accelerating. Furthermore, American consumers are still enamored of Apple's iPhones and iPads, the apps that animate them, and wireless services enabled by Cisco Systems' technology.

High-end retail is benefiting from the area's healthy job and income trends, fed by tech workers' bonuses and stock options. A Tiffany's opened in the Westfield Valley Fair mall in Santa Clara and has enjoyed brisk sales.[8] Expanding foreign markets have spurred exports and international air traffic from the region. Although its housing market isn't as hot as San Francisco's, prices are rising in San Jose and days' supply of homes is dwindling. Silicon Valley may not produce as much tech equipment as it once did, but much of the world's output is envisioned and designed there.

#2

(gained 2 spots)

Austin-Round Rock-San Marcos, TX

JOB GROWTH (2006-11)	3RD
JOB GROWTH (2010-11)	7TH
WAGE GROWTH (2005-10)	14TH
WAGE GROWTH (2009-10)	7TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	22ND
HIGH-TECH GDP GROWTH (2006-11)	129TH
HIGH-TECH GDP GROWTH (2010-11)	14TH
HIGH-TECH GDP CONCENTRATION	11TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	11TH

ASSETS:

» High-tech industry growth is main driver.

» Favorable demographics and growing presence of high-tech likely to support wage increases and housing sector.

LIABILITIES:

» Global economic slowdown, particularly in Europe and China, could reduce demand for IT.

AUSTIN-ROUND ROCK-SAN MARCOS, TEXAS, almost a perennial among the top performers, inched up to second from fourth last year. Austin made the Top 10 in several categories, notably ranking third in five-year job growth since 2006. High-tech, led by chip-making and systems design, has propelled the expansion. Wage growth between 2009 and 2010 registered seventh in the nation, accelerating the housing revival and pushing demand for new development.[9] The metro's well-educated workforce has attracted companies from outside the region, California in particular.

With 12,000 and 6,200 personnel, respectively, Dell and IBM are the largest technology employers. Other key companies are expanding their presence. Backed by a $21-million, 10-year investment through the state's Texas Enterprise Fund and an $8.6-million grant from the city of Austin, Apple will expand its operations in the metro.[10] The deal, which encompasses a $304-million investment by Apple, is expected to eventually generate 3,600 well-paying jobs.[11]

Samsung, General Electric and eBay are also making critical investments. Samsung's $4-billion expansion of a huge semiconductor plant will increase its total local commitment to $13 billion since 1996.[12] GE plans a 500-person innovation center that will develop cars of the future.[13] EBay is also expanding in Austin, planning to hire about 1,000 software engineers over the next 10 years.[14]

#3

(gained 11 spots)

Raleigh-Cary, NC

JOB GROWTH (2006-11)	15TH
JOB GROWTH (2010-11)	25TH
WAGE GROWTH (2005-10)	20TH
WAGE GROWTH (2009-10)	24TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	51ST
HIGH-TECH GDP GROWTH (2006-11)	94TH
HIGH-TECH GDP GROWTH (2010-11)	66TH
HIGH-TECH GDP CONCENTRATION	25TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	17TH

ASSETS:

» Metro has benefited from national growth in IT investment. Research Triangle location attracts high-skilled labor force and supports regional industry cluster.

LIABILITIES:

» State government austerity measures and decline in traditional manufacturing pose risk.

RALEIGH-CARY, N.C., jumped 11 spots to take third position in this year's index. The metro outperformed the national average in a number of categories, notably wage and job growth, in both the long- and short-term. Between 2010 and 2011, nearly 6,000 jobs were filled across tech-related industries, among them computer and electronic parts production, software development, and professional and technical services.

North Carolina State University and Wake Tech Community College not only support a highly skilled workforce but are among Raleigh's largest employers. Recently, a $200-million bond won voter approval, enabling Wake Tech to expand its Northern Wake campus and begin construction on a new campus in Research Triangle Park.[15] Those projects testify to the region's dedication to education and upgrading skills to meet the changing demands of the 21st century workplace. Cisco, another leading employer in the metro with nearly 5,000 people, continues to enhance its operations in Research Triangle, having invested more than $14 million in building upgrades across the metro in the past year.[16]

#4

(gained 12 spots)

Houston-Sugar Land-Baytown, TX

JOB GROWTH (2006-11)	8TH
JOB GROWTH (2010-11)	13TH
WAGE GROWTH (2005-10)	7TH
WAGE GROWTH (2009-10)	59TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	15TH
HIGH-TECH GDP GROWTH (2006-11)	55TH
HIGH-TECH GDP GROWTH (2010-11)	10TH
HIGH-TECH GDP CONCENTRATION	101ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	160TH

ASSETS:

- Booming energy sector contributes to broader job gains.
- Major companies relocate operations to create headquarters in Houston.

LIABILITIES:

- Oil price volatility and future of the Keystone XL pipeline project can have significant implications.

HOUSTON-SUGAR LAND-BAYTOWN, TEXAS, climbed 12 positions to fourth place. Driven by oil and gas exploration and supporting industries, the metro's long-term job growth was eighth-highest in the nation. For the year that ended in May 2012, the same statistic clocked a 3.5-percent gain—15th best in the U.S. This metro's energy business yielded a tremendous ripple effect throughout the regional economy. While the core industry created nearly 7,000 jobs in 2011, another 30,000 were spawned to support its growth. Among them were positions in administrative, professional, and technical services; machinery and fabricated metal product manufacturing; and nonresidential construction.

Houston's virtues as a base for business—a favorable regulatory climate, extensive trade and distribution infrastructure, and strategic location along the Gulf of Mexico—retain their appeal. Planning to consolidate its operations in and around Houston, energy giant Exxon Mobil is building a campus on 385 acres that will eventually house more than 10,000 employees,[17] and BP will relocate portions of its San Francisco and Chicago operations to Houston. That will boost demand for office space as well as the area's employment base.[18] Other companies are doing the same.

#5

(gained 12 spots)

Washington-Arlington-Alexandria, DC-VA-MD-WV

JOB GROWTH (2006-11)	22ND
JOB GROWTH (2010-11)	62ND
WAGE GROWTH (2005-10)	23RD
WAGE GROWTH (2009-10)	14TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	72ND
HIGH-TECH GDP GROWTH (2006-11)	82ND
HIGH-TECH GDP GROWTH (2010-11)	11TH
HIGH-TECH GDP CONCENTRATION	18TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	36TH

ASSETS:

- Diverse high-tech industry tied to federal spending.
- Highly skilled workforce attracts defense, IT, and healthcare industries.

LIABILITIES:

- Looming federal budget cuts could have significant impact.

Rising 12 places, **WASHINGTON-ARLINGTON-ALEXANDRIA, D.C.-Va.-Md.-W.Va.,** moved up to fifth. The metro was among the upper echelon in several job and wage growth categories. In addition, it boasted strong growth in high-tech output. Led by computer systems design and related services, the professional, scientific, and technical industry added nearly 8,800 jobs between 2010 and 2011. Accommodation services also contributed to job growth, aided by the area's tourism and convention hub. However, defense contractors Northrop Grumman and General Dynamics, typically dependent on government contracts, are likely to feel the pain of looming budget cuts. Taking the impact of shrinking public outlays into consideration, Fairfax County, Va., is set to lose 87,000 jobs, or 13 percent of its workforce.[19]

So while defense contracting appears to be slowing, the metro's booming tech sector, growth in healthcare services, and housing recovery will keep it afloat. Supported by a concentration of high-skilled workers, among them engineers and scientists, the area ranked 14th in wage growth, outpacing the nation by more than 2 percentage points.

#6 Salt Lake City, UT

(unchanged)

JOB GROWTH (2006-11)	29TH
JOB GROWTH (2010-11)	23RD
WAGE GROWTH (2005-10)	22ND
WAGE GROWTH (2009-10)	69TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	16TH
HIGH-TECH GDP GROWTH (2006-11)	16TH
HIGH-TECH GDP GROWTH (2010-11)	135TH
HIGH-TECH GDP CONCENTRATION	50TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	23RD

ASSETS:

- Diverse mix with expanding high-tech capabilities.
- University of Utah plays a key role in development of metro's high-tech workforce, and its research contributes to start-up formation.

LIABILITIES:

- Slowdown in U.S. business investment and deepening crisis in EU could soften demand for tech products and locally produced commodities.

SALT LAKE CITY, UTAH, maintained its sixth-place position from last year. The metro continues to rank among the upper echelon in a range of components, scoring well in high-tech growth during the five years ending in 2011. Jobs in Salt Lake City grew 3.3 percent in the 12 months through May 2012—an indication of momentum aided by the national recovery in business investment.

Along with its computer system design and software industries, the metro boasts a vibrant concentration of companies engaged in medical devices and biopharmaceuticals. BioFire Diagnostics, which specializes in instruments for pathogen identification and DNA analysis, will invest up to $50 million to expand its operations.[20] The project is expected to generate 657 high-paying jobs in the metro.[21] Adding to production capacity, ITT Exelis recently completed a $120-million expansion of its design and manufacturing center, where advanced commercial and military aircraft structures will be built.[22] Also, by the end of 2012, Wall Street powerhouse Goldman Sachs planned to add 300 jobs to its workforce in Salt Lake City, making it Goldman's fourth-largest office globally.[23]

#7 Provo-Orem, UT

(gained 2 spots)

JOB GROWTH (2006-11)	30TH
JOB GROWTH (2010-11)	3RD
WAGE GROWTH (2005-10)	17TH
WAGE GROWTH (2009-10)	133RD
SHORT-TERM JOB GROWTH (5/2011-5/2012)	31ST
HIGH-TECH GDP GROWTH (2006-11)	6TH
HIGH-TECH GDP GROWTH (2010-11)	71ST
HIGH-TECH GDP CONCENTRATION	23RD
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	23RD

ASSETS:

- One of the most dynamic high-tech clusters in the country, with specialties in computer design and chip production.
- Brigham Young University is not just a top employer but an anchor for research and innovation.

LIABILITIES:

- Slowdown in business investment due to global economic uncertainties could impede tech expansion.

PROVO-OREM, UTAH, inched up another two positions on this year's index, finishing seventh overall. Not only did Provo post the third-fastest U.S. job growth between 2010 and 2011, its high-tech output growth was the sixth-highest in the country. These fine results are largely the product of increased national investment in the information technology sector.

Computer and electronic products manufacturing, data processing, and Web hosting contributed nearly 300 high-paying jobs in 2011. In addition, professional, scientific, and technical services added 1,200 jobs. The expansion of Adobe Systems' Lehi campus and construction of a National Security Agency computer center near Camp Williams will ensure that the growth continues.[24] Brigham Young University, the largest employer, will continue to support the area's high-tech presence, in particular its start-up firms.

#8 Cambridge-Newton-Framingham, MA

(gained 4 spots)

JOB GROWTH (2006-11)	37TH
JOB GROWTH (2010-11)	118TH
WAGE GROWTH (2005-10)	29TH
WAGE GROWTH (2009-10)	4TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	69TH
HIGH-TECH GDP GROWTH (2006-11)	25TH
HIGH-TECH GDP GROWTH (2010-11)	12TH
HIGH-TECH GDP CONCENTRATION	3RD
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	1ST

ASSETS:

- Most diverse high-tech sector in the nation, supported by high-caliber research and innovation.
- Talented workforce draws high-value-added businesses, driving expansion in local industries.

