MILKEN INSTITUTE

Best-Performing Cities 2023

THRIVING IN A CHANGING ECONOMIC LANDSCAPE

Maggie Switek, PhD, Hyeongyul Roh, PhD,
Lawson Mansell, and Katherine Sacks, PhD

ABOUT THE MILKEN INSTITUTE

The Milken Institute is a nonprofit, nonpartisan think tank focused on accelerating measurable progress on the path to a meaningful life. With a focus on financial, physical, mental, and environmental health, we bring together the best ideas and innovative resourcing to develop blueprints for tackling some of our most critical global issues through the lens of what's pressing now and what's coming next.

CONTENTS

EXECUTIVE SUMMARY

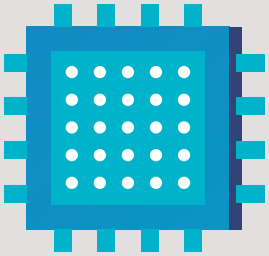
Despite the pressures on metropolitan areas resulting from the COVID-19 pandemic, US cities continue to drive the nation's growth. The 2023 Best-Performing Cities (BPC) index is based mainly on data from 2021, the first full year of recovery following the onset of COVID-19. The effects of the pandemic continued to ripple through the nation in 2021, affecting how people work, where they choose to live, and how they access services. In this changing economic and societal landscape, the BPC rankings provide an objective framework to evaluate the relative performance of US cities.

The BPC index reflects 12 indicators of economic growth and access to opportunities, providing a comprehensive assessment of the performance of cities over the past two years. Analysis of each component of the BPC index offers insights into the factors underlying cities' performances. The online tool accompanying this report allows users to explore how cities perform in terms of the 12 components of the index and to customize their experience based on individual interests.

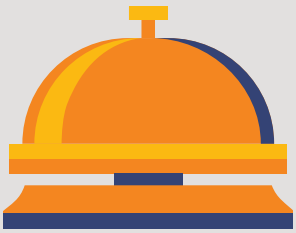
Here are the highlights of the 2023 Best-Performing Cities Index:

For the third consecutive year, **Provo–Orem, UT** ranked as the best-performing large city, due in big part to its strong five-year job and wage growth and a vigorous high-tech sector. Among small cities, **Idaho Falls, ID** regained the first position after falling to the fifth spot in last year's rankings. Like Provo's, Idaho Falls' rise to the top was fostered by strong job and wage growth over the past five years and a robust high-tech presence.

Austin–Round Rock, TX and **Raleigh, NC** ranked as the second and third large cities in this year's rankings. Both Austin and Raleigh have strong high-tech sectors, ranking 12th and 10th, respectively, in high-tech GDP concentration. As a result, the rapid job and wage growth experienced by high tech in recent years was reflected in these cities' labor markets: Austin ranked among the top five large cities in performance of all four one- and five-year job and wage growth components of the index, while Raleigh ranked 14th and 15th in five-year job and wage growth, and 11th and 26th in one-year job and wage growth.



While high-tech industries continue to have a greater presence in large cities, many top-performing small cities experienced accelerated high-tech growth over the past five years. This was particularly true for **Missoula, MT**, which had a 96.4 percent five-year increase in its high-tech GDP, earning the city the first position among all cities (large and small) in this metric. Other small cities with rapid five-year high-tech GDP growth include **Logan and St. George, UT, Coeur d'Alene, ID**, and **Wenatchee, WA**. All these small cities exhibited faster high-tech GDP growth than any of the top-ranked large cities.



As cities reopened and traveling resumed, the leisure and hospitality sector grew rapidly, and this was reflected in movements in this year's BPC rankings. **Atlantic City, NJ** experienced the biggest increase in ranking, rising 131 places to 53rd position. Among large cities, **Asheville, NC** experienced the biggest gain, moving up 118 spots to 47th place. Like Atlantic City's, Asheville's gain was driven largely by the recovery of its leisure and hospitality sector. Other large cities with strong hospitality markets that demonstrated big gains in this year's rankings include **Las Vegas–Henderson–Paradise, NV** and **Myrtle Beach–Conway–North Myrtle Beach, SC–NC**. These gains reflected strong job and wage growth in all these cities.

Increasing the supply of affordable housing remains an issue of pressing importance in top-ranked cities. Most of this year's top-performing cities (four out of 10 large, and 10 out of 14 small) fell in the bottom half of the rankings in percentage of households with affordable housing over 2021. **Fayetteville–Springdale–Rogers, AR–MO** and **The Villages, FL** were the main outliers, performing relatively well in this area: Fayetteville ranked second among large cities and The Villages ranked fourth among small cities in percentage of households with affordable housing based on 2021 data.

Internet access is vital in the aftermath of the COVID-19 pandemic. Yet many US small cities struggle to provide adequate broadband access for their residents. While this mostly affects cities that fall in the bottom of this year's rankings, some top-performing small cities are also affected: **Wenatchee, WA, Bloomington, IN**, and **Burlington, NC**, fall in the bottom half of small cities' rankings in percentage of households with broadband access, ranking 134th, 118th, and 111th, respectively. To ensure sustainable and inclusive future growth, these cities will need to invest in expanding broadband access for their residents.

Best-Performing Large City:

PROVO–OREM, UTAH

Provo–Orem, UT ranks first for the third consecutive year. Between 2016 and 2021, Provo experienced a rapid labor-market expansion, ranking first in five-year growth of both jobs and wages. Provo's job and wage growth was driven in part by its expanding high-tech sector: The city ranked 12th in five-year high-tech growth in this year's BPC rankings. Home to Brigham Young University, the city benefits from the school's reputation and contribution to the qualified workforce, which help attract high-tech companies in search of talent. With its well-established network of tech professionals, entrepreneurs are now also using Provo as a launching pad for their own businesses in the area.

Despite its continuous strong performance, Provo dropped to the 34th position in short-term job growth and to the 48th position in one-year high-tech GDP growth, indicating that other large cities are beginning to catch up to Provo in these areas. Provo also ranked low in housing affordability, though the city has shown progress in this component of the index. Between BPC 2021 and this year's rankings, Provo moved up from 61st to 46th place in housing affordability calculated by using the most recent year's data.

Table 1. Tier 1 Large Cities

	2023 Rank	2022 Rank	Change
Provo–Orem, UT	1	1	0
Austin–Round Rock, TX	2	2	0
Raleigh, NC	3	16	+13
Nashville–Davidson–Murfreesboro–Franklin, TN	4	25	+21
Boise City, ID MSA	5	15	+10
Dallas–Plano–Irving, TX	6	10	+4
Wilmington, NC	7	21	+14
Phoenix–Mesa–Scottsdale, AZ	8	4	-4
Fayetteville–Springdale–Rogers, AR–MO	9	8	-1
Palm Bay–Melbourne–Titusville, FL	10	5	-5

Source: *Milken Institute (2023)*

Best-Performing Small City:

IDAHO FALLS, IDAHO

Idaho Falls, ID returns to the top of the rank among small cities, after falling to fifth place in 2022. Like Provo's, Idaho Falls' rise to the top was buoyed by strong job and wage growth: Idaho Falls ranked third in five-year job growth and seventh in five-year wage growth in this year's rankings.

The city is home to the Idaho National Laboratory, which employs a large team of scientists conducting research in areas of ongoing importance, including renewable energy and nuclear physics. With its highly qualified workforce, the city ranked eighth among small cities in high-tech GDP concentration and 31st in five-year high-tech GDP growth. Notably, Idaho Falls performed well relative to its peers in all components of the BPC index, having risen considerably in housing affordability and short-term job growth in this year's rankings.

Table 2. Tier 1 Small Cities

	2023 Rank	2022 Rank	Change
Idaho Falls, ID	1	5	+4
Logan, UT–ID	2	1	-1
St. George, UT	3	2	-1
The Villages, FL	4	65	+61
Bend–Redmond, OR	5	10	+5
Punta Gorda, FL	6	20	+14
Coeur d'Alene, ID	7	3	-4
Missoula, MT	8	25	+17
Sioux Falls, SD	9	7	-2
Gainesville, GA	10	8	-2
Prescott, AZ	11	46	+35
Bloomington, IN	12	18	+6
Wenatchee, WA	13	35	+22
Burlington, NC	14	36	+22

Source: *Milken Institute (2023)*

INTRODUCTION

More than three years after the onset of COVID-19, US metropolitan areas are proving their resilience in the face of the economic turmoil created by the pandemic. Despite changing domestic migration patterns, cities remain the main centers of economic activity. In 2021, the metropolitan areas included in the Best-Performing Cities (BPC) rankings generated 89.2 percent of the US gross domestic product (GDP) and were home to 86.3 percent of the country's population. Yet striking differences exist across US metropolitan areas. The effects of the pandemic on US cities varied, depending on each city's primary industry and policy environment. Amid the shifting economic landscape of recent years, the BPC index provides an objective framework for evaluating the relative performance of US cities.

