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**VETERAN ENTREPRENEUR
INVESTMENT PROGRAM**

**2021 TOP US CITIES FOR
VETERAN
ENTREPRENEURS**

METHODOLOGY

Edelman Data & Intelligence (DxI) collected a robust set of quantitative data from existing PenFed Foundation partners and openly available data sources to paint the full picture of veteran support, city characteristics and entrepreneurship ability across the US and rank US Metropolitan areas (MSAs) by these characteristics. Using a custom scoring algorithm, DxI highlighted the MSAs that are the best places for Veteran Entrepreneurship.



OUR DATA

30+ Data Sources*

- Government Databases (ex. BLS)
- Census Information
- Private Foundations (ex. Kauffman)
- NAVSO and VA

100% Quantitative Data

390 Metropolitan Statistical Areas (MSAs) Analyzed**

SCALED Data collection by scraping open source data on veteran support networks across the web

SCORING APPROACH

4 Main categories evaluated

- Livability
- Growing Economy
- Support for Veterans
- Ability to Start a Business

10-15 Weighted factors in each category*

NORMALIZED Data to account for differences in data sources

TRANSFORMED Data to eliminate any bias within the dataset

*Full lists can be found in the appendix

**Top 100 can be found in the appendix



KEY FACTORS THAT AFFECT VETERAN ENTREPRENEURSHIP*

LIVABILITY

1. Change in Standard of Living
2. Park Score
3. Public Transit Rank
4. Food/Drinking Establishments per Capita
5. Health Establishments per Capita
6. Best Schools
7. Infant Care Cost
8. Children living in Child Care Deserts
9. Homelessness
10. COVID Cases
11. Regional Price Parities

GROWING ECONOMY

1. Unemployment Rate
2. Change in Unemployment Rate
3. Job Growth
4. Productivity Growth
5. Change in Median Earnings
6. Number of New Businesses
7. Spouse Unemployment %
8. PPP Loans Given
9. Jobs Created by PPP loans
10. Investment in New Housing
11. Bankruptcy Filings
12. Foreclosure Rate
13. Median Home Price Increase
14. SMB COVID Loan Programs
15. GDP per Capita

SUPPORT FOR VETERANS

1. Places with Veteran Support Groups
2. Veteran Unemployment Rate
3. VA Expenditures per Veteran
4. VA Medical Care Expenditures
5. VA Accredited Attorneys
6. Number of Student Veterans on the GI Bill
7. Veteran Concentration in Cities
8. National Veteran Associations
9. Veteran Homelessness
10. Local Veteran Associations