LIABILITIES:

- Ongoing crisis in EU combined with cuts to U.S. defense budget could halt expansion.

CAMBRIDGE-NEWTON-FRAMINGHAM, MASS., rose to claim eighth place this year. It is no surprise that Cambridge's strength lies in its high-tech sector. In fact, it boasts the third-largest tech concentration in the nation, and the most diverse, led by biopharmaceuticals, defense, IT, and a number of high-tech services, including software publishing. The national resurgence in high-tech investment has driven much of the growth, including the addition of 4,000 jobs in scientific R&D in 2011.

Its outstanding universities, anchored by Harvard and MIT, have played a leading role in building the metro's educated workforce. Further, many businesses and start-ups, in particular, choose to locate near these centers of higher learning to benefit from their knowledge spillover. Hopper, an online travel start-up that recently raised $12 million in venture funding, will base its operations in the area.[25]

#9 Charleston-North Charleston-Summerville, SC

(gained 2 spots)

JOB GROWTH (2006-11)	19TH
JOB GROWTH (2010-11)	8TH
WAGE GROWTH (2005-10)	30TH
WAGE GROWTH (2009-10)	29TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	122ND
HIGH-TECH GDP GROWTH (2006-11)	4TH
HIGH-TECH GDP GROWTH (2010-11)	37TH
HIGH-TECH GDP CONCENTRATION	64TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	47TH

ASSETS:

- Expansion in manufacturing benefits metro's aerospace and automotive cluster.
- Among upper echelon in job growth and other categories.

LIABILITIES:

- While area's military presence (Naval Weapons Station Charleston and Charleston Air Force Base) provide stability, defense cuts could mar the picture.

CHARLESTON-NORTH CHARLESTON-SUMMERVILLE, S.C., managed to move up two places on this year's index. High-tech output grew nearly 30 percentage points faster than the national average over the five years ending in 2011—the fourth-best in the nation. And between 2010 and 2011, the metro fostered the eighth-biggest increase in employment growth, largely on the wings of the aerospace industry. Transportation equipment manufacturing added more than 1,500 jobs during that time.

In hopes of reaching its 787 Dreamliner quota by the end of 2013, Boeing plans to expand its North Charleston facilities.[26] Not only will this create higher-paying jobs, it will be a boon for Boeing's supplier industries. The metro's Daimler plant, which assembles Mercedes-Benz Sprinter vans, has boosted activity in the automotive sector. Van body manufacturer Morgan Olson announced that it will open a new plant expected to employ about 120 workers.[27]

#10 Fort Worth-Arlington, TX

(gained 14 spots)

JOB GROWTH (2006-11)	16TH
JOB GROWTH (2010-11)	22ND
WAGE GROWTH (2005-10)	28TH
WAGE GROWTH (2009-10)	25TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	49TH
HIGH-TECH GDP GROWTH (2006-11)	123RD
HIGH-TECH GDP GROWTH (2010-11)	56TH
HIGH-TECH GDP CONCENTRATION	48TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	84TH

ASSETS:

- Strategic warehousing and distribution center with manufacturing strength.
- Cost advantages draw business from neighboring Dallas.

LIABILITIES:

- American Airlines bankruptcy filing will lead to layoffs in the near term.
- Downsizing of defense budget could hurt local aerospace manufacturing.

FORT WORTH-ARLINGTON, TEXAS, climbed 14 positions, finishing 10th on this year's index. The metro performed in the upper range in a number of categories. In particular, it ranked 16th and 22nd in job growth over the five-year and one-year periods, respectively, ending in 2011. With its strategic location in the Southwest, the area has become a warehousing and transportation hub.

Fort Worth-Arlington offers substantial cost advantages over neighboring Dallas, a fact that has caught the attention of many companies, including General Motors and GE Transportation.[28] Recently, GM began to expand its truck facility in Arlington.[29] The plant is expected to add about 1,100 jobs, with most of them on the assembly line.[30] GE Transportation plans to construct a locomotive manufacturing plant in north Fort Worth, which is expected to create at least 500 high-tech positions.[31]

#11 New York-White Plains-Wayne, NY-NJ

(gained 64 spots)

JOB GROWTH (2006-11)	26TH
JOB GROWTH (2010-11)	45TH
WAGE GROWTH (2005-10)	55TH
WAGE GROWTH (2009-10)	3RD
SHORT-TERM JOB GROWTH (5/2011-5/2012)	54TH
HIGH-TECH GDP GROWTH (2006-11)	64TH
HIGH-TECH GDP GROWTH (2010-11)	35TH
HIGH-TECH GDP CONCENTRATION	95TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	63RD

ASSETS:

- Wages grew third-fastest in nation.
- Professional/business services and leisure and hospitality leading recovery.
- High-techs and start-ups expanding (including Google, Facebook, Twitter, and LinkedIn).

LIABILITIES:

- EU debt crisis could spread to U.S. financial sector and jolt New York.
- High business and living costs could impede growth.

THE NEW YORK-WHITE PLAINS-WAYNE, N.Y.-N.J., metropolitan area leaped 64 places to rank 11th. This remarkable feat can be attributed to job growth over the five years ending in 2006 and the more recent surge in wage and salary growth, putting the area third in the country. While New York's substantial exposure to financial services limited prospects in recent years, impacts of the 2008 crisis appear to be subsiding. Healthcare, leisure and hospitality, and professional and business services have grown smartly. Food and drinking establishments added 51,000 jobs between 2006 and 2011. Its reputation as an international cultural hub will continue to support trade and tourism, and its entertainment industry, led by film production, grew 31 percent over the past five years, adding another 11,000 jobs in the metro.

Tech is a bright spot, with output growth ranked 35th in the nation last year. New York has seen a surge in high-tech, with nearly 500 start-ups being funded since 2006.[32] Google, Facebook, Twitter, and LinkedIn have opened offices, taking advantage of the metro's rich concentration of talent and proximity to key industries.[33] Other tech companies, including start-ups, have moved to the Brooklyn suburb, capitalizing on cost advantages.[34]

#12 Fort Collins-Loveland, CO

(dropped 9 spots)

JOB GROWTH (2006-11)	23RD
JOB GROWTH (2010-11)	48TH
WAGE GROWTH (2005-10)	83RD
WAGE GROWTH (2009-10)	89TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	28TH
HIGH-TECH GDP GROWTH (2006-11)	57TH
HIGH-TECH GDP GROWTH (2010-11)	5TH
HIGH-TECH GDP CONCENTRATION	22ND
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	13TH

ASSETS:

- Diverse high-tech industry with country's fifth-highest output growth from 2010 to 2011.
- Robust manufacturing base.
- Only second metro in the state to recoup jobs lost during recent recession.

LIABILITIES:

- Wages grew slightly below U.S. average from 2009 to 2010, with state budget cuts the likely culprit.

Although **FORT COLLINS-LOVELAND, COLO.,** dropped nine spots, the metro managed to stay well within the Top 25 with an overall ranking of 12th. The metro's growth in technology output was the fifth-highest in the nation. Given its diverse manufacturing base and in particular, its tech specialties, Fort Collins benefited immensely from the national resurgence of business investment in equipment and software. During 2011 alone, it added nearly 430 jobs in machinery, plastics and rubber, and electronics manufacturing. Fort Collins was expected to fully recover the jobs it lost during the Great Recession before the end of 2012, becoming only the second metro in the state to do so, after Pueblo.[35]

With more than 6,000 employees, Colorado State University is the biggest employer in the metro and a magnet for high-tech businesses.[36] The large concentrations of tech firms have also helped attract capital to the area. Recently, VanDyne SuperTurbo, a Fort Collins start-up specializing in producing efficient automotive engines, received $8 million in venture capital.[37] Avago Technologies, a key supplier to Apple, plans to build out its capacity in the metro and spend an additional $130 million on equipment.[38]

#13 Seattle-Bellevue-Everett, WA

(gained 14 spots)

JOB GROWTH (2006-11)	53RD
JOB GROWTH (2010-11)	37TH
WAGE GROWTH (2005-10)	33RD
WAGE GROWTH (2009-10)	117TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	43RD
HIGH-TECH GDP GROWTH (2006-11)	19TH
HIGH-TECH GDP GROWTH (2010-11)	16TH
HIGH-TECH GDP CONCENTRATION	5TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	36TH

ASSETS:

- Tech industry concentration (metro's tech share was fifth-highest in the country in 2011).
- National spending on business equipment and software will boost demand for area's output.

LIABILITIES:

- Potential hard landing in China and other global concerns may bring down aviation-related trade and port activity and limit area's tech prospects.

SEATTLE-BELLEVUE-EVERETT, WASH. jumped 14 positions to land 13th on this year's rankings. Its progress was largely fueled by a sharp recovery in the tech sector. The area's high-tech output growth beat the national average by nearly 2.5 percentage points, 16th-fastest among all metros. With Boeing and Microsoft in the lead, business and professional services, along with transportation equipment (largely aerospace), have combined to create more than 22,000 jobs during the five years ending in 2011. Increased demand for more fuel-efficient aircraft has generated a backlog of orders for Seattle-based Boeing. A recent deal with United Airlines, for instance, is said to be worth several billion dollars.[39]

#14 Dallas-Plano-Irving, TX

(gained 6 spots)

JOB GROWTH (2006-11)	18TH
JOB GROWTH (2010-11)	31ST
WAGE GROWTH (2005-10)	47TH
WAGE GROWTH (2009-10)	67TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	53RD
HIGH-TECH GDP GROWTH (2006-11)	86TH
HIGH-TECH GDP GROWTH (2010-11)	88TH
HIGH-TECH GDP CONCENTRATION	26TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	13TH

ASSETS:

» Metro boasts upper-echelon concentration of high-tech industry; sector also among most diverse.

» Job growth outperformed national average by nearly 6 percentage points over past five years.

LIABILITIES:

» While the bankruptcy of American Airlines will lead to layoffs in the near future, the NextGen modernization program will help the region's airport run more efficiently.

DALLAS-PLANO-IRVING, TEXAS, moved up six positions to claim 14th on the index. Dallas posted the nation's 18th-fastest job growth since 2006, with healthcare, government, and corporate headquarters contributing the most. Increased demand for technology products has provided a further lift. Together, administrative and support, along with professional, scientific, and technical services, created more than 15,000 jobs in 2011. Financial activities, including credit services and insurance, have also seen improvement, largely due to the rise in business demand for real estate and particularly office space.[40] The metro not only serves as a hub for telecom, but plays an important role in the air travel industry.

#15 Boulder, CO

(gained 44 spots)

JOB GROWTH (2006-11)	43RD
JOB GROWTH (2010-11)	27TH
WAGE GROWTH (2005-10)	111TH
WAGE GROWTH (2009-10)	35TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	62ND
HIGH-TECH GDP GROWTH (2006-11)	65TH
HIGH-TECH GDP GROWTH (2010-11)	24TH
HIGH-TECH GDP CONCENTRATION	2ND
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	2ND

ASSETS:

» Large concentration of high-skilled workers supports a diverse tech base.

» University of Colorado, Boulder, anchors area's tech companies and start-ups.

LIABILITIES:

» Tech demand may dip amid a weaker global economy.