This year's edition of the BPC is based primarily on data from 2021, the first full year of recovery following the onset of the pandemic. Our analysis leverages 12 indicators of economic performance and access to economic opportunities. By including measures of both economic and societal well-being, the BPC rankings present a comprehensive indication of performance of US metropolitan areas.

In addition to ranking US cities, the current BPC report provides analysis of the individual components of the index, offering insights into the factors underlying short- and medium-term performance of metropolitan areas. City leaders and policymakers can use these insights to devise strategies for sustainable economic growth. The report also highlights each city's strengths and areas for potential improvement. Recognizing these opportunities, communities can develop a vision to leverage their strengths and target growth areas to generate economic gains accessible to all.

Components of the Best-Performing Cities Rankings

The BPC index reflects cities' effectiveness at leveraging their resources to promote economic growth and provide their residents with access to essential services and infrastructure. The index is calculated by using 12 measures that fall into three categories: labor market performance, high-tech impact, and access to economic opportunities.

- **Labor market performance** includes short- and medium-term measures of trends in employment and wages reflecting general labor market conditions.
- **High-tech impact** captures the presence and growth of high-tech industries reflecting the cities' rate of success at attracting investment from the digital sector.
- **Access to economic opportunities** reflects cities' ability to provide access to the housing and digital services their residents need to thrive in the current economic environment.

Figure 1 shows the 12 measures used to calculate the BPC index and rankings, grouped into the three categories described above. The BPC online tool allows users to explore how metropolitan areas perform in each of the index's 12 components.

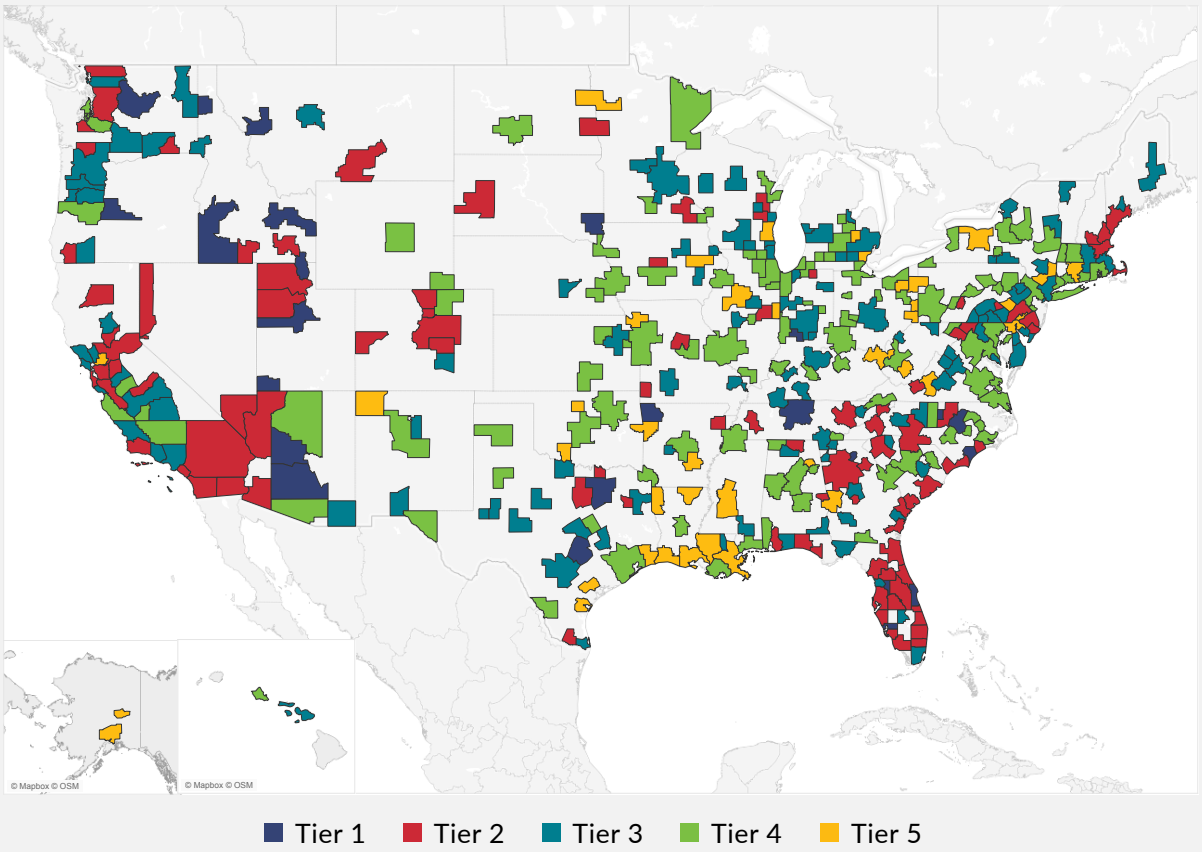
Figure 1. Best-Performing Cities Components

Source: *Milken Institute (2023)*

Breaking Down the Rankings

The BPC rankings include 403 cities defined by using the US Office of Management and Budget delineations of metropolitan statistical areas and metropolitan divisions.[1] To account for the influence of population size, the 403 metropolitan areas are divided into 200 large and 203 small cities, and the BPC rankings are calculated separately for large and small cities. Large and small cities are further divided into five tiers based on the relative performance of cities within their respective groups (large vs. small cities). The number of cities in each tier depends on the distribution of scores along the full range of the index, with the top-performing cities in Tier 1 and bottom-performing cities in Tier 5.[2] Notably, most of the top-performing Tier 1 cities (16 in total: eight large, eight small) are in just six states (Idaho, Utah, Arizona, Texas, Florida, and North Carolina), with the remainder (eight: two large, six small) of Tier 1 cities spread across several states in the West, Midwest, and Southeast regions of the country (see Figure 2).

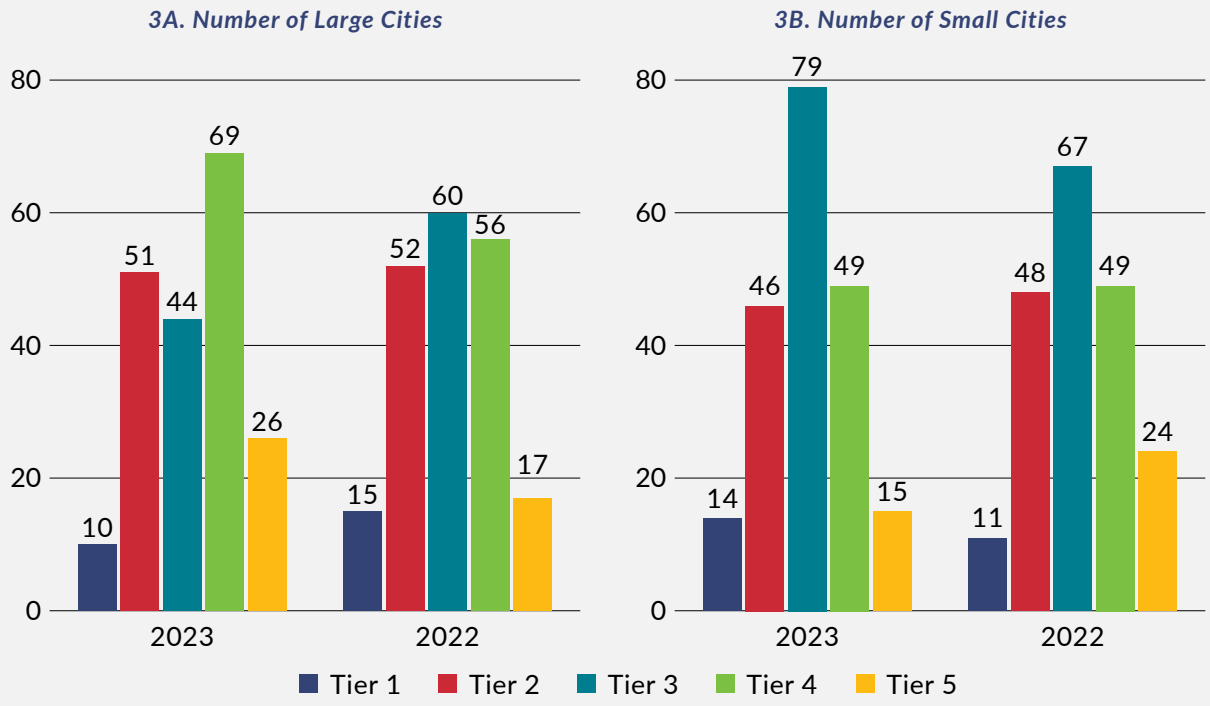
Figure 2. 2023 Best-Performing Cities by Tier