ABILITY TO START A BUSINESS

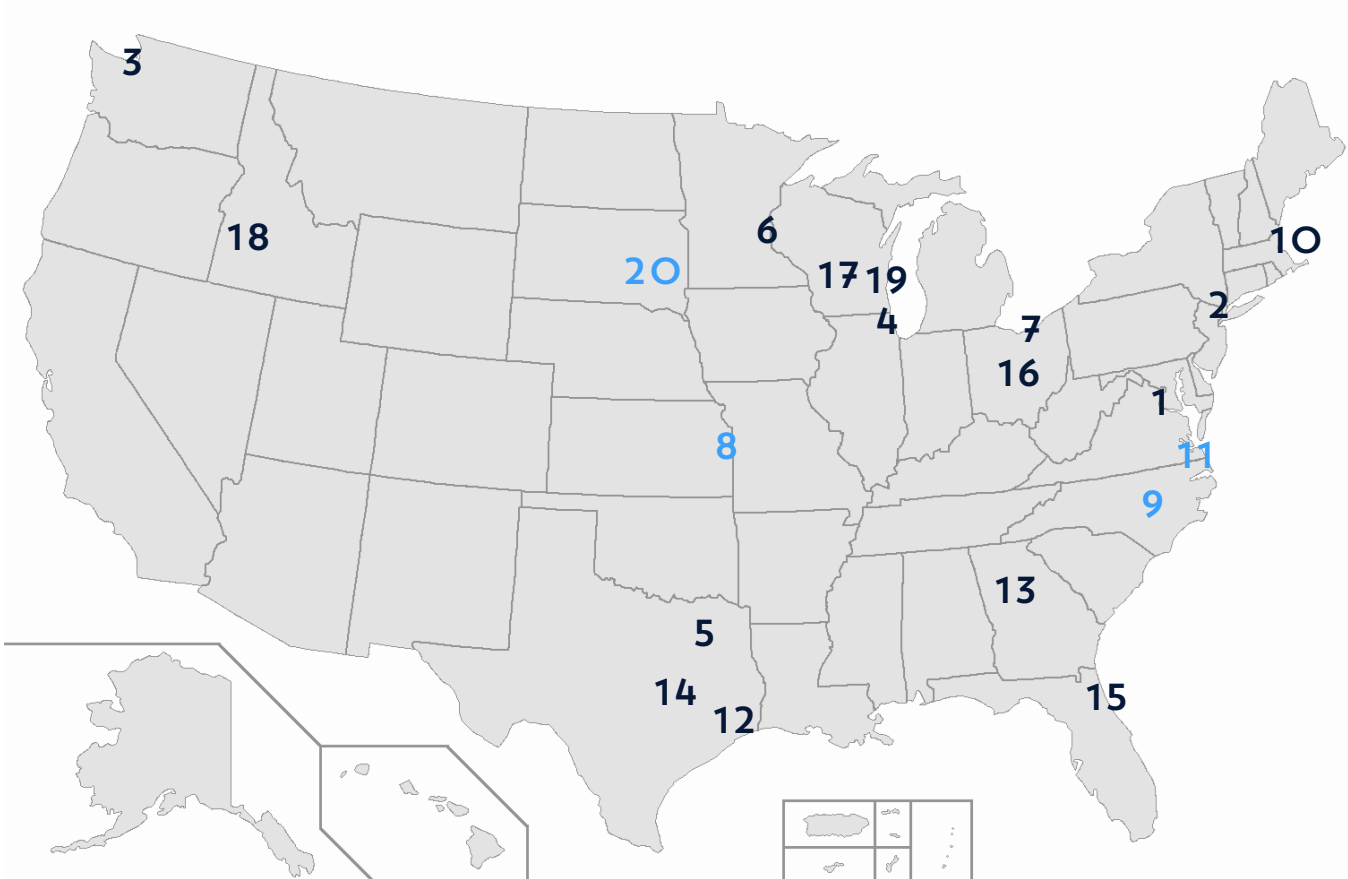
1. Top Corp. Income Tax Rate
2. VC Investment
3. Veteran Entrepreneurs
4. Incubators
5. Rate of New Entrepreneurs
6. Opportunity Entrepreneurship Share
7. Survival Rate
8. Kauffman Index
9. Share of Coworking Space
10. Most Educated Labor Force
11. Veteran Focused Incubators

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



VETERAN ENTREPRENEUR INVESTMENT PROGRAM

TOP 20 CITIES



- 1 Washington – Arlington – Alexandria +1
- 2 New York – Newark – Jersey City -1
- 3 Seattle – Tacoma – Bellevue +1
- 4 Chicago – Naperville - Elgin -1
- 5 Dallas – Fort Worth – Arlington +2
- 6 Minneapolis – St. Paul – Bloomington -1
- 7 Cleveland-Elyria +3
- 8 Kansas City +10
- 9 Raleigh +6
- 10 Boston – Cambridge - Newton -4
- 11 Virginia Beach – Norfolk – Newport News +13
- 12 Houston – The Woodlands – Sugar Land -1
- 13 Atlanta – Sandy Springs – Roswell +3
- 14 Austin – Round Rock -1
- 15 Jacksonville +4
- 16 Columbus +4
- 17 Madison -9
- 18 Boise City -1
- 19 Milwaukee – Waukesha – West Allis -5
- 20 Sioux Falls +23