BOULDER, COLO., vaulted 44 positions to claim 15th place on the index. Nearly 18 percent of jobs in the metro, or close to one of every five, stem from a high-tech industry. Further, with a location quotient of 3.0, Boulder has the second-highest output concentration in the nation. In other words, high-tech is three times more important to the metro than it is to the nation as a whole. Led by such players as medical equipment maker Covidien, IBM, Level 3 Communications, and Oracle, Boulder boasts the second-most-diverse high-tech base in the nation. The upside can be seen in the metro's high per-capita income data.

The University of Colorado, Boulder's top employer, supports its emerging industry clusters, clean tech and bioscience.4[1] With more than a dozen federally funded research labs, the school helps define the region's entrepreneur-friendly business climate.

#16

(dropped 6 spots)

Kennewick-Pasco-Richland, WA

JOB GROWTH (2006-11)	1ST
JOB GROWTH (2010-11)	34TH
WAGE GROWTH (2005-10)	3RD
WAGE GROWTH (2009-10)	2ND
SHORT-TERM JOB GROWTH (5/2011-5/2012)	181ST
HIGH-TECH GDP GROWTH (2006-11)	8TH
HIGH-TECH GDP GROWTH (2010-11)	40TH
HIGH-TECH GDP CONCENTRATION	31ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	131ST

ASSETS:

- Nation's fastest-growing economy over the last five years.
- Hosts large concentration of skilled labor as a result of Hanford project.

LIABILITIES:

- Increased layoffs at Hanford nuclear site have greater impact on broader economy.

Although **KENNEWICK-PASCO-RICHLAND,** Wash., dropped six places since last year's rankings, it maintained its position with the best performers in 16th place. It ranked among the upper echelon in a number of employment categories, scoring highest in five-year job growth. The federally funded Hanford nuclear waste cleanup site has been the principal contributor of economic growth in the metro, stimulating demand for healthcare and other local services. However, as stimulus funds have dried up, the project had laid off nearly 2,000 workers.[42] Despite the dismissals, other industries such as local government, education, and healthcare services have provided some stability, helping to offset the losses.

#17

(gained 23 spots)

Peabody, MA

JOB GROWTH (2006-11)	44TH
JOB GROWTH (2010-11)	108TH
WAGE GROWTH (2005-10)	77TH
WAGE GROWTH (2009-10)	15TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	57TH
HIGH-TECH GDP GROWTH (2006-11)	53RD
HIGH-TECH GDP GROWTH (2010-11)	4TH
HIGH-TECH GDP CONCENTRATION	9TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	6TH

ASSETS:

- Proximity to Boston and Cambridge draws high-tech industries and high-skilled labor.
- Among most diverse high-tech sectors in the country.

LIABILITIES:

- Deepened eurozone recession could hamper demand for high-tech services.

PEABODY, MASS., moved up 23 spots in this year's rankings, landing in 17th position. High-tech output growth in the metro outpaced the nation's by 5 percentage points in 2011, making it the fourth-fastest. It also ranked ninth in high-tech output concentration and sixth in high-tech diversity. Peabody is home to several technology firms, including Boston Acoustics, Analogic Corp., electron microscope maker JEOL USA, and GE Aviation.[43] [44] Clearly, high-tech has been the engine driving the local economic recovery. Recently, wages have risen more briskly than the national average (15th-fastest) because the tech sector tends to attract more skilled and higher-paying jobs.

#18 El Paso, TX

(dropped 16 spots)

JOB GROWTH (2006-11)	9TH
JOB GROWTH (2010-11)	97TH
WAGE GROWTH (2005-10)	6TH
WAGE GROWTH (2009-10)	5TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	33RD
HIGH-TECH GDP GROWTH (2006-11)	39TH
HIGH-TECH GDP GROWTH (2010-11)	148TH
HIGH-TECH GDP CONCENTRATION	122ND
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	84TH

ASSETS:

- Fifth-fastest wage growth in the country.
- Benefiting from increased *maquiladora* activity across the border and an improved Mexican economy.

LIABILITIES:

- Violence in Juarez could escalate and become a deterrent to doing business in El Paso.

Although **EL PASO, TEXAS,** fell 16 notches, it managed to retain its ranking among the best performers. Over the last five years, the metro has bested the national average in job and wage growth, largely driven by expanded trade with Mexico and military base realignment.

Between 2010 and 2012, Fort Bliss, the fastest-growing Army installation in the country, benefited from a net gain of about 8,000 troops, resulting in an increase of 20,000 in total population after accounting for family members.[45] The population gains have created vast ripple effects across the metro, creating additional demand for housing, healthcare, and education. As transportation costs rise, U.S. companies continue to prefer *maquiladoras* on the Mexican border, rather than China, as an inexpensive location for producing goods. El Paso's logistics and transport industries have prospered as a result.[46] Moreover, as the Mexican economy improves, so does demand at retail outlets in El Paso.

#19 Bakersfield-Delano, CA

(gained 28 spots)

JOB GROWTH (2006-11)	52ND
JOB GROWTH (2010-11)	29TH
WAGE GROWTH (2005-10)	18TH
WAGE GROWTH (2009-10)	17TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	82ND
HIGH-TECH GDP GROWTH (2006-11)	5TH
HIGH-TECH GDP GROWTH (2010-11)	78TH
HIGH-TECH GDP CONCENTRATION	140TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	84TH

ASSETS:

- Only second California metro (after San Jose) to rank among top performers.
- Diversifying energy industry likely to attract emerging technologies and high-skilled labor.

LIABILITIES:

- Lower commodity prices can put a brake on growth.

BAKERSFIELD-DELANO, CALIF., climbed 28 positions from last year. Growth in employment, salaries, and technology output aided Bakersfield's ascent into the top ranks. The metro was 17th in wage and salary growth from 2009 to 2010 and fifth in tech output expansion for the five years ending in 2011.

Bakersfield is benefiting from rising oil production and increased investment in alternative energy, which has diversified the area's energy industry and created high-skilled, better-paying jobs.[47] The agriculture sector, food production in particular, has been lifted by higher commodity values, while firm prices for crude oil have helped to keep the local energy sector healthy. Further development at Tejon Ranch, home to the warehousing facilities of Target, Caterpillar and other companies, will continue to fuel nonresidential construction, as recently illustrated by the increase in engineering jobs.

#20 Lubbock, TX

(gained 5 spots)

JOB GROWTH (2006-11)	34TH
JOB GROWTH (2010-11)	12TH
WAGE GROWTH (2005-10)	27TH
WAGE GROWTH (2009-10)	47TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	9TH
HIGH-TECH GDP GROWTH (2006-11)	194TH
HIGH-TECH GDP GROWTH (2010-11)	124TH
HIGH-TECH GDP CONCENTRATION	66TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	63RD

ASSETS:

- Higher enrollment at Texas Tech University supports local economy.
- One of the strongest areas for job growth in the 12 months ending May 2012.

LIABILITIES:

- Global cotton surplus may drive prices down further as China, the biggest importer, needs less.[48]

LUBBOCK, TEXAS, rose five levels from last year. During the year ending May 2012, Lubbock's employment base grew 3.7 percent—the ninth-fastest in the nation. Although a rising price for cotton brightened Lubbock's overall performance last year—the metro is one of the United States' top cotton producers—this year, the local economy was driven by its largest employer, Texas Tech. The university set a new record for enrollment and posted its third-largest increase ever in the spring of 2012.[49] In fact, enrollment has swelled more than 25 percent in the last decade.[50] Attracting more students has created a trickle-down effect, delivering revenue to the metro's retail and other services, including housing.[51] Administrative, ambulatory healthcare services, food and drink, and accommodations combined for a net gain of more than 2,000 jobs in 2011.

#21 Durham-Chapel Hill, NC

(gained 12 spots)

JOB GROWTH (2006-11)	31ST
JOB GROWTH (2010-11)	96TH
WAGE GROWTH (2005-10)	12TH
WAGE GROWTH (2009-10)	54TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	90TH
HIGH-TECH GDP GROWTH (2006-11)	74TH
HIGH-TECH GDP GROWTH (2010-11)	49TH
HIGH-TECH GDP CONCENTRATION	4TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	23RD

ASSETS:

- High-value-added industries likely to drive growth.
- High per-capita income growth likely to spur broader expansion.

LIABILITIES:

- Crisis in Europe could depress demand for high-tech products.

DURHAM-CHAPEL HILL, N.C., climbed 12 rungs to enter the Top 25. The metro had the fourth-highest concentration of technology output in the country—2.8 times the national average. Research Triangle, led by such knowledge-driven institutions as Duke University, IBM, and Lenovo, is the emblem of the region's information technology sector. The metro also boasts one of the nation's most highly regarded biopharmaceutical and medical industries, which includes GlaxoSmithKline.

Overall, the Durham economy appears to be back in expansion mode as relatively swift wage growth fuels more spending on education and health. The metro is also reaping rewards from booming vehicle sales across the nation. AW North Carolina, a transmission manufacturer for Toyota, is set to add another 250 high-paying jobs in the metro amid a multimillion-dollar plant buildout.[52]

#22

(dropped 21 spots)

San Antonio-New Braunfels, TX

JOB GROWTH (2006-11)	11TH
JOB GROWTH (2010-11)	83RD
WAGE GROWTH (2005-10)	11TH
WAGE GROWTH (2009-10)	18TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	96TH
HIGH-TECH GDP GROWTH (2006-11)	99TH
HIGH-TECH GDP GROWTH (2010-11)	95TH
HIGH-TECH GDP CONCENTRATION	69TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	23RD

ASSETS:

» Military realignment program expands key base with medical specialties.

» Increased energy exploration in Eagle Ford Shale.

LIABILITIES:

» Cuts to defense budget can pressure military and aerospace spending.

Although **SAN ANTONIO-NEW BRAUNFELS, TEXAS,** slipped from first place last year, it held on to a berth in the Top 25. The metro ranked 11th in the nation in job and wage growth over the five years ending in 2011. Oil and gas exploration in the Eagle Ford Shale has been a boon to growth in the region.[53] Opportunities in the shale have drawn many companies to set up drilling operations using the most advanced technology. Naturally, this increased exploration and production has created plentiful jobs in the energy sector as well as peripheral industries, such as transportation, administrative and support services, and specialty trade contractors. A strong military presence at Fort Sam Houston, which includes one of the largest medical facilities in the nation, will continue to lend stability and contribute to an expanding economy in the metro.

#23

(gained 42 spots)

Portland-Vancouver-Hillsboro, OR-WA

JOB GROWTH (2006-11)	102ND
JOB GROWTH (2010-11)	39TH
WAGE GROWTH (2005-10)	85TH
WAGE GROWTH (2009-10)	55TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	46TH
HIGH-TECH GDP GROWTH (2006-11)	11TH
HIGH-TECH GDP GROWTH (2010-11)	3RD
HIGH-TECH GDP CONCENTRATION	6TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	63RD

ASSETS:

» One of the nation's premier, highest-growth tech clusters.

» Rich talent pool and universities attract high-tech businesses and well-paying jobs.

LIABILITIES:

» A slowdown in growth among Asian countries, China in particular, could hamper production and trade.