Source: *Milken Institute analysis using Moody's Data Buffet and ACS data (2023)*

This year's distribution of large cities across tiers is characterized by fewer cities in Tier 3, and more cities in Tiers 2 and 4. This indicates that since the 2022 BPC—which predominantly relied on data from 2020, the prime year of the pandemic—large cities have diverged in performance, resulting in a lower number of mid-performing cities in Tier 3 and more cities in the lower-performing Tiers 4 and 5. Small cities are more heavily concentrated in Tier 3 this year than in 2022, indicating that, unlike large cities, small cities' performance tended to converge due to more similar performance following the pandemic.

Figure 3. Number of Cities by Tier

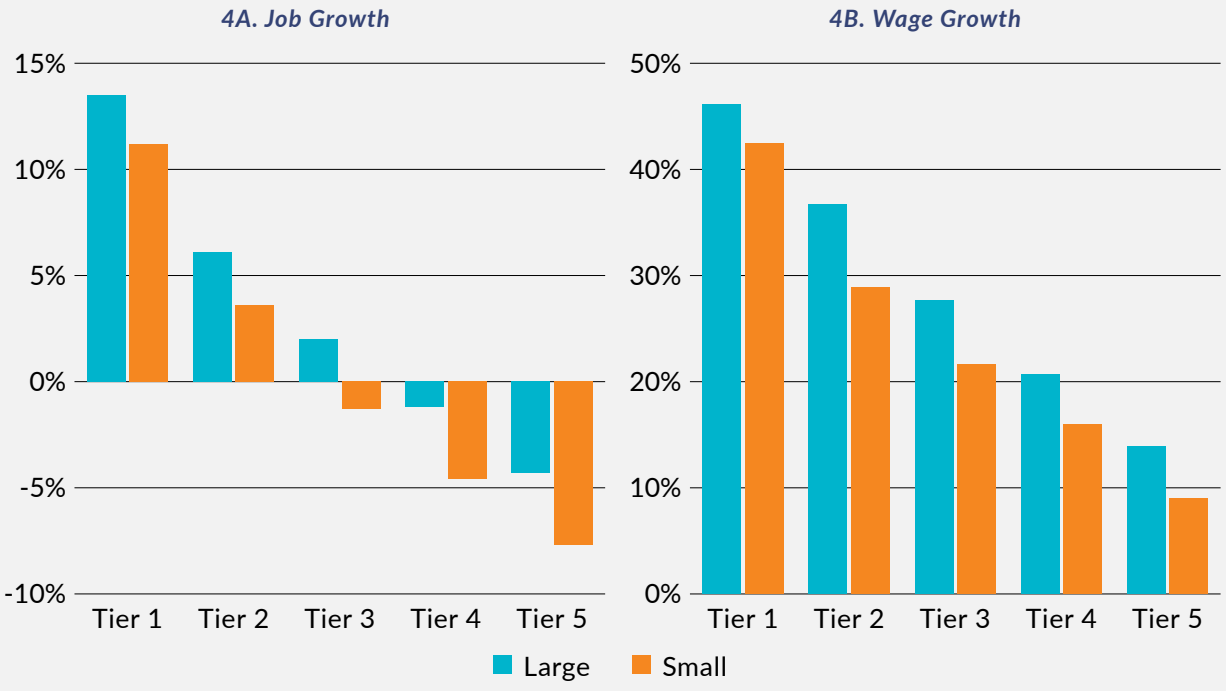


Source: *Milken Institute analysis (2023)*

Changes in employment and wages vary markedly across the tiers. Over the past five years, growth in average employment in Tier 1 large cities was significantly above the large cities' average (13.5 percent vs 1.7 percent), while average job growth in Tier 5 large cities was negative (–4.3 percent). The same was true for small cities: while total number of jobs in Tier 1 small cities grew by 11.2 percent between 2016 and 2021, the number of jobs in Tier 5 small cities dropped sharply (–7.7 percent). Unlike large cities, however, small cities as a group experienced a slight decrease in average number of jobs (a change of –0.6 percent) between 2016 and 2021. These patterns indicate growing disparities both within and between large and small cities.

Driven in part by the difference in job growth, five-year wages also diverged across large and small cities' tiers. Between 2016 and 2021, total wages increased by 46.1 percent on average in Tier 1 large cities (19.4 percentage points above average wage growth in all large cities), but only by 13.9 percent in Tier 5 large cities. The difference in wage growth between the top and bottom tiers was even more pronounced in small cities. On average, total wages increased significantly more in Tier 1 small cities than in all small cities (42.4 percent vs. 22.4 percent). In contrast, wages grew by only 9 percent in Tier 5 small cities, 13.4 percentage points less than the average for all small cities, and 33.4 percentage points below the average wage growth in Tier 1 small cities.

Figure 4. Five-Year (2016 to 2021) Changes in Employment and Wages



Source: *Milken Institute analysis (2023)*

NATIONAL ECONOMIC CONDITIONS

The two years following 2020 saw the continuation of some trends that emerged during the pandemic, such as digitalization of work and services, while life slowly returned to a rhythm that has been called a "new normal."[3] The pandemic altered many aspects of everyday life, including how Americans do their jobs, where they choose to live, and how they access essential services, while highlighting the importance of a few industries—such as high tech, health care, and transportation—to the functioning of the US economy. All this is reflected in the relative performance of US cities and the well-being of their residents.

Post-Pandemic Economy: A Year of Inflation and Growth

Inflation soared in the years following the onset of the COVID-19 pandemic as the economy struggled to adjust to ongoing supply-chain challenges, external shocks to energy prices, and a strong demand but a tight labor market.[4] After initially jumping from 2.6 percent to 4.2 percent between March and April of 2021, year-over-year inflation continued to increase until June 2022, when it reached 9.1 percent, its highest level in more than four decades.[5] In response to rapid inflation, in March 2022 the Federal Reserve began increasing the federal funds rate, leading interest rates to rise to levels that had not been seen since 2007.[6]

Despite high inflation, the real value of the US GDP increased in 2021, before dropping in the first quarter of 2022 for the first time since the initial stages of the pandemic. Before this drop, real GDP grew at an accelerated rate (5.9 percent in 2021) as the economy recovered from the initial shock of COVID-19.[7] Employment and wages also increased in 2021. Between December 2020 and December 2021, the US economy added almost 4 million jobs, representing a 2.8 percent year-over-year growth in employment. Over the same period, total wages increased by 8.8 percent, even as real average hourly earnings decreased because of high inflation.[8]

The growth of the US economy during 2021 was propelled by the expansion of a few fast-growing sectors. After a steep drop in 2020, the leisure and hospitality super-sector[9] grew by 28.3 percent (in terms of real GDP) between December 2020 and December 2021. The information super-sector experienced the second-highest rate of real growth (13.9 percent) over the same period, while the professional and business services super-sector came in third with real growth of 11.7 percent. Growth across the other BLS super-sectors varied but remained in the single digits.