EDELMAN DXI / PENFED CREDIT UNION

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

Key

- Top City
- Emerging City

TOP 5 FOR EACH MAJOR CATEGORY



LIVABILITY

- 1 McAllen-Edinburg-Mission, TX Metro Area
- 2 Chicago-Naperville-Elgin, IL-IN-WI Metro Area
- 3 Raleigh, NC Metro Area
- 4 Milwaukee-Waukesha-West Allis, WI Metro Area
- 5 Atlanta-Sandy Springs-Roswell, GA Metro Area



GROWING ECONOMY

- 1 Boise City, ID Metro Area
- 2 Rapid City, SD Metro Area
- 3 Lincoln, NE Metro Area
- 4 Fayetteville-Springdale-Rogers, AR-MO Metro Area
- 5 Fort Collins, CO Metro Area



SUPPORT FOR VETERANS

- 1 Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area
- 2 New York-Newark-Jersey City, NY-NJ-PA Metro Area
- 3 Chicago-Naperville-Elgin, IL-IN-WI Metro Area
- 4 Dallas-Fort Worth-Arlington Metro Area
- 5 Seattle-Tacoma-Bellevue, WA Metro Area



ABILITY TO START A BUSINESS

- 1 San Francisco-Oakland-Hayward, CA Metro Area
- 2 Cleveland-Elyria, OH Metro Area
- 3 Boston-Cambridge-Newton, MA-NH Metro Area
- 4 Jacksonville, FL Metro Area
- 5 Pittsburgh, PA Metro Area



MAIN DRIVERS OF SUCCESS

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



LIVABILITY

1. Have a relatively cheap cost of living
2. Have an increased standard of living YoY
3. Have access to affordable and nearby childcare and school systems



GROWING ECONOMY

1. Have a low unemployment rate, and a small increase relative to last year
2. Have a low business bankruptcy filings and foreclosure rate
3. Have strong job growth



SUPPORT FOR VETERANS

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



ABILITY TO START A BUSINESS

1. Have a low corporate income tax
2. Have a high number of veteran entrepreneurs
3. Have a highly educated workforce



EMERGING CITIES

Cities in the top 20 that made the biggest jump in the rankings this year

	<u>CITY</u>	<u>STRENGTHS</u>	<u>OPPORTUNITIES</u>
1	SIOUX FALLS, SD METRO AREA +23	National Vet Associations & Lower Veteran Unemployment Rate	Median Earnings & City Veteran Concentration
2	VIRGINA BEACH-NORFOLK-NEWPORT NEWS, VA-NC METRO AREA +13	Good Schools & Lower Cost of Living (Regional Price Parity)	Rate of New Entrepreneurs & Number of Incubators
3	KANSAS CITY, MO-KS METRO AREA +10	Fewer Bankruptcy Filings & Higher Veteran Concentration	Venture Capital Investments & Student Veteran Bills
4	RALEIGH, NC METRO AREA +6	Good Schools & Lower Unemployment Rate	Student Veteran Bills & Median Home Price Increase



NEXT 10 UP

<u>OVERALL RANK</u>	<u>MSA</u>	<u>BIGGEST NEED TO BECOME AN EMERGING MSA</u>	<u>YoY CHANGE</u>
21	Rapid City, SD Metro Area	More New Business	+16
22	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	More Student Veteran Bills	-13
23	Omaha-Council Bluffs, NE-IA Metro Area	More Food/Drinking Establishments	-
24	Tampa-St. Petersburg-Clearwater, FL Metro Area	Higher School Ranking	+7
25	St. Louis, MO-IL Metro Area	More Small Business Programs	+4
26	McAllen-Edinburg-Mission, TX Metro Area	Higher Educated Labor Force	-
27	Los Angeles-Long Beach-Anaheim, CA Metro Area	Lower Cost of Living (Regional Price Parity)	-15
28	Portland-Vancouver-Hillsboro, OR-WA Metro Area	Lower Percent of Children in Child Care Desert	-
29	Cincinnati, OH Metro Area	Increased Investment in New Housing	-8
30	Detroit-Warren-Dearborn, MI Metro Area	More Student Veteran Bills	+4