PORTLAND-VANCOUVER-HILLSBORO, ORE.-WASH., leaped 42 spots this year to finish 23rd overall. Not only does Portland boast the sixth-highest concentration of high-tech output in the country, it outperformed the national average in high-tech output growth by 5 percentage points—the third-fastest region. Computer product manufacturing, especially semiconductors, combined with scientific and technical services to add more than 4,400 mostly high-paying jobs. Anchored by Intel and a number of important educational institutions, such as Oregon Health & Science University and Portland State University, the metro is home to a relatively high-skilled workforce. Intel is said to account for one in every five jobs and 26 percent of all economic activity in Washington County.[54] The "Silicon Forest" industrial corridor, located in the Hillsboro area, is home to Intel's R&D facility and a cluster of clean-tech companies.[55]

#24

(gained 69 spots)

Lafayette, LA

JOB GROWTH (2006-11)	10TH
JOB GROWTH (2010-11)	15TH
WAGE GROWTH (2005-10)	2ND
WAGE GROWTH (2009-10)	20TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	1ST
HIGH-TECH GDP GROWTH (2006-11)	159TH
HIGH-TECH GDP GROWTH (2010-11)	195TH
HIGH-TECH GDP CONCENTRATION	184TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	131ST

ASSETS:

- Benefits immensely from booming energy exploration in Gulf of Mexico.
- Opportunity to capitalize on strong university presence.

LIABILITIES:

- Lack of high-tech industry detracts from vigor of region's economy.

LAFAYETTE, LA., shot up 69 positions on this year's index to take 24th place. The jump can be largely attributed to a renewed hunt for energy in the Gulf of Mexico. Many of the businesses that support drilling have also expanded, benefiting the entire area. Employment in the metro swelled 10.5 percent over the 12 months ending in May 2012—the fastest rate in the country. It also recorded the second-fastest rise in wages from 2005 to 2010. In 2011, mining machinery production and support activities accounted for gains of 780 and 710 jobs, respectively. As deepwater drilling returns, it is sure to spur continued growth in the local economy, bringing with it new high-paying jobs at energy and engineering firms.[56]

#25

(gained 33 spots)

Knoxville, TN

JOB GROWTH (2006-11)	51ST
JOB GROWTH (2010-11)	20TH
WAGE GROWTH (2005-10)	68TH
WAGE GROWTH (2009-10)	21ST
SHORT-TERM JOB GROWTH (5/2011-5/2012)	29TH
HIGH-TECH GDP GROWTH (2006-11)	105TH
HIGH-TECH GDP GROWTH (2010-11)	84TH
HIGH-TECH GDP CONCENTRATION	109TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	106TH

ASSETS:

- One of the fastest-growing and most diverse manufacturing bases in the nation.
- Strong research and innovation capacity with University of Tennessee and Oak Ridge National Laboratory.

LIABILITIES:

- Cuts in federal Energy Department funding could affect research at Oak Ridge.

KNOXVILLE, TENN., climbed 33 spots on this year's index, landing in the Top 25. The metro finished 20th and 21st in one-year job and wage growth, respectively. Much of the progress in overall employment can be credited to its diverse manufacturing sector, with gains in vehicle products, plastics, rubber, and fabricated metal. In aggregate, the sector added 1,500 jobs in 2011.

The University of Tennessee and Oak Ridge National Laboratory represent the cornerstones of an economic development initiative dubbed Innovation Valley. Together, they enable entrepreneurs and businesses to collaborate in alternative energy and other industries and draw from a rich pool of talent.[57] Recent innovations stemming from the region include improved LED lights and high-tech air filtration systems, both of which are manufactured locally.[58]

ON THE WEB

Data for each metro area can be found at ***bestcities.milkeninstitute.org***

COMPLETE RESULTS

2012 BEST-PERFORMING LARGE CITIES

RANKINGS BY COMPONENT

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
50	51	1	San Jose-Sunnyvale-Santa Clara, CA	61	10	26	1	11	10	9	1	6
2	4	2	Austin-Round Rock-San Marcos, TX	3	7	14	7	22	129	14	11	11
11	14	3	Raleigh-Cary, NC	15	25	20	24	51	94	66	25	17
12	16	4	Houston-Sugar Land-Baytown, TX	8	13	7	59	15	55	10	101	160
12	17	5	Washington-Arlington-Alexandria, DC-VA-MD-WV	22	62	23	14	72	82	11	18	36
0	6	6	Salt Lake City, UT	29	23	22	69	16	16	135	50	23
2	9	7	Provo-Orem, UT	30	3	17	133	31	6	71	23	23
4	12	8	Cambridge-Newton-Framingham, MA	37	118	29	4	69	25	12	3	1
2	11	9	Charleston-North Charleston-Summerville, SC	19	8	30	29	122	4	37	64	47
14	24	10	Fort Worth-Arlington, TX	16	22	28	25	49	123	56	48	84
64	75	11	New York-White Plains-Wayne, NY-NJ	26	45	55	3	54	64	35	95	63
-9	3	12	Fort Collins-Loveland, CO	23	48	83	89	28	57	5	22	13
14	27	13	Seattle-Bellevue-Everett, WA	53	37	33	117	43	19	16	5	36
6	20	14	Dallas-Plano-Irving, TX	18	31	47	67	53	86	88	26	13
44	59	15	Boulder, CO	43	27	111	35	62	65	24	2	2
-6	10	16	Kennewick-Pasco-Richland, WA-MA	1	34	3	2	181	8	40	31	131
23	40	17	Peabody, MA	44	108	77	15	57	53	4	9	6
-16	2	18	El Paso, TX	9	97	6	5	33	39	148	122	84
28	47	19	Bakersfield-Delano, CA	52	29	18	17	82	5	78	140	84
5	25	20	Lubbock, TX	34	12	27	47	9	194	124	66	63
12	33	21	Durham-Chapel Hill, NC	31	96	12	54	90	74	49	4	23
-21	1	22	San Antonio-New Braunfels, TX	11	83	11	18	96	99	95	69	23
42	65	23	Portland-Vancouver-Hillsboro, OR-WA	102	39	85	55	46	11	3	6	63
69	93	24	Lafayette, LA	10	15	2	20	1	159	195	184	131
33	58	25	Knoxville, TN	51	20	68	21	29	105	84	109	106
NA	small38	26	Laredo, TX	5	2	34	6	5	170	141	200	189
15	42	27	Nashville-Davidson-Murfreesboro-Franklin, TN	41	19	52	11	97	76	61	121	106
11	39	28	Trenton-Ewing, NJ	27	126	32	10	104	20	128	34	23
-1	28	29	Brownsville-Harlingen, TX	7	38	10	30	56	1	186	180	160
14	44	30	Denver-Aurora-Broomfield, CO	45	52	59	96	34	70	139	17	11
0	31	31	Baltimore-Towson, MD	56	56	64	60	130	7	46	39	23
18	50	32	Oklahoma City, OK	24	30	19	45	30	125	145	156	131
4	37	33	Pittsburgh, PA	33	32	50	32	93	62	153	77	84
7	41	34	Worcester, MA	73	55	102	46	101	49	13	35	9
79	114	35	Charlotte-Gastonia-Rock Hill, NC-SC	40	21	79	19	111	48	41	106	131
16	52	36	San Francisco-San Mateo-Redwood City, CA	76	42	70	143	19	40	118	15	17

COMPLETE RESULTS: 2012 BEST-PERFORMING LARGE CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
-8	29	37	Columbus, GA-AL	92	69	42	61	42	117	112	19	36
-20	18	38	McAllen-Edinburg-Mission, TX	2	6	4	42	61	174	177	198	131
-18	21	39	Bethesda-Gaithersburg-Frederick, MD	83	128	51	41	86	26	90	27	17
108	148	40	Holland-Grand Haven, MI	135	1	195	16	2	14	20	104	106
-15	26	41	Fayetteville-Springdale-Rogers, AR-MO	59	75	24	8	25	152	106	169	160
20	62	42	Greeley, CO	25	5	35	50	132	80	149	160	131
-13	30	43	Clarksville, TN-KY	46	109	15	27	17	181	34	185	189
2	46	44	Corpus Christi, TX	14	35	25	100	7	189	130	181	160
56	101	45	New Orleans-Metairie-Kenner, LA	4	67	53	51	136	38	32	172	160
7	53	46	Boston-Quincy, MA	47	135	72	62	98	41	25	82	47
-40	7	47	Anchorage, AK	12	61	13	49	185	36	103	119	131
36	84	48	Nassau-Suffolk, NY	49	99	58	56	119	95	69	62	47
94	143	49	Minneapolis-St. Paul-Bloomington, MN-WI	104	44	115	43	102	84	44	58	36
-35	15	50	Ogden-Clearfield, UT	39	59	39	93	137	63	22	115	106
70	121	51	Indianapolis-Carmel, IN	84	76	119	53	63	23	151	32	63
61	113	52	Greenville-Mauldin-Easley, SC	71	17	96	38	126	51	127	84	106
2	55	53	Columbus, OH	65	50	105	70	77	75	102	74	84
17	71	54	Rochester, NY	50	80	128	84	52	135	42	41	63
-42	13	55	Cedar Rapids, IA	17	145	38	39	182	12	70	68	84
-20	36	56	Fayetteville, NC	13	33	5	33	135	68	189	192	198
24	81	57	Colorado Springs, CO	105	81	56	40	125	142	107	12	17
27	85	58	Asheville, NC	67	89	94	86	92	37	28	125	47
68	127	59	Fort Wayne, IN	139	24	169	75	13	15	62	71	106
22	82	60	Rockingham County-Strafford County, NH	57	110	122	31	106	58	111	54	23
-53	8	61	Huntsville, AL	20	186	9	34	194	31	157	7	47
6	68	62	Peoria, IL	74	26	99	137	27	35	74	136	160
-58	5	63	Killeen-Temple-Fort Hood, TX	6	98	1	193	91	69	121	88	106
-26	38	64	Shreveport-Bossier City, LA	32	51	31	13	146	155	192	166	106
1	66	65	Allentown-Bethlehem-Easton, PA-NJ	55	60	89	76	120	108	100	97	63
33	99	66	Santa Barbara-Santa Maria-Goleta, CA	127	41	135	152	71	30	51	24	13
-35	32	67	York-Hanover, PA	75	47	141	57	112	18	133	113	63
51	119	68	Richmond, VA	89	74	118	99	124	46	15	87	47
37	106	69	Albany-Schenectady-Troy, NY	81	173	69	141	59	45	29	40	47
75	145	70	Atlanta-Sandy Springs-Marietta, GA	122	63	143	102	79	83	18	42	47
-48	23	71	Madison, WI	38	127	81	85	175	67	36	55	47
11	83	72	Des Moines-West Des Moines, IA	35	122	40	52	78	132	144	170	131
-4	69	73	San Diego-Carlsbad-San Marcos, CA	140	106	92	77	107	42	126	16	2
35	109	74	Kingsport-Bristol-Bristol, TN-VA	107	88	104	68	116	61	67	102	63
-3	72	75	Buffalo-Niagara Falls, NY	48	105	103	65	148	79	104	79	63
56	132	76	Ann Arbor, MI	93	46	183	66	18	175	165	61	63
28	105	77	Olympia, WA	42	130	36	178	40	92	75	154	106