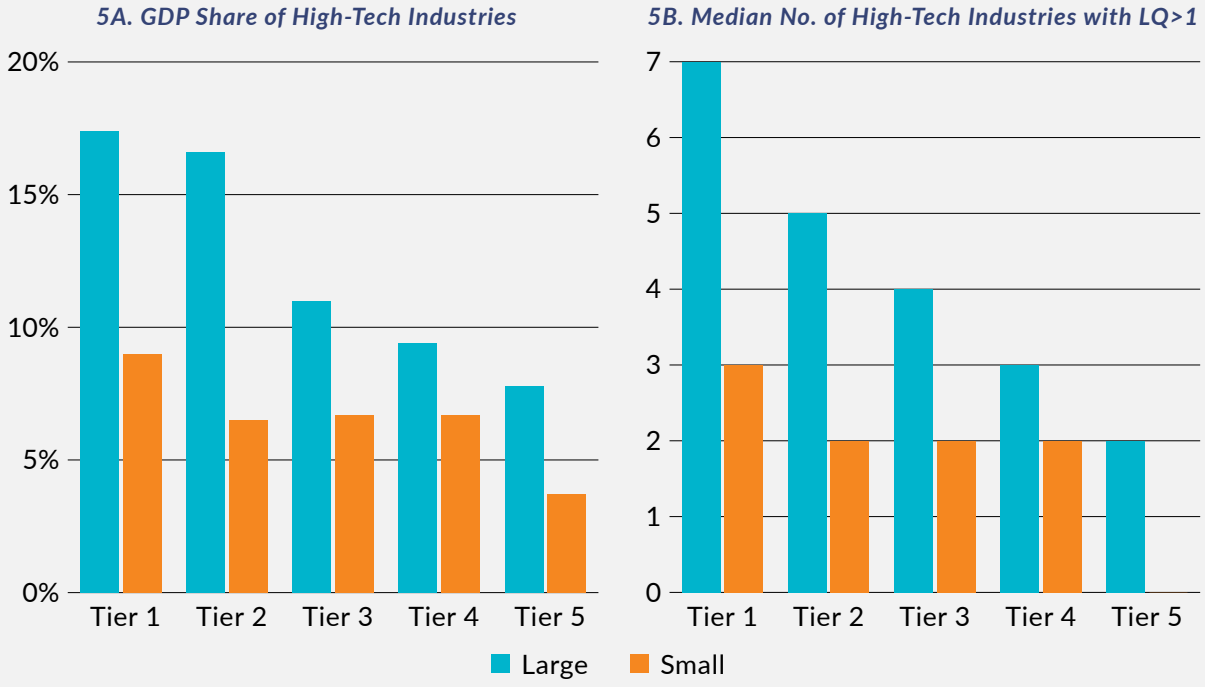
Importance of High Tech in the Post-Pandemic Recovery

High tech and the digital economy played a key role in the country's recovery from the pandemic, allowing work and education to continue during the initial stage, and driving growth, wages, and employment in the later stages. The high-tech sector[10] produced more than $2.8 trillion (in current US dollars) of net output in 2021,[11] growing by 11.3 percent in real terms between 2020 and 2021 (5.4 percentage points above US total growth of 5.9 percent).[12] This above-average growth continued an existing trend: Between 2016 and 2021 the annual real growth rate of net output by the high-tech sector averaged 6.5 percent, far above the overall economy's average annual growth of 2.1 percent during the same period.

Propelled by the growth in output, employment and wages in the high-tech sector also increased rapidly. The tech workforce expanded steadily before COVID-19 and the hiring trend accelerated after the pandemic. In 2021, 81 percent more tech jobs were advertised than in 2019.[13] High-tech industries employed more than 9.6 million workers in 2021, corresponding to more than US$1.33 trillion in total compensation. Dividing total compensation by total employment results in an average annual compensation of approximately $139,000 for employees in the high-tech sector, which is almost twice the US average annual compensation of approximately $70,000.[14] The considerably higher wages among high-tech workers highlight the importance of technology businesses in promoting the economic well-being of workers across US cities.

High-tech businesses continue to be concentrated in large cities; the average high-tech sector's share of GDP in this year's BPC Tier 1 large cities is almost double its average share in Tier 1 small cities (17.4 percent compared to 9.0 percent, see Figure 5). The array of well-established high-tech industries is also higher in large cities. The median number of high-tech industries with a GDP location quotient (LQ) >1 in Tier 1 large cities is more than twice the median number in Tier 1 small cities (seven compared to three).

Figure 5. GDP Share of High-Tech Industries

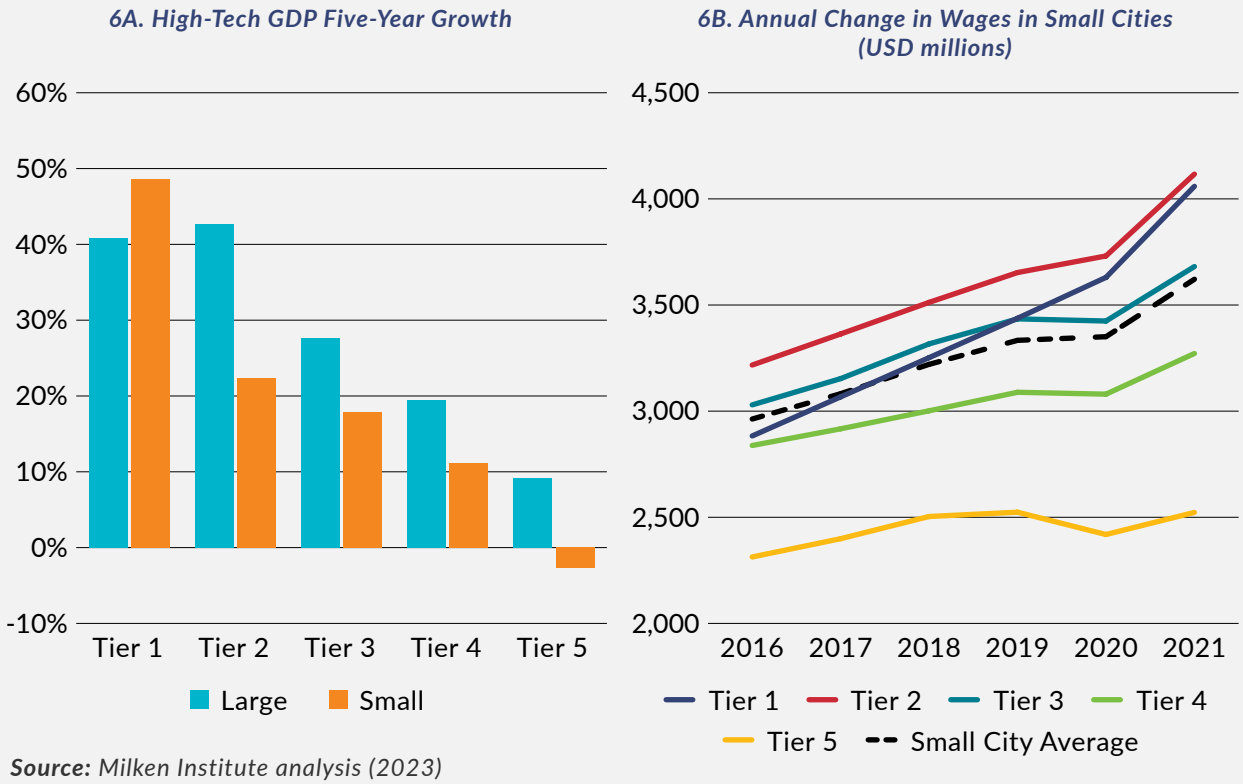


Source: *Milken Institute analysis (2023)*

Despite their smaller footprint relative to large cities, high-tech industries have been growing at an accelerated pace in BPC's top-ranked small cities (see Figure 6). Between 2016 and 2021, high-tech industries grew by 48.6 percent in Tier 1 small cities: 7.8 percentage points faster than the average high-tech growth in Tier 1 large cities. Small cities in other tiers, however, did not experience such pronounced high-tech growth. In small cities in Tiers 2, 3, and 4, high-tech GDP grew by 22.3 percent, 17.9 percent, and 11.2 percent, respectively, which in each case was slower than the average high-tech growth in the corresponding tiers of large cities. At the same time, small cities in Tier 5 experienced an average drop of -2.7 percent in high-tech GDP, whereas in Tier 5 large cities the high-tech sector grew by 9.2 percent.

