

Best Cities for Young Entrepreneurs 2019

Richard Barrington | MoneyRates.com Senior Financial Analyst, CFA

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Even in today's online, multi-national, commercial environment, location is still a key factor for many business startups.



Where can a young person make a mark as a business owner?

A new business idea is like a seed. No matter how much potential that business plan contains, where you plant it matters.

That's why MoneyRates.com studied a combination of factors to identify the best

cities to start a business for young entrepreneurs - it helps clarify locations that can support entrepreneurs as they launch.

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Young entrepreneurs: choosing the best cities for startups

We looked at four factors that can influence new businesses: population growth, affluence, education, and taxes. Here's why:

- The growth and affluence of local markets can help new products and services find its audience
- The size and quality of the local talent pool can determine how easy it is for a startup to staff for success
- Each area's tax environment affects what kind of profit margin you can earn

Methodology for the study

Here is how MoneyRates chose the best cities to start a business in 2019:

Population Growth

The focus was to examine the 25 fastest-growing cities in the United States based on information from the U.S. Census Bureau. Population growth not only means an influx of new consumers, but it suggests a general prosperity that creates a positive business environment.

Affluence

MoneyRates also considered affluence among young adults. The percentage of a city's 18- to 24-year-old population (again, based on Census Bureau data) earning at least three times the poverty level indicates the strength of a market for new products and services. It also points to how conducive the area generally is to a young person's success.

Educated Workforce

To identify areas where a well-educated workforce would likely to be available, MoneyRates looked at the percentage of 18- to 24-year-olds in each city with a bachelors degree or better based on Census Bureau data. This not only points to a rich talent pool, but also a city's market of potential high-earners.

Taxes

Finally, using the Tax Foundation's ranking of state business tax environments, MoneyRates graded each of the high-growth cities based on the combination of tax factors that affect a business.

The 25 fastest-growing cities were ranked based on all of the above criteria, and then the average of these rankings was used to determine the best places for millennials to start a business in 2019.

Highlights: Disparities among the best cities for startups

Under analysis, the data reveals that extreme regional differences exist, underscoring how much location matters for young entrepreneurs starting a business. Here are some of the examples we chose to highlight:

Population Growth

- 94 metropolitan areas in the United States saw their populations shrink over the most recent year - not a good sign for a business seeking to tap new markets.
- Of the cities that grew during the past year, only 26 saw growth of more than 2 percent.

Education

- In terms of access to a well-educated workforce, 36 cities in the U.S. have young adult populations with 40 percent or more holding bachelors degrees or better.
- In contrast, in 56 U.S. cities, the portion of the young adult population with a bachelors degree or better is less than 20 percent.

Affluence

- In 20 U.S. cities, a lack of [affluence among young adults](#) does not promise a great environment for success, with less than 20 percent of 18- to 24-year-olds earning at least three times the poverty level.

- There are 146 cities in the U.S. where 40 percent or more of young adults earn at least three times the poverty level.

Taxes

- Taxes can be a headwind or a tailwind to success. This presents a complex mix of factors to assess because -- besides corporate taxes taking their cut from a business -- personal, sales, property and unemployment insurance taxes can also affect the bottom line.

Best places for millennials to start a business in 2019

Are you a young adult thinking about starting a business in 2019?

Here's an immediate bonus for you: MoneyRates intended to determine the ten best cities for startups in 2019; but due to a tie for tenth place, the list actually offers 11 cities.

Here are those 11 locations and some highlights about what makes them the best places for millennials to start a business in 2019.

1. Midland, TX



After not even cracking the top 100 cities for population growth the year before, Midland's growth rate of 4.32 percent in the most recent year available was the highest in the nation.

With this growth comes prosperity, as demonstrated by the 47.1 percent of Midland's 18-to-24-year-old population earning at least three times the poverty level. That's nearly 10 percent better than the national average of 37.4 percent.

While Texas is not one of the best states in terms of its business tax environment, the Tax Foundation does rate it as better than average.

The one area of concern about starting a business in Midland is that you should think carefully about what kind of workforce you need and where that workforce would come from. With 27.6 percent of its young adult population holding at least a bachelors degree, Midland is a little below the national average of 28.7 percent.

2. Crestview/Fort Walton Beach/Destin, FL



This sector of Florida's panhandle is considered as a single metropolitan area by the Census Bureau. It also can be considered fertile ground for business startups. After tying for fifth in this study last year, the Crestview area rose to second due to its all-round favorable characteristics.

Crestview/Fort Walton Beach/Destin was above average for growth rate, youth affluence and young-adult education. Also, from a tax standpoint, it helps to be based in Florida.

The Tax Foundation rated Florida fourth nationally for overall business tax environment.

