



Boomtowns '06: Hottest Small Cities

Employment Base of Less Than 150,000.

From: [Inc. Magazine, May 2006](#) | By: Joel Kotkin and Michael A. Shires

1 Yuma, Arizona

Once a small farming community, this border town is one of the nation's fastest-growing areas, with a burgeoning Latino population and a steady stream of Californians in search of a lower cost of living. Surging trade with Mexico has sparked strong growth in services and transportation.

Overall Rank 1 | 1-Year Job Growth 8.3% | 5-Year Job Growth 32.0% | Index Score 100.0

2 St. George, Utah

Located in the state's scenic southwest corner, St. George is a magnet for both retirees and young families. That's sparked businesses in a range of industries--from IT and business services to manufacturing and retail and wholesale trade.

Overall Rank 2 | 1-Year Job Growth 7.9% | 5-Year Job Growth 38.2% | Index Score 98.8

3 Fort Walton Beach-Crestview, Florida

Growth in this panhandle community is driven by low taxes and good weather. It's also home to an estimated 350 technology firms, which do brisk business with contractors at Hurlburt Field and Eglin Air Force Base.

Overall Rank 4 | 1-Year Job Growth 4.4% | 5-Year Job Growth 21.1% | Index Score 96.4

4 Coeur d'Alene, Idaho

With its picturesque lakes and stunning vistas, Coeur d'Alene has long been a top vacation spot. Now it's drawing refugees from pricey, high-regulation places like California (see "[The Buck Stopped Here](#)"), spurring growth in services and manufacturing.

Overall Rank 5 | 1-Year Job Growth 7.9% | 5-Year Job Growth 23.6% | Index Score 96.3

5 Bellingham, Washington

With the San Juan Islands to the west and Mount Baker looming to the east, Bellingham attracts urban refugees, who have launched hundreds of small service firms, manufacturers, and consultancies.

Overall Rank 6 | 1-Year Job Growth 6.0% | 5-Year Job Growth 18.7% | Index Score 95.7

6 Port St. Lucie-Fort Pierce, Florida

Tourism remains a major force on Florida's Atlantic coast but recent action is in the sciences, spurred by facilities like a U.S. Department of Agriculture research lab and the Smithsonian's marine research station.

Overall Rank 7 | 1-Year Job Growth 4.7% | 5-Year Job Growth 22.6% | Index Score 94.8

7 Naples-Marco Island, Florida

Collier County's population has jumped more than 55,000, to 307,000, since 2000, making the region the nation's leading destination for young, single, and educated people in terms of net migration. That's sparked major growth in industries like health care and financial services, drawing newcomers like M&I Bank, which recently opened a local facility.

Overall Rank 8 | 1-Year Job Growth 4.8% | 5-Year Job Growth 26.1% | Index Score 94.4

8 Idaho Falls, Idaho

With a revitalized downtown district, Idaho Falls is big on small-town charm. But it also boasts a diverse band of high-tech companies primarily revolving around the Department of Energy's Idaho National Laboratory.

Overall Rank 10 | 1-Year Job Growth 5.0% | 5-Year Job Growth 19.7% | Index Score 94.2

9 Casper, Wyoming

A bona fide energy boomtown, Casper has benefited from an influx of construction and manufacturing companies serving the state's oil and natural gas industries. Labor is in such short supply that the city is recruiting laid-off Detroit autoworkers.

Overall Rank 11 | 1-Year Job Growth 3.4% | 5-Year Job Growth 18.6% | Index Score 94.0

10 Bremerton-Silverdale, Washington

For years, Bremerton's waterfront was nothing more than a parking lot for the city's top employer, the Puget Sound Naval Shipyard. Boarded-up buildings have been replaced with retail stores thanks to a harborside development program that includes a \$47 million conference center, hotel, and condo complexes.

Overall Rank 13 | 1-Year Job Growth 3.6% | 5-Year Job Growth 17.0% | Index Score 93.1

11 Panama City-Lynn Haven, Florida

Tourists pump nearly \$1.5 billion into the economy, providing more than 14,000 jobs. Uncle Sam also provides a boost, with an Air Force base and Naval Support Center that farm out business to local contractors.