COMPLETE RESULTS: 2012 BEST-PERFORMING LARGE CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
11	89	78	Baton Rouge, LA	21	70	8	190	100	111	47	167	189
54	133	79	Erie, PA	77	11	130	122	37	173	172	133	63
37	117	80	Chattanooga, TN-GA	142	54	114	9	88	22	117	155	189
-46	35	81	Lincoln, NE	28	79	84	106	75	168	158	132	106
-60	22	82	Omaha-Council Bluffs, NE-IA	36	113	63	165	48	115	191	103	63
-22	61	83	Utica-Rome, NY	68	175	61	88	21	171	183	80	63
3	87	84	Poughkeepsie-Newburgh-Middletown, NY	66	104	95	116	141	97	76	59	47
31	116	85	Louisville-Jefferson County, KY-IN	96	85	110	94	12	89	123	159	160
44	130	86	Boise City-Nampa, ID	143	71	129	108	39	147	33	38	131
5	92	87	Syracuse, NY	78	142	108	121	84	113	57	57	36
-11	77	88	Augusta-Richmond County, GA-SC	62	151	67	28	198	24	48	129	131
49	138	89	Cincinnati-Middletown, OH-KY-IN	129	103	151	81	41	102	21	108	131
-41	49	90	Philadelphia, PA	72	138	74	113	153	81	132	43	23
-13	78	91	Portland-South Portland-Biddeford, ME	80	161	82	80	151	78	31	117	63
71	163	92	Warren-Troy-Farmington Hills, MI	185	4	198	104	14	169	94	65	63
4	97	93	Hartford-West Hartford-East Hartford, CT	79	94	113	105	118	106	68	83	131
75	169	94	Bridgeport-Stamford-Norwalk, CT	115	121	127	23	171	139	72	46	47
40	135	95	Los Angeles-Long Beach-Glendale, CA	158	133	132	90	94	85	82	20	23
61	157	96	Green Bay, WI	69	143	107	58	44	138	80	179	189
68	165	97	Santa Ana-Anaheim-Irvine, CA	181	82	178	87	58	107	122	30	5
-19	79	98	Reading, PA	82	43	75	101	133	130	143	138	160
92	191	99	Memphis, TN-MS-AR	153	102	138	74	65	17	52	149	160
59	159	100	Grand Rapids-Wyoming, MI	120	16	184	123	67	32	87	145	160
-27	74	101	Evansville, IN-KY	88	72	146	22	188	87	175	45	106
40	142	102	Salinas, CA	134	167	97	44	8	43	170	176	160
-60	43	103	Honolulu, HI	103	92	57	126	113	101	55	151	160
33	137	104	Kansas City, MO-KS	60	100	90	157	128	162	159	37	23
-71	34	105	Mobile, AL	87	168	37	82	168	50	91	143	84
-3	103	106	San Luis Obispo-Paso Robles, CA	149	148	87	169	35	47	79	118	36
-43	64	107	Tacoma, WA	101	156	21	130	64	116	113	127	160
73	181	108	Spartanburg, SC	163	170	126	78	20	52	2	188	106
61	170	109	New Haven-Milford, CT	128	65	140	150	85	195	60	52	36
-22	88	110	Huntington-Ashland, WV-KY-OH	125	185	41	103	50	2	150	191	131
0	111	111	Scranton-Wilkes-Barre, PA	85	101	116	109	55	160	174	111	106
83	195	112	Gary, IN	126	53	134	12	184	56	125	187	106
80	193	113	Naples-Marco Island, FL	197	9	196	73	36	127	53	164	131
-38	76	114	Wilmington, NC	98	158	43	148	196	27	43	78	63
62	177	115	Rockford, IL	168	58	179	107	26	122	83	137	84
-60	56	116	Beaumont-Port Arthur, TX	70	159	16	79	157	187	38	163	160
49	166	117	Dayton, OH	166	49	188	118	80	136	105	60	17
-32	86	118	Tulsa, OK	99	149	46	177	23	88	173	142	131

COMPLETE RESULTS: 2012 BEST-PERFORMING LARGE CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
-56	63	119	Merced, CA	97	132	54	156	170	3	1	171	131
30	150	120	Lansing-East Lansing, MI	118	93	142	36	68	104	176	173	160
13	134	121	Jacksonville, FL	141	68	131	72	143	144	89	110	84
14	136	122	Phoenix-Mesa-Glendale, AZ	176	57	152	180	45	124	54	56	84
38	161	123	Santa Cruz-Watsonville, CA	170	64	159	164	3	180	138	75	36
-28	96	124	Orlando-Kissimmee-Sanford, FL	133	86	158	125	117	118	65	73	63
-27	98	125	Jackson, MS	91	87	73	119	145	66	161	157	160
32	158	126	Manchester-Nashua, NH	121	147	150	145	163	21	63	13	23
28	155	127	Greensboro-High Point, NC	162	117	160	95	87	100	99	92	47
39	167	128	Santa Rosa-Petaluma, CA	184	131	174	111	121	59	23	47	13
-14	115	129	Columbia, SC	108	146	78	158	38	103	120	158	160
-20	110	130	Providence-New Bedford-Fall River, RI-MA	150	162	139	63	177	71	8	72	63
10	141	131	Miami-Miami Beach-Kendall, FL	111	18	153	124	70	182	188	162	131
-25	107	132	Davenport-Moline-Rock Island, IA-IL	114	120	71	26	191	93	164	161	160
19	152	133	Lake County-Kenosha County, IL-WI	132	160	62	71	176	178	146	36	63
22	156	134	Chicago-Naperville-Joliet, IL	138	84	149	115	108	121	147	90	84
-40	95	135	Harrisburg-Carlisle, PA	86	112	106	127	164	98	167	94	84
-46	90	136	St. Louis, MO-IL	113	129	137	159	166	54	114	49	17
-92	45	137	Lexington-Fayette, KY	94	139	112	147	95	157	131	98	84
15	153	138	Tampa-St. Petersburg-Clearwater, FL	171	40	165	160	66	166	160	67	47
-31	108	139	Virginia Beach-Norfolk-Newport News, VA-NC	110	155	86	146	115	154	96	107	63
-38	102	140	Vallejo-Fairfield, CA	173	134	65	197	24	109	196	81	84
-17	124	141	Oxnard-Thousand Oaks-Ventura, CA	164	137	173	98	114	133	129	21	6
-13	129	142	Roanoke, VA	112	140	123	191	144	29	27	105	84
-95	48	143	Charleston, WV	64	169	44	168	161	73	119	141	131
-84	60	144	Springfield, MO	58	123	101	170	134	156	98	131	131
1	146	145	Fresno, CA	161	157	100	173	32	91	81	168	106
-42	104	146	Wichita, KS	109	178	93	195	110	193	30	14	106
-77	70	147	Savannah, GA	100	154	49	149	190	161	17	99	160
-54	94	148	Albuquerque, NM	137	171	88	184	174	145	26	10	36
43	192	149	Canton-Massillon, OH	148	36	190	161	10	72	181	197	198
-38	112	150	Tucson, AZ	152	163	109	188	123	165	19	51	36
-132	19	151	Little Rock-North Little Rock-Conway, AR	54	166	48	192	169	131	199	76	84
-30	122	152	Norwich-New London, CT	90	119	120	186	183	197	39	33	84
35	188	153	South Bend-Mishawaka, IN-MI	157	28	181	181	73	151	155	124	84
-97	57	154	Springfield, MA	63	144	117	144	156	141	97	146	131
13	168	155	Oakland-Fremont-Hayward, CA	177	176	156	110	131	96	142	28	2
-65	91	156	Salem, OR	145	199	80	175	179	9	7	70	131
NA	small 109	157	Bremerton-Silverdale, WA	119	152	66	112	103	188	197	153	160
20	178	158	Youngstown-Warren-Boardman, OH-PA	172	66	191	37	162	186	50	186	131
3	162	159	Riverside-San Bernardino-Ontario, CA	189	150	167	187	81	28	109	93	47

COMPLETE RESULTS: 2012 BEST-PERFORMING LARGE CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
-11	149	160	Lancaster, PA	116	172	155	139	47	44	187	150	189
-81	80	161	Spokane, WA	117	181	60	182	172	90	86	126	106
-39	123	162	Milwaukee-Waukesha-West Allis, WI	123	90	144	129	173	167	136	114	106
-90	73	163	Pensacola-Ferry Pass-Brent, FL	156	107	124	142	199	77	59	100	160
32	196	164	Flint, MI	193	111	200	185	83	13	93	96	106
-37	128	165	Myrtle Beach-North Myrtle Beach-Conway, SC	155	115	166	154	60	120	85	194	160
-35	131	166	Palm Bay-Melbourne-Titusville, FL	186	189	168	131	149	34	162	8	9
-67	100	167	Gainesville, FL	130	188	76	134	195	110	115	128	84
-17	151	168	Visalia-Porterville, CA	154	190	45	132	180	33	134	190	131
-44	125	169	Edison, NJ	136	179	121	163	158	163	169	29	23
5	175	170	Hagerstown-Martinsburg, MD-WV	106	77	145	138	152	192	137	175	160
-32	139	171	Camden, NJ	160	191	148	155	76	137	194	86	23
-25	147	172	Akron, OH	146	114	163	97	165	112	116	147	160
12	185	173	Wilmington, DE-MD-NJ	144	116	172	120	129	158	64	144	189
-10	164	174	Winston-Salem, NC	131	141	136	114	105	185	200	174	106
-21	154	175	Newark-Union, NJ-PA	151	182	154	153	89	183	179	53	47
22	198	176	Atlantic City-Hammonton, NJ	191	197	187	91	4	176	101	183	131
-1	176	177	Cleveland-Elyria-Mentor, OH	165	165	175	64	160	128	108	134	131
-60	118	178	Duluth, MN-WI	95	184	98	48	193	190	171	177	198
-7	172	179	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	175	95	180	140	178	148	154	91	47
-9	171	180	Toledo, OH	178	78	189	128	167	119	45	178	160
8	189	181	Hickory-Lenoir-Morganton, NC	194	153	192	92	154	134	58	139	84
-38	144	182	Sacramento-Arden-Arcade-Roseville, CA	188	193	147	189	127	60	166	44	36
-63	120	183	Montgomery, AL	147	196	91	172	186	126	110	123	106
-4	180	184	Deltona-Daytona Beach-Ormond Beach, FL	183	73	176	136	187	143	156	135	106
-12	173	185	Kalamazoo-Portage, MI	167	195	164	174	74	153	182	85	84
13	199	186	Reno-Sparks, NV		174	193	199	147	164	184	165	131
3	190	187	North Port-Bradenton-Sarasota, FL	199	124	197	198	109	114	73	130	106
-9	179	188	West Palm Beach-Boca Raton-Boynton Beach, FL	187	125	185	151	140	150	152	116	106
-2	187	189	Stockton, CA	190	194	157	194	6	149	140	182	160
4	194	190	Detroit-Livonia-Dearborn, MI	196	91	199	135	142	191	163	120	131
-7	184	191	Eugene-Springfield, OR	174	183	170	166	192	199	6	63	106
-66	126	192	Tallahassee, FL	124	187	125	167	197	172	178	112	84
7	200	193	Cape Coral-Fort Myers, FL	195	14	194	183	138	200	168	195	160
-11	183	194	Ocala, FL	198	180	182	196	159	146	92	89	63
-55	140	195	Port St. Lucie, FL	182	164	177	171	189	140	77	152	131
-36	160	196	Fort Smith, AR-OK	169	200	133	83	200	179	193	199	189
-15	182	197	Birmingham-Hoover, AL	159	177	162	179	155	196	198	148	131
-1	197	198	Las Vegas-Paradise, NV	192	136	186	200	99	184	190	193	160
-25	174	199	Modesto, CA	180	198	161	162	150	198	180	189	160
-14	186	200	Lakeland-Winter Haven, FL	179	192	171	176	139	177	185	196	189

TOP 10 BEST-PERFORMING SMALL CITIES

Logan, Utah, continues to advance on the strength of high-tech and higher education.