3. (tie) North Port/Sarasota/Bradenton, FL



The west coast of Florida is popular with tourists and retirees alike, and should also be a magnet for young entrepreneurs.

North Port/Sarasota/Bradenton tied with the Crestview area for fifth last year and, like Crestview, improved its ranking this year.

Clearly, young adults in the North Port area are thriving, with 51.2 percent of 18- to 24-year-olds earning at least three times the poverty level. That ranks it first in youth affluence among the 25 fastest-growing cities in the U.S.

3. (tie) St. George, UT



This city in the southwest corner of Utah finished 10th in this study last year and now has improved to a tie for third place.

Over the past year, it was the third-fastest-growing city in the nation and, with 44.9 percent of young adults earning at least three times the poverty level, it represents an affluent market.

It also helps that Utah's business tax environment was rated one of the ten best overall by the Tax Foundation.

5. Raleigh, NC



Though it has slipped a little from last year's second-place ranking, Raleigh still presents some promising characteristics to young entrepreneurs.

Fully 46.2 percent of young adults there have at least a bachelors degree, and 44.2 percent of them earn at least three times the poverty level. So Raleigh offers both a well-educated talent pool and an affluent market to tap into.

6. Provo/Orem, UT



Like St. George, the Provo/Orem metropolitan area benefits from Utah's favorable tax climate. It also is one of the ten fastest-growing metro areas in the nation.

At 41.3 percent of 18- to 24-year-olds holding at least a bachelors degree, the city has a well-educated, young-adult population.

Though it was unable to repeat last year's number-one ranking in this study, Provo/Orem still looks like an excellent location for young entrepreneurs.

7. (tie) Austin/Round Rock, TX



Among other things, the Austin/Round Rock metropolitan area should get credit for consistency, as this is a repeat of last year's seventh-place ranking. Its greatest strength is a well-educated population of young adults, with 44.8 percent holding at least a bachelors degree.

7. (tie) Bend/Redmond, OR



This is one of the ten fastest-growing metropolitan areas in the nation, and Oregon also ranks in the top ten for business-tax environment. Throw in an above-average proportion of young adults with at least a bachelors degree and it's easy to see why a startup might flourish here.

9. Orlando/Kissimmee/Sanford, FL



This central Florida community repeats last year's ninth-place ranking thanks primarily to a well-educated, young-adult population and Florida's favorable business-tax environment.

10. (tie) Daphne/Fairhope/Foley, AL



Though it may not be well-known nationally, this metropolitan area has a strategic location just across the bay from Mobile, Alabama and not far west from Pensacola, Florida.

Though Alabama's business-tax environment is not particularly favorable, the Daphne/Fairhope/Foley region scored very well for affluence with 46.8 percent of its young-adult population earning at least three times the poverty rate.

10. (tie) Greeley, CO



After falling not far outside the top ten last year, Greeley moves up this year thanks largely to being one of the ten fastest-growing cities in the nation. With 40.7 percent of its 18- to 24-year-olds earning at least three times the poverty rate, Greeley demonstrates that it is a place where young entrepreneurs can thrive.

These are just 11 cities and, naturally, they are not the only places in the United States where a new business could thrive. However, this analysis is intended to point out just how much of a difference location can make, and what local factors a young entrepreneur should consider in deciding where to start a business.

Here is the full listing of best cities for entrepreneurs in 2019:

Overall Rank	City
1	Midland, TX Metro Area
2	Crestview-Fort Walton Beach-Destin, FL Metro Area
3	North Port-Sarasota-Bradenton, FL Metro Area
3	St. George, UT Metro Area
5	Raleigh, NC Metro Area
6	Provo-Orem, UT Metro Area
7	Austin-Round Rock, TX Metro Area
7	Bend-Redmond, OR Metro Area

Overall Rank	City
9	Orlando-Kissimmee-Sanford, FL Metro Area
10	Daphne-Fairhope-Foley, AL Metro Area
10	Greeley, CO Metro Area
12	Lakeland-Winter Haven, FL Metro Area
13	Boise City, ID Metro Area
14	Sebastian-Vero Beach, FL Metro Area
15	Cape Coral-Fort Myers, FL Metro Area
15	Coeur d'Alene, ID Metro Area
15	Odessa, TX Metro Area
18	Las Vegas-Henderson-Paradise, NV Metro Area
19	Olympia-Tumwater, WA Metro Area
20	Phoenix-Mesa-Scottsdale, AZ Metro Area
21	Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metro Area
21	Sherman-Denison, TX Metro Area
23	Idaho Falls, ID Metro Area
24	Clarksville, TN-KY Metro Area
25	Spartanburg, SC Metro Area