Given the strong high-tech growth in top-performing small cities, it is not surprising that on average, total annual wages grew faster in Tier 1 small cities than in small cities across other tiers. In 2016, average total wages in Tier 1 small cities were slightly below the level of all small cities ($2.88 billion vs. $2.96 billion), lagging average total wages in Tiers 2 and 3 ($3.21 billion and $3.03 billion, respectively). Over the next five years, average total wages in Tier 1 small cities grew by 40.8 percent—12.2 percentage points more than in Tier 2 small cities, which experienced the second-strongest wage growth. This pronounced growth allowed average total wages in Tier 1 small cities to surpass average total wages in Tier 3 and nearly to catch up to average total wages in Tier 2 small cities. Given the role of high-tech industries in this wage growth and the increasing importance of the digital sector to the economies of Tier 1 small cities, the effects on these top-performing small cities of the recent economic downturn and technology-company layoffs remain to be evaluated by future editions of the BPC.

Figure 6. High-Tech GDP and Wage Growth



Source: *Milken Institute analysis (2023)*

Remote Work and the Urban Landscape

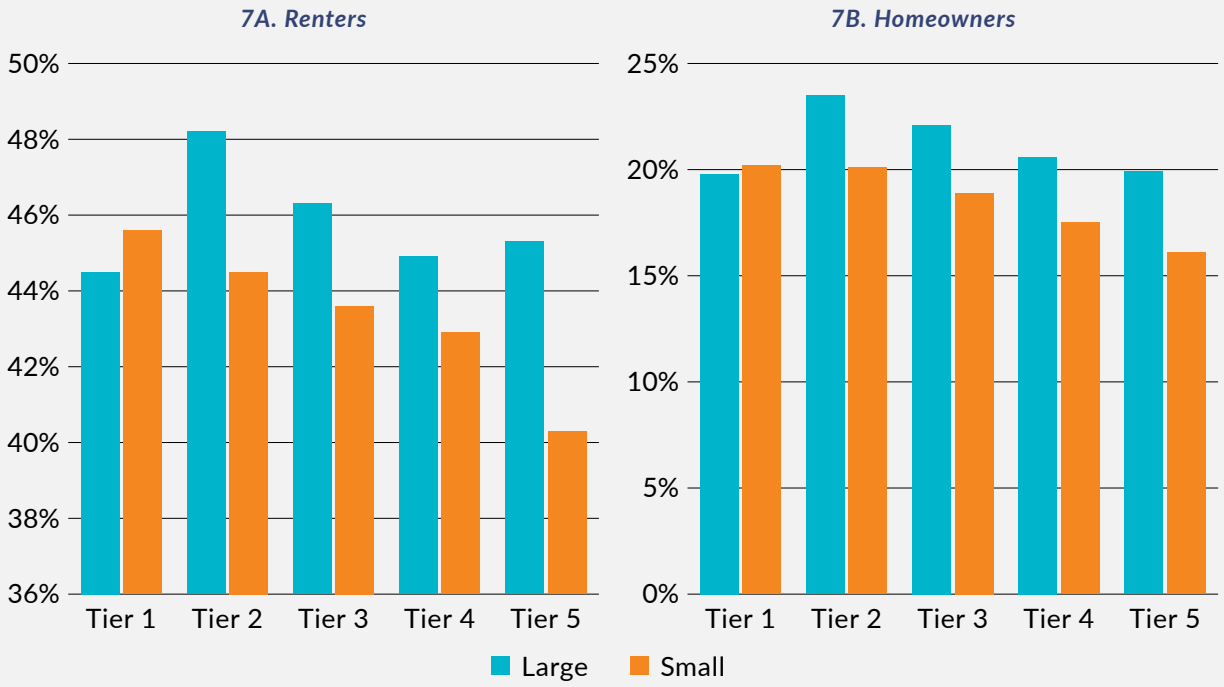
The post-pandemic boom in the high-tech sector came with increased digitalization of essential activities.[15] This trend extended beyond technology industries. Working from home had been increasing before 2020, but the proportion of remote workers across multiple sectors exploded during the prime stages of the pandemic.[16] As worksites reopened in 2021 and 2022, numerous employers continued offering hybrid work allowing working from home on selected days, while others permanently adopted the remote-work environment.[17] In January 2022, 59 percent of Americans with jobs that could be performed remotely reported that they continued working from home most or all of the time.[18] This high proportion of employees continuing to work remotely almost two years after the pandemic onset underlines the pandemic's long-lasting effects on the labor environment, as suggested in last year's BPC report.

The impact of remote work has transcended the labor market. As a result of the stay-at-home mandates, and with the ability to work remotely, many people moved out of big cities during the prime of the pandemic. From July 2020 to July 2021, major metropolitan areas as a group experienced a decline in population for the first time in more than three decades.[19] During this period, some cities (such as San Francisco, New York, and Los Angeles) experienced large drops in population, while others (in states including Texas, Florida, Arizona, and North Carolina) grew at a slower pace than in previous years.[20] At the same time, domestic migration led to a reshuffling of residents across counties within major metropolitan areas as people moved out of the urban core into suburban counties.[21]

Although data on new residential leases reveal a return to big cities in late 2021 and in 2022,[22] the extent to which major metropolitan areas can appeal to new generations of workers remains an open question. A survey in October 2021 revealed a decline in the proportion of respondents expressing a preference for urban communities.[23] If remote work remains an option for the increasing proportion of US residents who prefer suburban or rural communities, cities may have to compete with suburbs and non-metropolitan areas to attract workers in the coming years.

One way in which cities can appeal to potential residents is by providing a high supply of affordable housing. On average, small cities have an advantage in this area: in 2021, the average percentage of households spending 30 percent or more of their income on housing was 3.2 percentage points lower in all small cities than in all large cities (27.3 percent compared to 30.5 percent). The general tendency for more affordable housing in smaller cities, however, does not hold among BPC's top ranked (Tier 1) cities. Among both renters and homeowners (considered separately), the average percentage of households spending 30 percent or more of income on housing during 2016 to 2021 was higher in Tier 1 small cities than in Tier 1 large cities (45.6 percent vs. 44.5 percent for renters, 20.2 percent vs. 19.8 percent for owners).[24] While this pattern is reversed for cities in Tiers 2 to 5, where housing cost burden is higher on average in large cities than in small cities, the higher housing costs in the top-ranked small metropolitan areas may pose a challenge to these cities if housing affordability proves crucial in attracting domestic migrants into new areas.

Figure 7. Percentage of Households Spending 30 Percent or More of Income on Housing Cost



Source: *Milken Institute analysis (2023)*

Broadband Access as a Determinant of Economic Opportunities

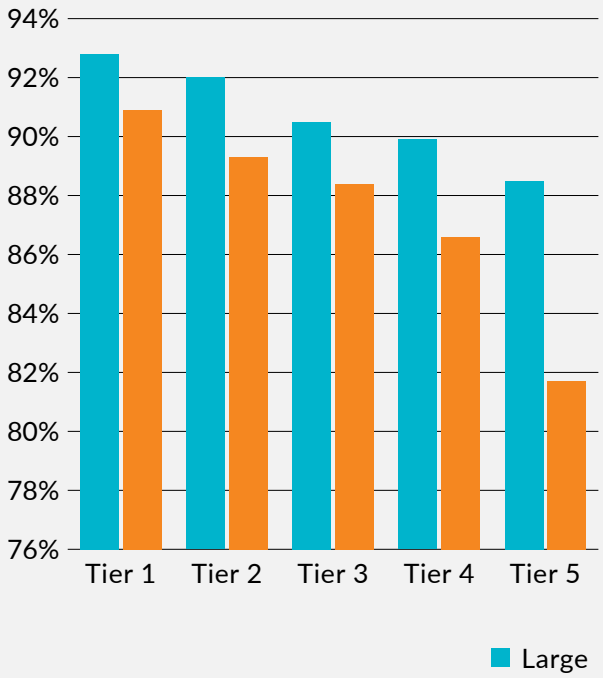
As discussed in last year's report, the COVID-19 pandemic underscored the importance of broadband internet in the current, highly digitalized environment. In recent years, essential services—such as health care and education—and access to economic opportunities—including the ability to work—have become increasingly dependent on high-quality internet service. Residents of regions where access to broadband internet is limited by lack of infrastructure, prohibitive pricing, or both (areas termed "digital deserts") risk falling behind the rest of the country because of limited access to markets and opportunities.[25]

Not surprisingly, access to broadband internet is generally higher among households in large cities than in small cities. On average, 90.5 percent of households in large cities have access to broadband, compared to 87.9 percent in small cities.[26] However, a more granular analysis reveals considerable differences across large and small cities alike.[27] As shown in Figure 8, broadband is more widely available in high-ranking (Tier 1 and Tier 2) BPC cities relative to the other tiers, and this is true for both small and large cities. The average of households with broadband access is above 90 percent in Tier 1 cities regardless of size; conversely, less than 90 percent of households have access to broadband internet in Tiers 4 and 5 of large and small cities alike.