Photos courtesy of Cache Valley Visitors Bureau.

In addition to ranking the 200 largest U.S. metro areas, the Best-Performing Cities project includes a companion index that measures the performance of smaller cities. The 2012 index looks at 179 small metros, the same number as in 2011. The highest-ranked this year have either high concentrations of public-sector employees (especially in prominent universities) or are expanding their activities in the energy sector. These locales were largely immune to the nationwide collapse of housing markets because they did not experience a bubble in the first place.

Six of the small cities in last year's Top 10 stayed there in the latest rankings. Logan, Utah, claimed first place again, followed by Morgantown, W.Va., which moved up from third last year. Texas held four of the Top 10 slots: Odessa, Longview, Midland, and Tyler, too.

Table 5. Top 10 Best-Performing Small Cities

Metropolitan statistical area (MSA)	2012 rank	2011 rank
Logan, UT-ID	1	1
Morgantown, WV	2	3
Bismarck, ND	3	2
Odessa, TX	4	34
Fargo, ND-MN	5	7
Longview, TX	6	9
State College, PA	7	10
Midland, TX	8	22
Tyler, TX	9	20
Columbia, MO	10	25

Source: Milken Institute.

#1 Logan, UT-ID

(unchanged)

JOB GROWTH (2006-11)	12TH
JOB GROWTH (2010-11)	35TH
WAGE GROWTH (2005-10)	17TH
WAGE GROWTH (2009-10)	18TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	67TH
HIGH-TECH GDP GROWTH (2006-11)	11TH
HIGH-TECH GDP GROWTH (2010-11)	5TH
HIGH-TECH GDP CONCENTRATION	5TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	4TH

ASSETS:

» Fast-growing, diversified high-tech sector.

» Utah State University anchors employment growth, contributing to research and innovation.

LIABILITIES:

» The metro's proximity to high-tech players Salt Lake City and Provo-Orem sets up keen competition.

LOGAN, UTAH-IDAHO, defended its title of best-performing small metro in the 2012 ranking. The driving factors, though, shifted slightly from job growth to wage increases and better short-term technology output.

Although Logan's job gains continued to outdo the national average, the pace has slowed. That can be explained by two factors. First, several manufacturing sectors with large worker populations such as food have suffered stagnant or even declining employment since 2010; second, slowing foreclosure proceedings were linked to excessive housing inventory, muting construction and hurting related jobs such as specialty contractors.

On the other hand, Logan's tech sector continued to excel. It ranked among the Top 5 in short-term output growth, concentration, and diversity. Thanks to the stable state budget, Utah State University, Logan's primary employer, saw its finances improve and continued to expand its research capacity. Moreover, the state-funded Utah Science Technology and Research (USTAR) initiative prompted high-tech producers to hire more aggressively.[59]

#2 Morgantown, WV

(gained 1 spot)

JOB GROWTH (2006-11)	3RD
JOB GROWTH (2010-11)	76TH
WAGE GROWTH (2005-10)	5TH
WAGE GROWTH (2009-10)	4TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	29TH
HIGH-TECH GDP GROWTH (2006-11)	9TH
HIGH-TECH GDP GROWTH (2010-11)	12TH
HIGH-TECH GDP CONCENTRATION	77TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	37TH

ASSETS:

» West Virginia University and several state and federal research facilities aided job growth in professional, scientific and technical services.

» Well-educated labor force.

LIABILITIES:

» Rebounding mining industries expose the metro to fluctuating oil prices.

MORGANTOWN, W. VA., inched up one spot to reach second place this year. It performed well in long-term job growth and short- and long-term wage increases.

Employment growth was stable during the national downturn because of Morgantown's emphasis on the recession-resistant government, healthcare and education sectors. The picture changed slightly when the Longview power plant was completed in early 2011,[60] leading to losses in construction and holding back the metro's ranking in short-term job growth.[61] However, the decline was largely offset by gains in construction projects on the West Virginia University campus and in hospitals. Mylan Pharmaceuticals, the top private employer in Monongalia County,[62] also contributed to job growth, along with mining and professional, scientific, and technical services.

Morgantown's high-tech performance improved as well. Its competitiveness in pharmaceutical and medical production strengthened as its LQ rose from 2.3 in 2010 to 3.5 in 2011. Data processing and scientific R&D also expanded, thanks to spin-offs from WVU and government research sites such as the National Energy Technology Laboratory and Centers for Disease Control.

#3

(dropped 1 spot)

Bismarck, ND

JOB GROWTH (2006-11)	6TH
JOB GROWTH (2010-11)	10TH
WAGE GROWTH (2005-10)	9TH
WAGE GROWTH (2009-10)	9TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	12TH
HIGH-TECH GDP GROWTH (2006-11)	50TH
HIGH-TECH GDP GROWTH (2010-11)	31ST
HIGH-TECH GDP CONCENTRATION	89TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	109TH

ASSETS:

» Well-funded state government invested in personnel and infrastructure.

» State buoyed by oil boom in western fields.

LIABILITIES:

» A future flood could cause economic loss.

BISMARCK, N.D., slipped to third in this year's index from second last year. Unlike in many areas across the country, Bismarck's economy thrived, highlighted by low unemployment, consistent job gains, a waxing budget surplus, and booming construction.

As the capital of North Dakota, Bismarck has made government its leading sector. It is also a hub of retail and healthcare for both Dakotas.[63] Those three sectors account for about half the area's employment and nearly two-thirds of overall job growth for the five years ending in 2011. The metro has benefited from the drilling in western North Dakota, where new sources of oil are feeding state tax coffers. The result: more government hiring and infrastructure projects, along with administrative services and even food and drinking places to support them. Moreover, the construction industry flourished and added hundreds of jobs amid recovery efforts after the Missouri River flood of 2011.

#4

(gained 30 spots)

Odessa, TX

JOB GROWTH (2006-11)	2ND
JOB GROWTH (2010-11)	1ST
WAGE GROWTH (2005-10)	4TH
WAGE GROWTH (2009-10)	10TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	3RD
HIGH-TECH GDP GROWTH (2006-11)	18TH
HIGH-TECH GDP GROWTH (2010-11)	14TH
HIGH-TECH GDP CONCENTRATION	171ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	148TH

ASSETS:

» Employment grew 8.5 percent, the fastest among small metros.

» Hot housing market.

LIABILITIES:

» Lack of industrial diversification increases risk and exposes local economy to fluctuating oil prices.

» Recent explosive growth puts pressure on infrastructure.[64]

ODESSA, TEXAS, skyrocketed 30 positions to fourth overall. The metro topped the rankings for one-year employment growth, ranked second in five-year job growth, and placed its two wage growth components among the Top 10. The area's economy turned in a remarkable 2011, with the local GDP expanding more than 20 percent. The energy boom triggered a recovery for the troubled local economy in 2008, while employment growth rebounded in mining and related activities, stimulating demand and consumption. Construction has increased substantially, along with accommodations and food services, broadening the local economy. Unemployment dwindled from 6.8 percent at the end of 2010 to 4.6 percent a year later.[65]

#5 Fargo, ND-MN

(gained 2 spots)

JOB GROWTH (2006-11)	8TH
JOB GROWTH (2010-11)	18TH
WAGE GROWTH (2005-10)	14TH
WAGE GROWTH (2009-10)	36TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	10TH
HIGH-TECH GDP GROWTH (2006-11)	52ND
HIGH-TECH GDP GROWTH (2010-11)	44TH
HIGH-TECH GDP CONCENTRATION	54TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	71ST

ASSETS:

- Diversified economy along with healthcare and education sectors provide stability.
- Western North Dakota oil boom benefited the metro.

LIABILITIES:

- Expanding farm equipment manufacturing exposes Fargo to volatile agricultural product prices.

FARGO, N.D.-MINN., improved its position by another two spots to claim fifth place. The metro offers a relatively diversified economy. On one hand, it is home to two regional medical centers—Sanford Health and Innovis Health—as well as North Dakota State University. The sizable education and health sectors keep adding jobs at a stable pace. On the other hand, Fargo benefited from the swift expansion of machinery manufacturing, professional and business services, and wholesale trade. Machine production rebounded in 2011, growing 17.7 percent, with farm, engine, and power transmission equipment doing well. Meanwhile, professional and business services have a healthy customer base of large employers. Firms offering back-office services[66] have prospered amid increasing demand from oil producers in western North Dakota.[67]

#6 Longview, TX

(gained 3 spots)

JOB GROWTH (2006-11)	10TH
JOB GROWTH (2010-11)	52ND
WAGE GROWTH (2005-10)	8TH
WAGE GROWTH (2009-10)	8TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	47TH
HIGH-TECH GDP GROWTH (2006-11)	71ST
HIGH-TECH GDP GROWTH (2010-11)	41ST
HIGH-TECH GDP CONCENTRATION	45TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	27TH

ASSETS:

- Diversified economy with comparable share of employment in education, health services, government, manufacturing, and retail.
- Wage increases accelerating.

LIABILITIES:

- Fall in natural gas prices could curb drilling in east Texas.

LONGVIEW, TEXAS, moved up three levels to sixth place this year. In addition to job growth that outpaced the national average, accelerating wage increases contributed to the advance. Gas production within the Haynesville Shale formation declined from 2010 to 2011, and some producers were shifting their crews and equipment outside the region.[68] However, jobs in mining and supporting industries expanded in Longview, posting a 21.3 percent jump in 2011.

Meanwhile, the metro's economic base diversified. Multiple sectors added jobs, including manufacturing and healthcare, as well as professional and business services. On the other hand, job growth in construction, the leader in five-year employment gains, flattened in 2011, due in part to muted construction in oil and gas fields. Housing starts in the metro bottomed out in 2010 and started to rise in 2011, raising optimism for the construction sector in the longer term.[69]

#7 State College, PA

(gained 3 spots)

JOB GROWTH (2006-11)	20TH
JOB GROWTH (2010-11)	50TH
WAGE GROWTH (2005-10)	21ST
WAGE GROWTH (2009-10)	21ST
SHORT-TERM JOB GROWTH (5/2011-5/2012)	55TH
HIGH-TECH GDP GROWTH (2006-11)	25TH
HIGH-TECH GDP GROWTH (2010-11)	105TH
HIGH-TECH GDP CONCENTRATION	11TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	4TH

ASSETS:

- Penn State University brings stability to local economy.
- Gas pipeline expansion created construction jobs.

LIABILITIES:

- State funding cuts limit PSU's ability to expand jobs and enrollment as well as support commercialization of innovation.