BIGGEST MOVERS

Within the top 30, several cities made significant moves throughout the rankings. Highlighted below are the largest risers and fallers, and the categories that drove most of that change.

LARGEST RISERS

Largest Category Rise

SIoux FALLS, SD

+23

Support for Veterans – Increase in National Veteran Associations

RAPID CITY, SD

+16

Growing Economy – Decrease in Unemployment Rate

LARGEST FALLERS

Largest Category Fall

LOS ANGELES-LONG BEACH-ANAHEIM, CA

-15

Livability – Increase in Cost of Living (Regional Price Parities)

PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-MD

-13

Support for Veterans – Decrease in Number of Student Veteran Bills

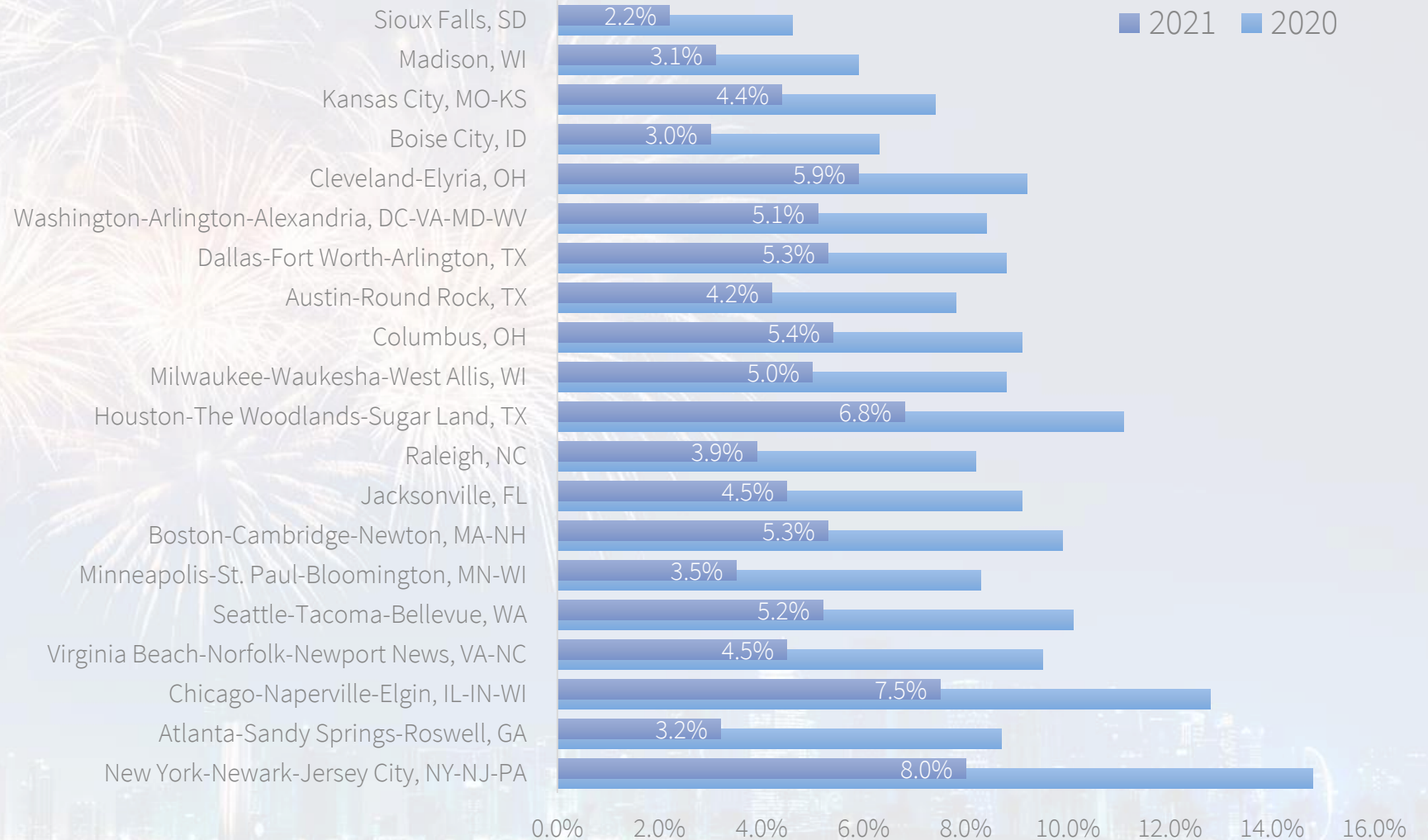
★ EMPLOYMENT GROWTH ACROSS THE U.S.