Yet the difference across tiers is most noticeable in small cities: On average, 90.9 percent of households in Tier 1 small cities have broadband internet, but only 81.7 percent of households in Tier 5 small cities have access to broadband. Among large cities the difference between the top and bottom tiers is less pronounced (92.8 percent in Tier 1, 88.5 percent in Tier 5). The lower average percentage of households with broadband access in Tier 5 small cities (i.e., small cities ranked lowest for economic performance) highlights the link between access to high-quality internet and a thriving economic environment.

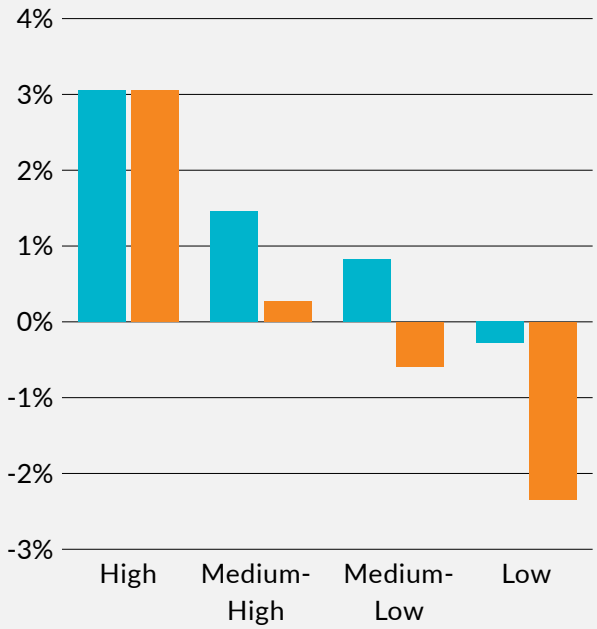
The relationship between economic opportunities and internet access is further evidenced by markedly higher employment growth in cities with better connectivity. Figure 9 shows average five-year employment growth in large and small cities according to four groups based on broadband access: high, medium-high, medium-low, low. Cities are divided by quartile based on percentage of households with broadband access, constructed by pooling all cities (large and small) to establish a benchmark.

Figure 8. Percentage of Households with Access to Broadband Internet



Source: *Milken Institute analysis (2023)*

Figure 9. Five-Year Employment Growth by Broadband-Access Quartile



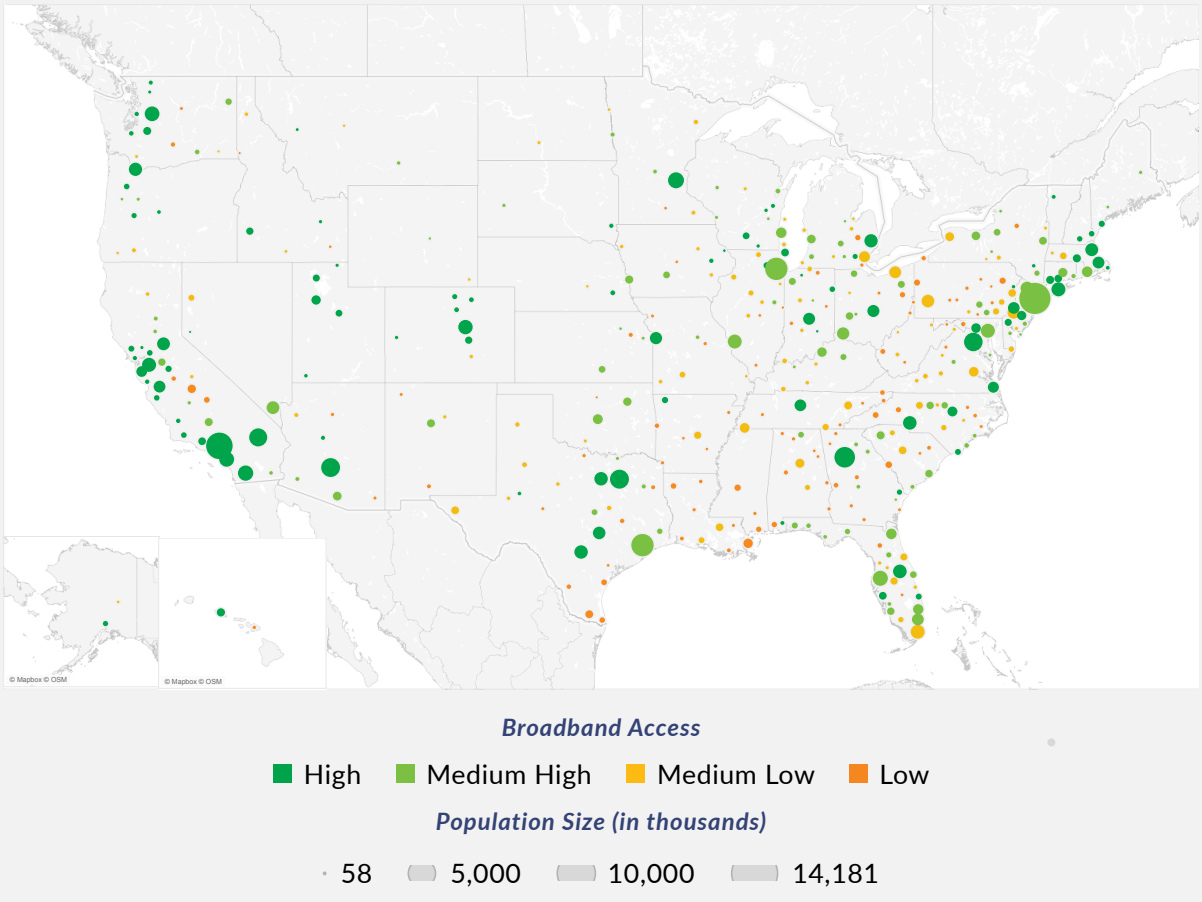
Note: *"Low" corresponds to cities in the first quartile for broadband access; "high" corresponds to the fourth quartile.*

Source: *Milken Institute analysis (2023)*

Between 2016 and 2021, employment growth was strongest in cities where a high proportion of households had access to broadband internet, regardless of city size. In fact, employment growth was the same (3.1 percent) in large and small cities that fell into the fourth quartile in terms of broadband access. In contrast, cities with low broadband access experienced negative employment growth over the same period. Although this was again true for both large and small cities, the drop in employment was steeper in small cities (-2.3 percent compared to -0.28 percent in large cities) with low broadband availability, indicating regional disparities in internet access across US cities.

The difference in broadband access between coastal and central US cities provides further evidence of regional disparities in access to digital services. In Figure 10, colors distinguish cities with different levels of access to broadband internet (dark green: high access; orange: low access). Marker size denotes population mass. Residents of coastal regions, especially the West and Northeast coasts, tended to have better access to broadband internet than residents of the Southeast and Appalachia. The digital advantage for coastal cities held regardless of population size.

Figure 10. Regional Differences in Broadband Access



Source: *Milken Institute analysis (2023)*

BIGGEST GAINS

Table 3. Biggest Gains among Large Cities

Metropolitan Statistical Area	2023 Rank	2022 Rank	Change
Asheville, NC	47	165	+118
Las Vegas–Henderson–Paradise, NV	50	149	+99
Warren–Troy–Farmington Hills, MI	78	168	+90
Myrtle Beach–Conway–North Myrtle Beach, SC–NC	12	101	+89
Oxnard–Thousand Oaks–Ventura, CA	79	158	+79
York–Hanover, PA	85	159	+74
Santa Cruz–Watsonville, CA	81	151	+70

Source: *Milken Institute analysis (2023)*

As stay-at-home orders were lifted and tourism resumed, several large cities dependent on the leisure and hospitality industries—sectors hardest hit by the pandemic—rebounded in the 2023 rankings. Asheville, NC experienced the most notable gain, increasing by 118 places to 47th place this year from the 165th spot in 2022. The gain was driven largely by the recovery of the city's leisure and hospitality sector, which grew by 37.4 percent between 2020 and 2021. This marked a swift rebound for Asheville, which ranked 55th in 2020 but experienced a sharp drop during the pandemic.