STATE COLLEGE, PA., climbed to seventh in this year's index, fueled by improved five-year job and wage growth. The presence of Penn State University gives the local economy a shot in the arm. The spending of its almost 15,000 employees,[70] 45,300-plus students,[71] and thousands of visitors bolstered business sales volume, including the leisure and hospitality sectors. And Penn State's research and development activities, in effect, incubate high-tech companies, fostering the metro's specialized know-how in software publishing, technology manufacturing, satellite communications, and so on.

Healthcare also played a critical role, adding 855 positions from 2006 to 2011. Meanwhile, the number of natural gas wells drilled increased from nine in early 2010 to 55 in February 2011, with 77 additional wells permitted in 2011.[72] Booming pipeline construction generated hundreds of jobs, energizing the metro's growth.

#8 Midland, TX

(gained 14 spots)

JOB GROWTH (2006-11)	1ST
JOB GROWTH (2010-11)	2ND
WAGE GROWTH (2005-10)	1ST
WAGE GROWTH (2009-10)	1ST
SHORT-TERM JOB GROWTH (5/2011-5/2012)	53RD
HIGH-TECH GDP GROWTH (2006-11)	150TH
HIGH-TECH GDP GROWTH (2010-11)	51ST
HIGH-TECH GDP CONCENTRATION	127TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	37TH

ASSETS:

- Administrative center of Permian Basin energy industry.
- Wages grew 10.6 percentage points more than the U.S. average, the fastest rate among small metros.
- Hot housing market.

LIABILITIES:

- Lack of industrial diversification increased risk and exposed local economy to fluctuating oil prices.
- Tight labor market.

MIDLAND, TEXAS, climbed 14 spots this year from 22nd to eighth. It topped long-term employment gains and five- and one-year wage growth, ranking second in short-term employment growth after its neighboring metro, Odessa. With about 20 miles between them, Midland and Odessa comprise one statistical area and share many economic traits, including heavy dependence on the petroleum industry, burgeoning construction, increasing population, and remarkable GDP growth. Although Midland showed strength in industries outside oil and gas, such as construction, professional and business services, and wholesale trade, energy remains its lifeblood. In 2011, the sector accounted for 49 percent of local GDP and directly provided 15.5 percent of jobs.[73]

However, what makes Midland unique is its role as administrative and management center for the oil and gas industry in the Permian Basin, essentially serving as headquarters for the exploration and services companies active in the region's petroleum fields.[74] As a result, management and business occupations make up a relatively large share of Midland's workforce and raised the metro's incomes at a faster pace than the Texas average. In 2011, the median household income in Midland was $54,330, well beyond the state's $49,392.[75]

#9 Tyler, TX

(gained 11 spots)

JOB GROWTH (2006-11)	31ST
JOB GROWTH (2010-11)	34TH
WAGE GROWTH (2005-10)	52ND
WAGE GROWTH (2009-10)	62ND
SHORT-TERM JOB GROWTH (5/2011-5/2012)	37TH
HIGH-TECH GDP GROWTH (2006-11)	16TH
HIGH-TECH GDP GROWTH (2010-11)	20TH
HIGH-TECH GDP CONCENTRATION	27TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	18TH

ASSETS:

- Healthcare hub of east Texas.
- Diversified economy anchored by service and public sectors.
- High growth in telecommunications.

LIABILITIES:

- Manufacturing industry shrinking due to relocations.[76]

TYLER, TEXAS, took ninth position in the 2012 index, posting a solid improvement from last year's 20th-place finish. The gain resulted from higher short-term employment and wage growth and better performance in the technology sector. Service industries and public agencies are the cornerstones of the local economy. There are three primary regional hospitals within the metro, along with numerous supporting facilities and specialty hospitals, making it the medical hub of east Texas.[77]

Healthcare services and government represent 35.1 percent of local employment between them, adding more than 4,000 jobs from 2006 to 2011. Until recently, rebounding retail and expanding energy contributed to job growth as well. As the population of Tyler rises, demand for healthcare and retail goods will likely continue to increase. On the other hand, the trend in telecommunications output is impressive—up 77 percent in a five-year period and 10 percent in one year. Therefore, Tyler can boast an enhanced concentration in these industries and stronger technology indicators.

#10 Columbia, MO

(gained 15 spots)

JOB GROWTH (2006-11)	24TH
JOB GROWTH (2010-11)	24TH
WAGE GROWTH (2005-10)	42ND
WAGE GROWTH (2009-10)	28TH
SHORT-TERM JOB GROWTH (5/2011-5/2012)	44TH
HIGH-TECH GDP GROWTH (2006-11)	42ND
HIGH-TECH GDP GROWTH (2010-11)	86TH
HIGH-TECH GDP CONCENTRATION	50TH
NUMBER OF HIGH-TECH INDUSTRIES (LQ>1)	27TH

ASSETS:

- Stable employment base in government, education, healthcare, and insurance.
- The only metro in Missouri to have three Certified Industrial Sites, which are "immediately available for development."[78]

LIABILITIES:

- State budget cut would impair University of Missouri's efforts to expand faculty, increase enrollment, and improve facilities.

COLUMBIA, MO., advanced 15 spots to 10th place this year. The metro made the upper ranks on several components, and its job market proved more vibrant than initially estimated. Correspondingly, the unemployment rate fell from 6.2 percent in early 2011 to under 5 percent in May 2012.[79] As the primary employer in the area, the University of Missouri saw its enrollment climb steadily from almost 28,500 to nearly 35,000 in the past five years,[80] which by and large offset funding reductions.

More broadly, a growing student body supports local retail outlets and requires more multifamily property development.[81] Additionally, several companies plan to expand operations and hire more in the coming years. VAMortgageCenter.com is adding 300 jobs, IBM planned to bring on 800 employees by year-end 2012, and 3M is hiring 123 people.[82]

ON THE WEB

Data for each metro area can be found at ***bestcities.milkeninstitute.org***

COMPLETE RESULTS

2012 BEST-PERFORMING SMALL CITIES

RANKINGS BY COMPONENT

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
0	1	1	Logan, UT-ID	12	35	17	18	67	11	5	5	4
1	3	2	Morgantown, WV	3	76	5	4	29	9	12	77	37
-1	2	3	Bismarck, ND	6	10	9	9	12	50	31	89	109
30	34	4	Odessa, TX	2	1	4	10	3	18	14	171	148
2	7	5	Fargo, ND-MN	8	18	14	36	10	52	44	54	71
3	9	6	Longview, TX	10	52	8	8	47	71	41	45	27
3	10	7	State College, PA	20	50	21	21	55	25	105	11	4
14	22	8	Midland, TX	1	2	1	1	53	150	51	127	37
11	20	9	Tyler, TX	31	34	52	62	37	16	20	27	18
15	25	10	Columbia, MO	24	24	42	28	44	42	86	50	27
3	14	11	Charlottesville, VA	33	28	45	72	16	66	79	14	7
19	31	12	Cumberland, MD-WV	29	41	56	66	19	17	62	40	37
2	15	13	Dubuque, IA	37	55	53	13	76	7	27	44	37
13	27	14	Sioux Falls, SD	14	31	25	61	69	32	65	78	71
97	112	15	Columbus, IN	27	3	100	16	1	91	122	70	71
-8	8	16	Iowa City, IA	18	57	23	64	78	20	93	24	37
NA	large 67	17	Amarillo, TX	35	26	16	65	66	41	24	92	109
43	61	18	San Angelo, TX	38	30	48	23	17	161	139	34	37
24	43	19	Williamsport, PA	30	8	81	12	88	47	124	56	27
75	95	20	Glens Falls, NY	67	53	80	54	15	88	59	6	27
-8	13	21	Las Cruces, NM	17	82	13	49	106	84	80	15	7
-4	18	22	Harrisonburg, VA	71	20	63	102	45	22	7	36	71
24	47	23	Victoria, TX	39	9	57	20	132	136	22	41	37
-18	6	24	Lebanon, PA	44	64	38	26	119	21	67	49	37
55	80	25	Hanford-Corcoran, CA	15	79	41	86	11	8	126	115	71
66	92	26	Casper, WY	23	7	10	35	22	119	152	179	148
21	48	27	Cheyenne, WY	19	19	19	106	41	49	128	138	71
-2	26	28	Burlington-South Burlington, VT	46	59	76	45	49	126	92	4	37
22	51	29	St. Joseph, MO-KS	9	45	34	151	84	53	47	62	37
6	36	30	Greenville, NC	28	140	28	44	100	29	61	19	71
-19	12	31	Waco, TX	57	115	37	39	127	27	56	9	18
128	160	32	Blacksburg-Christiansburg-Radford, VA	65	5	129	122	6	69	45	47	71
-12	21	33	Pueblo, CO	21	39	29	76	95	107	129	103	37
-17	17	34	Elizabethtown, KY	66	16	11	2	165	23	158	88	109
69	104	35	Bellingham, WA	82	36	69	142	27	46	104	31	7
18	54	36	Elmira, NY	64	94	50	7	176	35	32	46	7

COMPLETE RESULTS: 2012 BEST-PERFORMING SMALL CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
59	96	37	Lafayette, IN	63	27	117	70	25	94	130	51	37
-5	33	38	Houma-Bayou Cane-Thibodaux, LA	22	88	3	71	5	76	142	177	148
62	101	39	Gainesville, GA	41	6	113	88	2	143	39	135	109
47	87	40	Owensboro, KY	45	13	78	56	23	72	119	166	148
31	72	41	Rapid City, SD	32	44	43	50	70	92	125	137	109
28	70	42	Rochester, MN	99	106	24	5	131	78	52	16	71
9	52	43	Oshkosh-Neenah, WI	36	77	107	15	62	138	66	79	71
27	71	44	Joplin, MO	42	63	64	124	43	38	133	105	7
-22	23	45	Jacksonville, NC	5	150	2	14	79	4	155	155	174
-5	41	46	Corvallis, OR	58	38	120	84	151	79	11	1	2
87	134	47	Burlington, NC	111	23	156	67	99	28	28	29	7
30	78	48	Waterloo-Cedar Falls, IA	34	25	58	94	26	85	154	157	148
78	127	49	Danville, VA	104	17	163	110	46	54	55	48	7
67	117	50	Grand Junction, CO	52	60	18	179	14	104	118	107	71
84	135	51	Kingston, NY	108	113	60	97	21	82	96	69	18
15	67	52	La Crosse, WI-MN	70	109	54	31	63	90	91	122	109
-49	4	53	College Station-Bryan, TX	7	137	15	41	161	99	73	63	109
52	106	54	Sherman-Denison, TX	85	37	103	81	80	171	71	23	37
-26	29	55	Hinesville-Fort Stewart, GA	4	70	7	11	149	168	157	123	148
-16	40	56	Pascagoula, MS	51	179	12	126	18	124	8	104	71
50	107	57	Appleton, WI	75	58	123	68	75	65	90	55	71
-23	35	58	Texarkana, TX-Texarkana, AR	43	78	35	51	13	165	164	168	148
67	126	59	Lewiston-Auburn, ME	76	69	90	69	65	36	53	151	109
-7	53	60	Johnson City, TN	78	48	98	104	85	139	76	32	18
16	77	61	Ames, IA	50	68	55	114	30	169	74	121	109
86	148	62	Elkhart-Goshen, IN	179	4	178	3	4	96	159	90	37
0	63	63	Jefferson City, MO	84	130	85	91	90	15	13	59	71
-53	11	64	Warner Robins, GA	16	141	22	32	135	121	148	52	109
45	110	65	Lewiston, ID-WA	115	134	97	43	42	26	99	64	71
-22	44	66	Bloomington-Normal, IL	53	144	31	46	118	59	138	42	109
-11	56	67	Winchester, VA-WV	95	12	102	30	111	173	110	120	37
-36	32	68	Fairbanks, AK	25	104	20	78	171	13	33	150	148
16	85	69	Florence-Muscle Shoals, AL	93	125	67	19	32	30	101	165	174
-1	69	70	El Centro, CA	59	124	27	117	35	51	143	160	71
-29	42	71	Lawton, OK	13	176	6	6	170	40	54	152	174
NA	large 54	72	Lynchburg, VA	110	122	94	92	102	6	75	21	18
38	111	73	Goldsboro, NC	88	95	109	135	40	3	116	87	27
-28	46	74	Altoona, PA	73	46	108	119	129	45	113	33	27
-51	24	75	Grand Forks, ND-MN	40	71	40	55	87	128	171	142	148
-18	58	76	Coeur d'Alene, ID	92	75	82	118	33	115	153	72	37
28	105	77	Terre Haute, IN	119	156	112	29	68	95	102	12	7