Overall Rank 14 | 1-Year Job Growth 5.0% | 5-Year Job Growth 15.5% | Index Score 92.2

12 Morgantown, West Virginia

Home to West Virginia University, Morgantown is a magnet for the health care industry. Major employers include two large hospitals, several government labs, and companies such as generic drug maker Mylan.

Overall Rank 15 | 1-Year Job Growth 3.3% | 5-Year Job Growth 14.7% | Index Score 92.1

13 Prescott, Arizona

Settled during the gold rush days of the 1800s, Prescott is experiencing a boom among seniors. They're drawn to the city's numerous retirement communities, mild climate, and historic downtown area.

Overall Rank 16 | 1-Year Job Growth 4.5% | 5-Year Job Growth 19.6% | Index Score 92.1

14 Bend, Oregon

Bend's population has more than tripled, to about 70,000, over the past 15 years, with refugees from Portland and California drawn by a scenic location and low cost of living. The influx has transformed a timber-based economy, bringing in manufacturing, aerospace, and semiconductor firms.

Overall Rank 17 | 1-Year Job Growth 4.7% | 5-Year Job Growth 18.3% | Index Score 90.6

15 El Centro, California

Located in the state's southeast corner, El Centro has been riding the same global trade wave as other U.S. border towns. It also owes its growth to the Department of Homeland Security, which has boosted its hiring of security and customs personnel to police the busy border with Mexicali.

Overall Rank 18 | 1-Year Job Growth 7.3% | 5-Year Job Growth 14.5% | Index Score 90.1

16 Logan, Utah

Logan's longtime meatpacking plants and dairy processors have been joined by a host of biotech and communications firms drawn by the brainpower of Utah State University and a shiny new fiber optic infrastructure.

Overall Rank 21 | 1-Year Job Growth 3.6% | 5-Year Job Growth 17.4% | Index Score 87.8

17 Punta Gorda, Florida

Local firms have created 2,200 new jobs over the past two years, many of them in health care, IT, and specialty contracting tied to rebuilding after last year's hurricanes. Relatively low home prices attract newcomers.

Overall Rank 22 | 1-Year Job Growth 4.2% | 5-Year Job Growth 14.0% | Index Score 87.5

18 Greeley, Colorado

Historically an agricultural powerhouse, Greeley, located about 60 miles northeast of Denver, has made a new-economy transition, with a top-notch acute-care facility in the area, two ethanol plants on the way, and a strong manufacturing presence. The city has seen 14 percent growth in service jobs since 2003.

Overall Rank 23 | 1-Year Job Growth 3.8% | 5-Year Job Growth 13.6% | Index Score 85.2

19 Winchester, Virginia

Located 80 miles outside Washington, D.C., and home to Shenandoah University, Winchester is absorbing people priced out of northern Virginia communities like Fairfax. Growth has been particularly robust among federal government agencies, which boosted employment nearly 20 percent in 2005.

Overall Rank 26 | 1-Year Job Growth 4.8% | 5-Year Job Growth 12.0% | Index Score 84.2

20 Laredo, Texas

A manufacturing and trading center, this Texas border town boasts a growing banking industry and Texas A&M University. With the assembly plants of Nuevo Laredo due south, trade is driving the population of "los dos Laredos" toward one million.

Overall Rank 29 | 1-Year Job Growth 2.8% | 5-Year Job Growth 15.3% | Index Score 83.5