Other large cities with strong hospitality markets also demonstrated gains in this year's rankings. Las Vegas and Myrtle Beach jumped by 99 spots and 89 spots, respectively, which brought them closer to their 2020 pre-pandemic rankings (44th and 31st, respectively). Job and wage growth were particularly strong in these two cities: Las Vegas and Myrtle Beach ranked first and fourth in one-year job growth and 12th and seventh in one-year wage growth, respectively. The strong performance of the labor markets was accompanied by fast growth in the high-tech sectors as tech companies relocated to these cities. Las Vegas ranked sixth and Myrtle Beach 11th in one-year high-tech GDP growth.[28]

The remaining large cities that experienced big gains in the 2023 BPC rankings (Warren, MI; Oxnard, CA; York, PA; Santa Cruz, CA) also benefited from a strong rebound in their labor markets, with relatively robust growth in one-year employment and wages. Among these cities, Warren had the most remarkable jump in one-year employment growth rankings, moving from the 193rd spot in 2022 to 27th in the 2023 BPC.

Table 4. Biggest Gains among Small Cities

Metropolitan Statistical Area	2023 Rank	2022 Rank	Change
Atlantic City–Hammonton, NJ	53	184	+131
Ocean City, NJ	68	195	+127
Muskegon, MI	77	199	+122
Altoona, PA	54	147	+93
Kahului–Wailuku–Lahaina, HI	101	188	+87
Grand Junction, CO	39	122	+83
Springfield, IL	62	145	+83

Source: *Milken Institute analysis (2023)*

The leisure and hospitality industry also drove the most significant gains among small cities. Notably, many small cities with big gains in rankings surpassed their pre-pandemic performance, distinguishing themselves from large cities with gains that returned to, but did not surpass, their prior rankings. Atlantic City, NJ had the largest increase of all cities in its BPC ranking, rising to 53rd position from its previous rankings of 184th in 2022 and 147th in 2020. The strong labor market in Atlantic City bolstered this remarkable gain: The city ranked first in short-term employment growth, fifth in one-year job growth, and 13th in one-year wage growth in the 2023 rankings.

Kahului, HI, another highly touristic small city, also climbed in the BPC rankings. As with Atlantic City, this small city's gain was propelled by the fast recovery of its labor market: Kahului ranked first in one-year employment growth and seventh in short-term employment growth in the 2023 BPC. This city also experienced relatively high growth in its high-tech sector, ranking third for one-year high-tech GDP growth in this year's BPC.

Finally, with domestic out-migration from major metropolitan areas, small suburban cities—such as Ocean City, NJ; Muskegon, MI; Altoona, PA; Grand Junction, CO; and Springfield, IL—also jumped above their pre-pandemic levels in the 2023 rankings. High-tech industry growth played an important role in the gains these cities demonstrated. In particular, Springfield achieved first place in one-year high-tech GDP growth and 12th in five-year high-tech GDP growth, whereas Muskegon and Altoona placed 11th and 19th in one-year high-tech GDP growth.

BIGGEST DROPS

Table 5. Biggest Drops among Large Cities

Metropolitan Statistical Area	2023 Rank	2022 Rank	Change
Lincoln, NE	141	26	-115
Lubbock, TX	149	45	-104
Vallejo, CA	191	99	-92
Tucson, AZ	112	38	-74
Washington–Arlington–Alexandria, DC–VA–MD–WV	134	67	-67
Salem, OR	95	33	-62
Albuquerque, NM	137	75	-62

Source: *Milken Institute analysis (2023)*

Lincoln, NE experienced the most dramatic decrease in this year's rankings, dropping by 115 spots from 26th (Tier 2) in 2022 to its current 141st (Tier 4) position. The drop in overall rankings resulted from a decline in all near-term components of the index for Lincoln: short-term job growth (from 96th to 165th), one-year job growth (from 43rd to 191st), one-year wage growth (from 45th to 157th), and one-year high-tech GDP growth (from 35th to 164th).

Lubbock, TX and Vallejo, CA also experienced a marked drop in their rankings, driven mainly by declines in one-year high-tech GDP growth (84th to 198th for Lubbock and 57th to 200th for Vallejo). Despite this drop, short-term job growth—i.e., job growth from 2021 to 2022—indicated resilience in these cities. Lubbock jumped from 117th to 77th and Vallejo from 150th to 101st in this component of the index.

The Washington–Arlington–Alexandria, DC–VA–MD–WV metropolitan area moved down 67 positions, from 67th to 134th place in this year's rankings. The drop indicates that this metropolitan area, which is considered to be the next eastern outpost of Silicon Valley, needs time to capitalize on the recent moves of giants such as Amazon and Boeing to the region. The drop resulted from a decrease in all of the region's near-term components of the BPC index in this year's rankings: short-term job growth from 74th to 168th, one-year job growth from 99th to 164th, one-year wage growth from 81st to 180th, and one-year high-tech GDP growth from 47th to 140th.

Table 6. Biggest Drops among Small Cities

Metropolitan Statistical Area	2023 Rank	2022 Rank	Change
Valdosta, GA	170	29	-141
Kankakee, IL	168	34	-134
Jefferson City, MO	163	47	-116
Sierra Vista–Douglas, AZ	129	14	-115
St. Joseph, MO–KS	194	84	-110
Hanford–Corcoran, CA	156	53	-103
Cleveland, TN	185	82	-103

Source: *Milken Institute analysis (2023)*

Among small cities, Valdosta, GA experienced the biggest drop this year, moving by 141 positions from the 29th (Tier 2) in 2022 to the 170th position (Tier 4) in this year's rankings. This drop reflected a slowdown in the growth rate of the high-tech sector in this city. In 2022, Valdosta ranked eighth in five-year high-tech GDP growth, but dropped to 134th in this year's rankings. Likewise, its one-year high-tech GDP growth dropped from the 105th to the 192nd position between 2022 and the 2023. Combined with the slowdown in its high-tech sector's growth, a drop in one-year job growth from the 33rd to the 167th position over the past year further exacerbated the city's drop in this year's rankings.

Sierra Vista–Douglas, AZ demonstrated the fifth-largest gain in 2022 rankings, jumping from 100th to 14th with the largest one-year job and wage growth among all small cities, but experienced the fourth-largest drop in this year's rankings driven by poor performance of the same components of the index. The city ranked 200th and 202nd in one-year job and wage growth in this year's BPC—among the lowest of the 203 small cities considered.

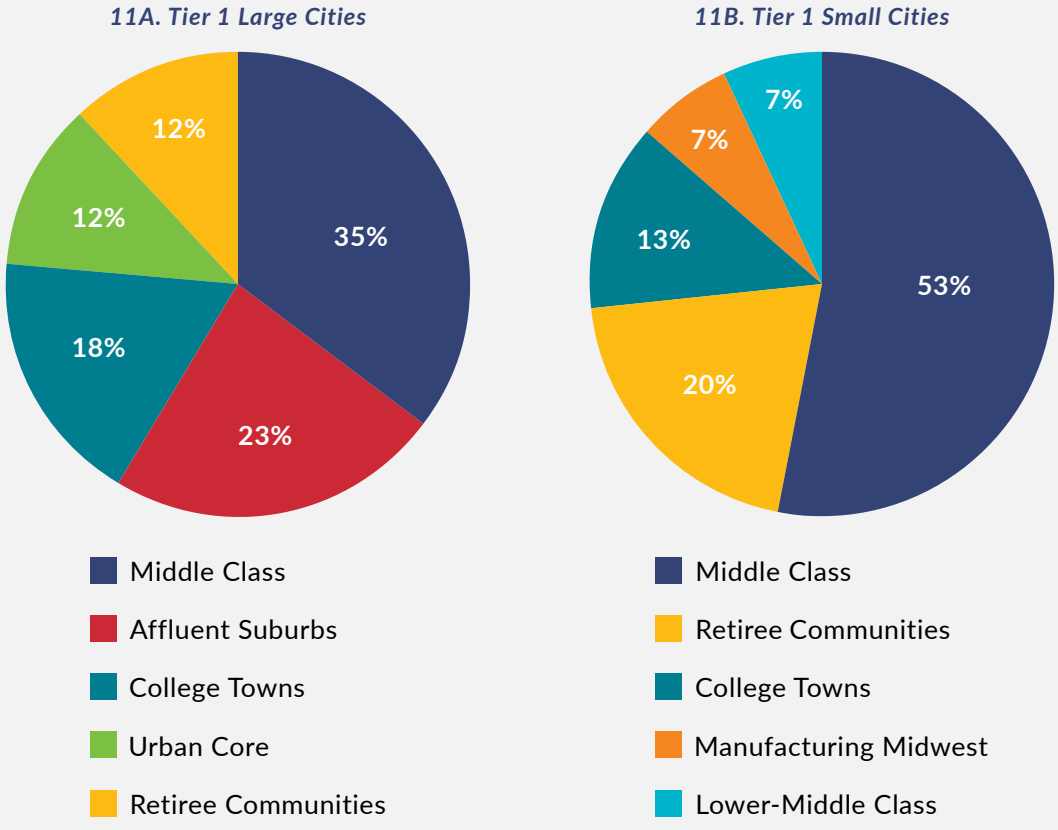
Midwestern small cities that are dependent on manufacturing industries also experienced pronounced drops in this year's rankings: Kankakee, IL from 34th to 168th; Jefferson City, MO from 47th to 163rd; St. Joseph, MO–KS from 84th to 194th; and Cleveland, TN from 82nd to 185th. One-year job and wage growth in these cities significantly lagged other small cities, placing in the bottom 25 percent of the rankings.