COMPLETE RESULTS: 2012 BEST-PERFORMING SMALL CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
36	114	78	St. Cloud, MN	69	40	77	112	123	140	49	84	71
74	153	79	Niles-Benton Harbor, MI	129	62	132	22	115	43	29	125	71
-52	28	80	Johnstown, PA	80	85	79	80	164	60	112	17	27
-2	79	81	Gulfport-Biloxi, MS	11	80	99	140	77	103	95	114	71
1	83	82	Salisbury, MD	123	81	114	141	93	34	36	20	4
-56	27	83	Wenatchee-East Wenatchee, WA	56	56	65	165	38	114	141	117	71
13	97	84	Barnstable Town, MA	112	111	133	103	56	64	17	22	71
-48	37	85	Billings, MT	48	100	33	85	133	98	134	110	71
-20	66	86	Jonesboro, AR	47	87	61	24	136	130	149	132	109
26	113	87	Sioux City, IA-NE-SD	55	142	70	38	60	80	135	139	148
27	115	88	Parkersburg-Marietta-Vienna, WV-OH	121	86	126	130	61	39	38	73	37
-70	19	89	Auburn-Opelika, AL	61	22	83	152	154	2	37	146	109
41	131	90	Kokomo, IN	173	15	179	113	34	109	9	58	37
-42	49	91	Bloomington, IN	77	158	87	137	109	10	85	2	18
38	130	92	Sandusky, OH	106	11	171	25	20	176	131	176	109
-88	5	93	Ithaca, NY	26	160	59	134	178	56	63	10	18
22	116	94	Fond du Lac, WI	127	73	137	59	105	134	94	37	2
-40	55	95	Athens-Clarke County, GA	83	132	96	128	28	14	108	80	148
-37	59	96	Idaho Falls, ID	109	131	46	79	73	174	160	57	18
21	118	97	Dover, DE	74	66	118	133	103	48	111	38	109
-8	90	98	Bowling Green, KY	62	47	84	53	134	61	172	167	148
40	139	99	Macon, GA	114	93	149	111	52	157	6	71	37
-84	16	100	Great Falls, MT	49	168	26	37	167	33	137	140	109
-3	98	101	Valdosta, GA	133	151	68	107	58	24	87	98	71
-57	45	102	Springfield, IL	54	101	66	34	130	167	174	65	148
0	103	103	Springfield, OH	122	29	158	170	107	1	1	39	109
-54	50	104	Hattiesburg, MS	102	159	30	96	64	151	48	158	71
3	108	105	Binghamton, NY	101	121	105	169	72	68	127	3	1
31	137	106	Decatur, AL	120	67	125	48	110	81	81	129	109
-68	39	107	Eau Claire, WI	90	110	75	33	169	162	64	60	109
20	128	108	Medford, OR	162	117	148	121	71	31	58	18	7
-36	73	109	Panama City-Lynn Haven-Panama City Beach, FL	113	72	119	52	153	141	117	61	37
14	124	110	St. George, UT	160	32	104	172	57	37	88	93	109
-36	75	111	Crestview-Fort Walton Beach-Destin, FL	142	14	130	138	117	133	120	7	37
-19	93	112	Champaign-Urbana, IL	140	178	62	90	138	44	69	35	18
8	121	113	Jackson, TN	118	61	139	60	91	131	109	136	71
59	173	114	Racine, WI	131	65	152	58	113	144	19	148	37
48	163	115	Decatur, IL	97	54	128	123	114	62	25	126	148
20	136	116	Yuba City, CA	167	103	89	148	82	70	34	75	37
-57	60	117	Wheeling, WV-OH	79	127	93	83	59	106	89	147	174
-50	68	118	Abilene, TX	72	143	36	127	168	74	68	95	71

COMPLETE RESULTS: 2012 BEST-PERFORMING SMALL CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
1	120	119	Cleveland, TN	148	139	153	87	97	73	40	13	27
-31	89	120	Monroe, LA	100	107	88	115	116	89	161	83	37
-59	62	121	Kankakee-Bradley, IL	89	146	115	145	51	125	132	43	37
-48	74	122	Alexandria, LA	68	128	39	166	174	12	2	144	148
-66	57	123	Flagstaff, AZ	116	126	49	105	158	58	57	128	109
14	138	124	Farmington, NM	103	51	32	163	126	86	78	178	174
24	149	125	Battle Creek, MI	125	96	142	75	112	55	4	162	148
-61	65	126	Pittsfield, MA	105	112	141	144	108	117	42	30	71
14	141	127	Anderson, SC	134	89	134	40	177	19	10	170	148
-42	86	128	Missoula, MT	86	98	72	146	152	93	163	99	37
22	151	129	Florence, SC	126	138	127	154	7	102	100	130	71
-66	64	130	Tuscaloosa, AL	96	133	71	27	166	110	140	163	109
24	155	131	Sumter, SC	147	105	145	47	120	108	50	133	109
20	152	132	Saginaw-Saginaw Township North, MI	139	33	174	93	143	116	70	74	109
35	168	133	Jackson, MI	161	49	168	57	50	129	178	156	109
-58	76	134	Santa Fe, NM	117	145	74	153	39	146	162	112	71
5	140	135	Anderson, IN	141	164	173	95	101	112	30	53	7
6	142	136	Napa, CA	91	43	106	150	128	152	170	91	109
-46	91	137	Yakima, WA	81	99	47	139	94	159	169	172	148
9	147	138	Bend, OR	170	120	140	164	74	111	21	28	71
-51	88	139	Yuma, AZ	136	161	51	136	139	5	35	145	148
3	143	140	Lima, OH	155	84	164	100	36	123	146	131	109
9	150	141	Vineland-Millville-Bridgeton, NJ	149	153	121	147	31	97	84	97	109
36	178	142	Pocatello, ID	145	116	144	120	24	163	114	106	109
-14	129	143	Rocky Mount, NC	150	148	150	149	137	67	46	8	7
-62	82	144	Topeka, KS	60	154	86	108	144	75	145	134	148
1	146	145	Gadsden, AL	135	83	138	73	121	137	167	141	71
31	177	146	Muskegon-Norton Shores, MI	159	21	169	77	159	120	103	116	109
-22	125	147	Bay City, MI	128	114	157	159	96	127	77	76	37
21	169	148	Longview, WA	130	149	111	42	54	178	175	161	148
-5	144	149	Wichita Falls, TX	132	123	92	156	141	166	121	25	37
-66	84	150	Bangor, ME	94	102	110	157	146	158	123	81	71
3	154	151	Sheboygan, WI	163	152	155	99	89	113	18	118	109
4	156	152	Sebastian-Vero Beach, FL	156	42	159	177	86	154	60	85	148
6	159	153	Redding, CA	169	147	162	167	8	148	136	82	27
20	174	154	Michigan City-La Porte, IN	158	92	160	132	147	105	107	86	37
-23	132	155	Mount Vernon-Anacortes, WA	124	129	91	160	125	122	106	159	71
-37	119	156	Albany, GA	143	170	135	125	140	87	26	68	109
-24	133	157	Ocean City, NJ	138	163	154	101	9	147	177	175	109
14	172	158	Danville, IL	146	97	146	74	155	156	144	94	109
5	164	159	Pine Bluff, AR	171	173	124	63	81	145	97	169	109

COMPLETE RESULTS: 2012 BEST-PERFORMING SMALL CITIES *continued*

RANK CHANGE	2011 RANK	2012 RANK	METROPOLITAN STATISTICAL AREA	JOB GROWTH (2006-11)	JOB GROWTH (2010-11)	WAGE GROWTH (2005-10)	WAGE GROWTH (2009-10)	SHORT-TERM JOB GROWTH (5/2011-5/2012)	HIGH-TECH GDP GROWTH (2006-11)	HIGH-TECH GDP GROWTH (2010-11)	HIGH-TECH GDP CONCEN-TRATION (2011)	NUMBER OF HIGH-TECH INDUSTRIES WITH LQ>1 (2011)
5	165	160	Morristown, TN	175	171	161	17	172	142	72	102	37
-80	81	161	Hot Springs, AR	98	108	116	129	162	153	173	143	71
-17	145	162	Prescott, AZ	177	157	147	175	98	101	16	108	37
-40	123	163	Madera-Chowchilla, CA	151	167	44	162	160	132	83	96	109
15	179	164	Monroe, MI	176	118	176	116	142	57	3	124	148
11	176	165	Dothan, AL	144	91	136	109	122	175	156	153	109
-5	161	166	Brunswick, GA	168	175	143	174	92	100	43	119	37
-65	102	167	Rome, GA	164	177	131	82	173	63	166	100	27
-1	167	168	Mansfield, OH	165	74	177	171	83	155	179	66	71
-75	94	169	Lake Charles, LA	87	135	73	168	150	149	147	154	148
0	170	170	Muncie, IN	153	136	170	173	48	164	176	101	37
4	175	171	Dalton, GA	178	155	175	89	179	172	15	26	109
-50	122	172	Chico, CA	166	174	122	131	124	160	115	109	71
-73	100	173	Anniston-Oxford, AL	152	166	95	155	157	135	168	67	109
-12	162	174	Steubenville-Weirton, OH-WV	154	165	166	178	145	83	23	149	71
-9	166	175	Janesville, WI	172	162	172	143	148	118	82	113	71
-19	157	176	Wausau, WI	157	119	151	161	104	179	98	173	148
-19	158	177	Punta Gorda, FL	137	90	165	98	163	177	165	174	174
-79	99	178	Lawrence, KS	107	172	101	158	156	170	151	164	148
-8	171	179	Carson City, NV	174	169	167	176	175	77	150	111	37

ON THE WEB

Data for each metro area can be found at ***bestcities.milkeninstitute.org***

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   The annual growth rate measures the percentage change from calendar year 2010 to 2011. While the annual growth rate does not indicate whether high growth was achieved in the first or latter half of the year, the 12-month growth rate captures that aspect. Employment, wage, and gross metro product data are compiled from various government agencies, including the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), and the Census Bureau. More detailed coverage on individual sectors is derived from Moody's Analytics at www.economy.com.
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