| 2006 Rank | City, State | Overall Rank | 1-Year Job Growth | 5-Year Job Growth | Index Score |
|-----------|------------------------------|--------------|-------------------|-------------------|-------------|
| 21 | Olympia, WA | 30 | 4.0% | 13.0% | 83.5 |
| 22 | Madera, CA | 32 | 2.4% | 22.3% | 83.4 |
| 23 | Dover, DE | 33 | 2.3% | 13.7% | 83.2 |
| 24 | Ocala, FL | 37 | 2.9% | 12.0% | 80.9 |
| 25 | Farmington, NM | 39 | 2.9% | 11.1% | 79.6 |
| 26 | Great Falls, MT | 43 | 3.5% | 8.9% | 77.6 |
| 27 | Mount Vernon-Anacortes, WA | 44 | 4.7% | 8.2% | 77.4 |
| 28 | Auburn-Opelika, AL | 45 | 0.8% | 13.2% | 77.1 |
| 29 | Billings, MT | 46 | 2.0% | 13.0% | 76.8 |
| 30 | Hot Springs, AR | 47 | 4.1% | 7.6% | 76.4 |
| 31 | Las Cruces, NM | 49 | 3.3% | 13.5% | 76.3 |
| 32 | Harrisonburg, VA | 50 | 2.9% | 11.0% | 76.2 |
| 33 | Bismarck, ND | 51 | 3.0% | 10.3% | 76.1 |
| 34 | Tuscaloosa, AL | 53 | 4.4% | 6.3% | 75.2 |
| 35 | Yuba City, CA | 55 | 5.4% | 6.4% | 74.8 |
| 36 | Flagstaff, AZ | 56 | 4.1% | 6.6% | 74.7 |
| 37 | Wenatchee, WA | 57 | 3.9% | 6.4% | 74.6 |
| 38 | Hanford-Corcoran, CA | 58 | 3.3% | 11.5% | 74.6 |
| 39 | Fairbanks, AK | 59 | 1.8% | 10.7% | 74.2 |
| 40 | Johnson City, TN | 61 | 2.0% | 8.2% | 73.5 |
| 41 | Medford, OR | 62 | 2.5% | 9.1% | 73.0 |
| 42 | Pocatello, ID | 66 | 3.7% | 6.5% | 71.1 |
| 43 | Myrtle Beach, SC | 67 | 1.3% | 11.2% | 70.7 |
| 44 | Portsmouth, NH-ME | 68 | 2.5% | 10.8% | 70.5 |
| 45 | Hinesville-Fort Stewart, GA | 69 | 0.6% | 9.6% | 70.1 |
| 46 | Gainesville, FL | 70 | 2.8% | 7.3% | 70.1 |
| 47 | Missoula, MT | 72 | 2.0% | 11.5% | 69.0 |
| 48 | Merced, CA | 73 | 2.7% | 11.3% | 68.7 |
| 49 | Savannah, GA | 74 | 1.6% | 7.7% | 68.7 |
| 50 | Cheyenne, WY | 76 | 2.1% | 9.7% | 68.2 |
| 51 | Kennewick-Richland-Pasco, WA | 79 | 4.4% | 18.3% | 67.3 |
| 52 | Grand Junction, CO | 80 | 1.3% | 10.4% | 67.0 |
| 53 | Sioux Falls, SD | 82 | 2.8% | 6.8% | 66.9 |
| 54 | Carson City, NV | 83 | 2.5% | 5.0% | 66.8 |
| 55 | Salisbury, MD | 84 | 1.6% | 9.3% | 66.7 |
| 56 | Warner Robins, GA | 85 | 1.4% | 10.8% | 66.7 |
| 57 | Wilmington, NC | 86 | 2.1% | 7.2% | 66.7 |
| 58 | Lawrence, KS | 87 | 1.9% | 9.6% | 66.5 |
| 59 | Clarksville, TN-KY | 88 | 1.6% | 6.3% | 66.4 |
| 60 | Santa Fe, NM | 89 | 2.6% | 7.5% | 66.1 |

Boomtowns '06

Bellingham, Washington; St. George, Utah; McAllen, Texas... You may be surprised by the places that top our list of the hottest cities for entrepreneurs.