10.2%
2020 U.S.
Unemployment Rate

Nationally the
unemployment rate
decreased **4.8 PTS**
over 12 months

5.4%
2021 U.S.
Unemployment Rate

2021 vs 2020 Unemployment Rate





TRENDING METRO AREAS

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

	<u>CITY</u>	<u>2019 RANKING</u>		<u>2020 RANKING</u>		<u>2021 RANKING</u>
1	RALEIGH, NC METRO AREA +18	27	— +12 →	15	— +6 →	9
2	VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC METRO AREA +29	40	— +16 →	24	— +13 →	11
3	TAMPA-ST. PETERSBURG-CLEARWATER, FL METRO AREA +26	50	— +19 →	31	— +7 →	24
4	FAYETTEVILLE-SPRINGDALE-ROGERS, AR-MO METRO AREA +34	66	— +25 →	41	— +9 →	32

APPENDIX



CATEGORIES AND DESCRIPTIONS (LIVABILITY & SUPPORT FOR VETERANS)

CATEGORY	SUBCATEGORY	DESCRIPTION	WEIGHT
LIVABILITY – 20% - The degree to which an MSA provides the amenities one looks for when choosing where to live	Change in Standard of Living	YoY change in the standard of living per capita	15.0%
	Park Score	Score for parks relative to other cities	5.0%
	Public Transit Rank	Ranking of public transit relative to other cities	5.0%
	Food/Drinking Establishments per Capita	Food/drink establishments per Capita	5.0%
	Health Establishments per Capita	Health establishments per capita	10.0%
	Best Schools	Best primary public schools ranking	10.0%
	Infant Care Costs	Average Annual Infant Care Cost	7.5%
	Children in child Care Deserts	Percent of population that lives in a child care desert	7.5%
	Homelessness	Homelessness	5.0%
	COVID cases	Number of COVID cases	5.0%
	Regional Price Parities	Price parity score for an MSA compared to average	25.0%
SUPPORT FOR VETERANS – 30% - The degree to which an MSA provides the foundation for a veteran to have support and provided with the tools to be successful	Places with Veteran Support Groups	Number of Community Support Groups with Military Focus per Capita	10.0%
	Veteran Unemployment Rate	Veteran Unemployment Rate	15.0%
	VA Expenditures per Veteran	VA Expenditures per Veteran	5.0%
	VA Medical Care Expenditures	VA Medical Care Expenditures per Veteran	5.0%
	VA Accredited Attorneys	VA Accredited Attorneys per Capita	5.0%
	Number of Student Veterans on the GI Bill	Student Veterans on GI Bill & Post 9/11 Bill per Capita	10.0%
	Veteran Concentration in Cities	Veteran Concentration in Cities	15.0%
	National Vet. Associations	National Vet. Associations per Capita	10.0%
	Total Veteran Homelessness	Number of Homeless Vets per capita	5.0%
	Local Vet. Associations	Local Vet. Associations per Capita	20.0%



CATEGORIES AND DESCRIPTIONS (ECONOMY & STARTING A BUSINESS)

CATEGORY	SUBCATEGORY	DESCRIPTION	WEIGHT
GROWING ECONOMY- 25% - The relative growth of an MSA across multiple economic indicators and economic resiliency to COVID-19	Unemployment Rate	Current unemployment rate	7.5%
	Change in Employment Rate	YoY change in the employment rate	7.5%
	Job Growth	YoY change in jobs	5.0%
	Productivity Growth	YoY change in GDP	5.0%
	Change in Median Earnings	YoY change in median earnings	5.0%
	Number of new businesses	New businesses started, per capita	5.0%
	Spouse Unemployment %	Unemployment rate for working spouses	5.0%
	PPP Loans	PPP Loan Amount Distributed	2.5%
	PPP Jobs Created	Jobs Created from PPP Funds	2.5%
	Housing Supply	Investment in New Housing	5.0%
	Bankruptcy Filings	Business Bankruptcy Filings	7.5%
	Foreclosure Rate	Foreclosure Rate	7.5%
	Housing Demand	Median Home Price Increase	5.0%
	SMB Programs	SMB Programs	10.0%
	GDP per Capita	GDP per capita	20.0%
	ABILITY TO START A BUSINESS - 25% - The ability of an MSA to foster new business development and entrepreneurial success	Top Corporate Tax Income Rate (State Level)	Top Corporate Tax Income Rate (State Level)
VC Investment/New Business Loans		Value of Venture Capital Investment/New Business Loans per Capita	15.0%
Veteran Entr. Per MSA		Veteran Entrepreneur Per MSA	15.0%
Incubators		Incubators per Capita	10.0%
Rate of New Ent.		Rate of New Entrepreneurs based on Kauffman	10.0%
Opp. Ent. Share		% of entrepreneurs who start a business based on opportunity - based on Kauffman statistics	10.0%
Survival Rate		5 year Survival Rate based on Kauffman statistics	7.5%
Kauffman Index		Kauffman Index	0.0%
Share of Coworking Space		Share of Coworking Space among overall retail space	0.0%
Most Educated Labor Force		Most Educated Labor Force	7.5%
Vet Focused Incubators		Vet Focused Incubators per capita	15.0%



FULL LIST OF DATA SOURCES

- The Brookings Institution
- The Trust for Public Land
- WalletHub
- US Census Data
- US News & World Report
- Bureau of Economic Analysis
- US Census/American Community Survey
- U.S. Small Business Administration
- Bureau of Labor Statistics
- Measuring Communities
- Department of Veteran Affairs
- Tax Foundation
- Baker Institute
- Survey of Business Owners/U.S. Census
- Ewing Marion Kauffman Foundation
- Yelp
- Statista
- U.S. Census
- Google
- National Association of Veteran Serving Organizations (NAVSO)
- Washington Post
- Central Intelligence Agency
- Guam Economic Development Authority
- Guam Regional Transit Authority
- Child Care Deserts
- Economic Policy Institute
- Realtor.com
- Construction Coverage
- USA Today
- US Interagency Council on Homelessness
- Institute for local self-reliance
- NPR



TOP 100 MSA'S OVERALL (1/5)