From: [Inc. Magazine, May 2006](#) | **By:** Joel Kotkin

Call it the revenge of the boondocks. For several years now, the nation's entrepreneurial hotbeds have been migrating from the major urban centers to smaller cities on the periphery. But a funny thing happened on the way to *Inc.*'s 2006 Hot Cities list. Demographic trends have accelerated to the point that what once constituted the periphery is no longer, well, peripheral. Sure, longtime list-topping cities such as Phoenix, Daytona Beach, and Orlando again are posting strong job growth and continue to be great places to do business. But the nation's newest entrepreneurial hotbeds can be found even further afield--in cities like Bellingham, Washington; Port St. Lucie, Florida; and McAllen, Texas--places that have never registered as business centers. The rise of these small communities is the most important trend emerging from this year's survey of the nation's hottest places to do business. As always, our list (which was compiled by Michael A. Shires, professor of public policy at Pepperdine University) puts the focus on job growth, which we believe is the best measure of a region's economic vitality--especially as it applies to entrepreneurs. The Small Business Administration estimates that small companies generate as many as three-quarters of the nation's new jobs; as a result, a region showing strong job creation is likely to be a hotbed of entrepreneurial activity. What's more, strong job growth suggests that a region's economy is expanding. That means new demand and new opportunities.

To compile the rankings, *Inc.* measured current-year employment growth, as well as average annual job growth over the past three years and compared job growth in the first and second halves of the period comprising the past 10 years. The big difference this year is the number of communities surveyed. In years past, the Bureau of Labor Statistics, which generates the job-growth data, surveyed 274 metropolitan statistical areas, or MSAs. This year, BLS surveyed 393--which has allowed us to paint a far more accurate picture of where the action really is.

Red-hot Florida is the center of that action, contributing 19 cities to the list's top 100. Indeed, every one of the state's metro areas is experiencing significant population and job growth. The three star megaregions of the desert Southwest--Las Vegas (No. 9), Reno (No. 25), and Phoenix (No. 36)--boast many of the same advantages and are experiencing similar levels of growth. Now much of that growth is spilling over into even smaller areas, such as St. George, Utah (No. 2), Idaho Falls, Idaho (No. 10), and Bend, Oregon (No. 14). Says St. Louis-based demographer Wendell Cox: "This is the sprawl beyond the sprawl."

The nation's largest urban areas continue to lag. New York City comes in at No. 292, Boston at No. 343, and Philadelphia at No. 392. This is in stark contrast with surrounding areas, such as the suburbs of Philadelphia and Washington, D.C. The industrial belt also is lagging; it accounts for five of the bottom 10 MSAs, including last place Muncie, Indiana.

Admittedly, it's a lot easier for small, emerging regions to post big growth rates than it is for big, mature ones. Still, it's hard to deny the advantages of the boomtowns described in the pages that follow. We've profiled the top 20 cities in three categories--small (an employment base of less than 150,000); medium (150,000 to 450,000), and large (more than 450,000). We've also included some U.S. Census figures ranking the nation's cities on measures like median income, health, and education.



How the 2006 Best Cities Were Selected

A look at the methodology behind this year's rankings.

From: Inc.com | April 19, 2006 | **By:** Inc. Staff

This year's rankings incorporate a new methodology that emphasizes the robustness of a region's growth and expands the rankings to include all of the MSAs for which the Bureau of Labor Statistics reports employment data. They are derived from three-month rolling averages of U.S. Bureau of Labor Statistics "state and area" unadjusted employment data reported from January 1994 to September 2005.

The data reflect the North American Industry Classification System categories, including total nonfarm employment, manufacturing, financial services, business and professional services, educational and health services, information, retail and wholesale trade, transportation and utilities, leisure and hospitality, and government.

Because of new baseline calculations instituted by the BLS in the first quarter of 2005, sectoral detail for the 393 MSAs was not available for enough regions to develop the balance component used in years past by *Inc.* This year's rankings use four measures of growth to rank all areas for which full data sets were available from the past 10 years -- 393 regions in total. Because of the change in approach, this year's rankings cannot be directly compared to last year's, but rankings for last year are provided using the new methodology. "Large" areas include those with a current nonfarm employment base of at least 450,000 jobs. "Medium" areas range from 150,000 to 450,000 jobs. "Small" areas have as many as 150,000 jobs.

The index is calculated from a normalized, weighted summary of: 1) recent growth trend: the current and prior year's employment growth rates, with the current year emphasized (two points); 2) mid-term growth: the average annual 2000-2005 growth rate (two points); 3) long-term trend: the sum of the 2000-2005 and 1994-1999 employment growth rates multiplied by the ratio of the 1994-1999 growth rate over the 2000-2005 growth rate (two points); and 4) current year growth (one point).