Ranking	MSA	Score	Strongest Category
1	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	0.317	Support for Veterans
2	New York-Newark-Jersey City, NY-NJ-PA Metro Area	0.306	Support for Veterans
3	Seattle-Tacoma-Bellevue, WA Metro Area	0.292	Support for Veterans
4	Chicago-Naperville-Elgin, IL-IN-WI Metro Area	0.291	Livability
5	Dallas-Fort Worth-Arlington, TX Metro Area	0.283	Support for Veterans
6	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	0.276	Support for Veterans
7	Cleveland-Elyria, OH Metro Area	0.275	Ability to Start a Business
8	Kansas City, MO-KS Metro Area	0.273	Support for Veterans
9	Raleigh, NC Metro Area	0.271	Livability
10	Boston-Cambridge-Newton, MA-NH Metro Area	0.271	Ability to Start a Business
11	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	0.271	Support for Veterans
12	Houston-The Woodlands-Sugar Land, TX Metro Area	0.270	Support for Veterans
13	Atlanta-Sandy Springs-Roswell, GA Metro Area	0.270	Livability
14	Austin-Round Rock, TX Metro Area	0.268	Livability
15	Jacksonville, FL Metro Area	0.266	Ability to Start a Business
16	Columbus, OH Metro Area	0.265	Ability to Start a Business
17	Madison, WI Metro Area	0.264	Livability
18	Boise City, ID Metro Area	0.262	Growing Economy
19	Milwaukee-Waukesha-West Allis, WI Metro Area	0.262	Livability
20	Sioux Falls, SD Metro Area	0.262	Growing Economy



TOP 100 MSA'S OVERALL (2/5)

Ranking	MSA	Score	Strongest Category
21	Rapid City, SD Metro Area	0.261	Growing Economy
22	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	0.260	Support for Veterans
23	Omaha-Council Bluffs, NE-IA Metro Area	0.258	Livability
24	Tampa-St. Petersburg-Clearwater, FL Metro Area	0.257	Support for Veterans
25	St. Louis, MO-IL Metro Area	0.256	Livability
26	McAllen-Edinburg-Mission, TX Metro Area	0.256	Livability
27	Los Angeles-Long Beach-Anaheim, CA Metro Area	0.255	Support for Veterans
28	Portland-Vancouver-Hillsboro, OR-WA Metro Area	0.255	Ability to Start a Business
29	Cincinnati, OH-KY-IN Metro Area	0.254	Livability
30	Detroit-Warren-Dearborn, MI Metro Area	0.253	Support for Veterans
31	Phoenix-Mesa-Scottsdale, AZ Metro Area	0.252	Support for Veterans
32	Fayetteville-Springdale-Rogers, AR-MO Metro Area	0.251	Growing Economy
33	San Antonio-New Braunfels, TX Metro Area	0.250	Support for Veterans
34	San Francisco-Oakland-Hayward, CA Metro Area	0.250	Ability to Start a Business
35	Pittsburgh, PA Metro Area	0.250	Ability to Start a Business
36	Wichita, KS Metro Area	0.249	Ability to Start a Business
37	Baltimore-Columbia-Towson, MD Metro Area	0.248	Ability to Start a Business
38	Lincoln, NE Metro Area	0.247	Growing Economy
39	Ann Arbor, MI Metro Area	0.246	Ability to Start a Business
40	Canton-Massillon, OH Metro Area	0.245	Ability to Start a Business



TOP 100 MSA'S OVERALL (3/5)

Ranking	MSA	Score	Strongest Category
41	Grand Island, NE Metro Area	0.245	Growing Economy
42	Denver-Aurora-Lakewood, CO Metro Area	0.244	Growing Economy
43	Akron, OH Metro Area	0.244	Ability to Start a Business
44	Augusta-Richmond County, GA-SC Metro Area	0.244	Support for Veterans
45	Toledo, OH Metro Area	0.244	Livability
46	Dayton, OH Metro Area	0.244	Ability to Start a Business
47	Huntsville, AL Metro Area	0.243	Growing Economy
48	Provo-Orem, UT Metro Area	0.243	Growing Economy
49	Fargo, ND-MN Metro Area	0.243	Growing Economy
50	Amarillo, TX Metro Area	0.242	Support for Veterans
51	Colorado Springs, CO Metro Area	0.240	Ability to Start a Business
52	Birmingham-Hoover, AL Metro Area	0.240	Support for Veterans
53	Jonesboro, AR Metro Area	0.240	Livability
54	Lexington-Fayette, KY Metro Area	0.240	Ability to Start a Business
55	Richmond, VA Metro Area	0.240	Support for Veterans
56	Des Moines-West Des Moines, IA Metro Area	0.240	Support for Veterans
57	Chattanooga, TN-GA Metro Area	0.240	Support for Veterans
58	St. Cloud, MN Metro Area	0.239	Growing Economy
59	Tulsa, OK Metro Area	0.239	Livability
60	Springfield, MO Metro Area	0.239	Growing Economy



TOP 100 MSA'S OVERALL (4/5)

Ranking	MSA	Score	Strongest Category
61	Grand Rapids-Wyoming, MI Metro Area	0.239	Livability
62	Little Rock-North Little Rock-Conway, AR Metro Area	0.239	Livability
63	Jefferson City, MO Metro Area	0.239	Growing Economy
64	Beckley, WV Metro Area	0.238	Livability
65	Albany, GA Metro Area	0.238	Livability
66	Memphis, TN-MS-AR Metro Area	0.238	Livability
67	Cheyenne, WY Metro Area	0.238	Growing Economy
68	Portland-South Portland, ME Metro Area	0.237	Support for Veterans
69	Jackson, MS Metro Area	0.237	Livability
70	Huntington-Ashland, WV-KY-OH Metro Area	0.237	Ability to Start a Business
71	Louisville/Jefferson County, KY-IN Metro Area	0.236	Support for Veterans
72	Topeka, KS Metro Area	0.236	Growing Economy
73	Knoxville, TN Metro Area	0.236	Ability to Start a Business
74	Savannah, GA Metro Area	0.235	Support for Veterans
75	Grand Forks, ND-MN Metro Area	0.235	Growing Economy
76	Fayetteville, NC Metro Area	0.235	Ability to Start a Business
77	St. Joseph, MO-KS Metro Area	0.235	Growing Economy
78	Auburn-Opelika, AL Metro Area	0.235	Growing Economy
79	Cape Girardeau, MO-IL Metro Area	0.235	Growing Economy
80	Danville, IL Metro Area	0.235	Support for Veterans



TOP 100 MSA'S OVERALL (5/5)

Ranking	MSA	Score	Strongest Category
81	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	0.234	Support for Veterans
82	Idaho Falls, ID Metro Area	0.234	Growing Economy
83	Tucson, AZ Metro Area	0.234	Ability to Start a Business
84	Oklahoma City, OK Metro Area	0.234	Support for Veterans
85	Daphne-Fairhope-Foley, AL Metro Area	0.233	Growing Economy
86	Spokane-Spokane Valley, WA Metro Area	0.233	Ability to Start a Business
87	Sioux City, IA-NE-SD Metro Area	0.233	Growing Economy
88	Mansfield, OH Metro Area	0.233	Livability
89	Decatur, AL Metro Area	0.233	Growing Economy
90	Columbia, MO Metro Area	0.232	Growing Economy
91	Lima, OH Metro Area	0.232	Livability
92	Tuscaloosa, AL Metro Area	0.232	Growing Economy
93	Salt Lake City, UT Metro Area	0.232	Ability to Start a Business
94	Reno, NV Metro Area	0.231	Growing Economy
95	Warner Robins, GA Metro Area	0.231	Support for Veterans
96	Corpus Christi, TX Metro Area	0.231	Ability to Start a Business
97	Hartford-West Hartford-East Hartford, CT Metro Area	0.231	Ability to Start a Business
98	Albuquerque, NM Metro Area	0.231	Support for Veterans
99	Walla Walla, WA Metro Area	0.231	Support for Veterans
100	Charlotte-Concord-Gastonia, NC-SC Metro Area	0.231	Support for Veterans



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