Best Performing Cities' Community Profiles

To explore the link between performance of BPC top-ranked (Tier 1) cities and the attributes of their populations, we used the 17 community profiles defined by the Community Explorer.[29] In the Community Explorer, communities are groups of counties whose populations share core socioeconomic and demographic characteristics, regardless of their location. The 17 community profiles are classified into five groups: Urban America, Industry-Driven America, Graying America, Extremely Vulnerable America, and Noncontiguous America.

Matching US counties to metropolitan areas, we associated the cities ranked in this report with their respective community profiles. Figure 11 shows the seven distinct communities that comprise Tier 1 large and small cities.

Figure 11. Different Community Profiles in Tier 1 Cities



Notes: *These figures show the proportions of individual communities—identified at county level—that comprise Tier 1 large and small cities. Note that a single metropolitan statistical area (MSA) or metropolitan division (MD) may correspond to one or more counties.*

Source: *Milken Institute analysis and Community Explorer (Lopez, Roh, and Switek, 2022)*

Given the BPC's focus on metropolitan areas, most of the Tier 1 top-performing cities are part of the four community profiles that jointly form Urban America: Urban Core, Lower-Middle Class, Affluent Suburbs, and Middle Class. These four communities account for 70 percent and 60 percent, respectively, of Tier 1 large and small cities. The types of Urban America profiles that comprise Tier 1 large and small cities, however, depend on city size. Tier 1 large cities fall into three of the four Urban America profiles (Urban Core, Affluent Suburbs, and Middle Class), each representing less than 50 percent of these large cities. In contrast, Tier 1 small cities include only two Urban America profiles (Middle Class and Lower Middle Class), with one of these two, Middle Class, capturing 53 percent of the top-performing small cities.

The Middle-Class community profile, which covers more than half of Tier 1 small cities, is characterized by a mostly white population with poverty and income inequality rates below the national average. The second urban community, Lower-Middle Class, which represents 7 percent of Tier 1 small cities, includes the counties with the lowest income among the four Urban America communities. In contrast, Tier 1 large cities include the Affluent Suburbs, the wealthiest of all 17 communities. Tier 1 large cities also include the Urban Core, which comprises densely populated, ethnically and linguistically diverse large metropolitan areas with significant income disparities among their residents. Finally, like Tier 1 small cities, Tier 1 large cities include the Middle-Class community, though it represents a relatively smaller proportion of the top-performing large cities (35 percent compared to the 53 percent of Tier 1 small cities in this profile).

Among the less urbanized community profiles, Retiree Communities with adequate income and access to resources are present in a significant portion of Tier 1 metropolitan areas, comprising 12 percent and 20 percent, respectively, of large and small metros. The importance of these retiree communities among the BPC top-performing cities is consistent with the recent growth in the US retired population. As reported by the Census Bureau's Current Population Survey, the retired population in the US has increased since the onset of the pandemic.[30] The group of recent retirees, more than half of whom were likely not to have retired in the absence of the pandemic, comprises a predominantly affluent, college-educated, white population, which is aligned with the socioeconomic profile of residents of the Retiree Communities found among Tier 1 large and small cities. Notably, the second community profile in the Graying America group—Isolated Seniors—which, unlike the Retiree Communities, includes a less wealthy, older population with high disability rates, does not appear among the top-performing Tier 1 cities.

Top-performing cities also include College Towns, which comprise 18 percent and 13 percent of large and small Tier 1 cities. These communities are generally centered around higher-education institutions, with a relatively young, highly educated, and geographically mobile population. In addition, 7 percent of Tier 1 small cities also fall into the Manufacturing Midwest community profile, which includes counties with a high proportion of white workers in the manufacturing sector. Unsurprisingly, none of the low-income communities in the Extremely Vulnerable America group appear among the BPC Tier 1 top-performing cities.

TIER 1 LARGE CITIES

1. PROVO
OREM, UT MSA

Provo–Orem, Utah, maintains its No. 1 rank for the third year in a row, due largely to its strong five-year job and wage growth, as well as the substantial concentration of high-tech industries in this city. Over the last five years, Provo ranked first in both job growth and wage growth, partly due to the expanding presence of technology companies in this city, source of the nickname, "Silicon Slopes." In terms of recent trends, Provo maintained its second highest one-year job growth between October 2020 and October 2021. However, in short-term job growth over the course of 2022, the city ranked 34th, two positions below last year's ranking and 23 under its 2021 ranking. This indicates that while Provo's post-pandemic job market has expanded over the last two years, with a 4.5 percent growth rate between October 2021 and October 2022, the city is experiencing a relative decrease in the strength of its labor market compared to peer cities.

Home to Brigham Young University, Provo benefits from the school's reputation and its contribution to the qualified workforce, which helps attract companies in search of high-quality talent. More than two decades ago Vivint was founded in Provo by two former high-school classmates from Idaho Falls; in 2016 Qualtrics opened headquarters in the city.[32] Now, entrepreneurs are using the established network of young tech professionals to start companies in Provo. Reflecting this trend, Provo ranks among the top 20 large cities in all three measures of high-tech performance. Having experienced strong, continuous GDP growth in the high-tech sector, Provo has nine high-tech industries with a GDP share above national average (LQ>1).

However, between 2020 and 2021, the metro area ranked 48th in terms of high-tech GDP growth: 23 positions below its rank in 2022 and 40 positions under the 2021 ranking. This drop indicates a relative cooling in high-tech GDP growth which, coupled with Provo's drop in short-term job-growth rankings, indicates that other large cities are beginning to catch up to Provo's strong high-tech and job growth. In December 2022, Utah's tech community was hit by hundreds of tech layoffs from at least 15 companies. Future BPC reports will paint a fuller picture of ongoing changes to Provo's technology sector, as high-tech industries in this city adapt to higher interest rates and the need for companies to focus less on growth and more on meeting the demands of technology consumers.[33]

Maintained #1 rank	Indicator	Rank[31]
Job growth (2016–21)	22.5%	1st
Job growth (2020–21)	7.3%	2nd
Wage growth (2016–21)	63.8%	1st
Wage growth (2020–21)	14.3%	9th
Short-term job growth (10/2021–10/2022)	4.5%	34th
High-tech GDP growth (2016–21)	59.6%	12th
High-tech GDP growth (2020–21)	13.2%	48th
High-tech GDP concentration (2021)	1.60	14th
Number of high-tech industries (2021)	9	16th
HHs with broadband access (2021)	94.1%	18th
HHs with affordable housing costs (2017–21)	72.6%	71st
HHs with affordable housing costs (2021)	73.7%	46th

Strengths

- Provo benefits from a strong and diverse technology sector. The city is home not only to several well-established high-tech companies such as Vivint and Qualtrics, but also to numerous tech startups.
- Brigham Young University offers stable employment for 4,000 Utahns and high-quality education to nearly 35,000 students.

Areas of Focus

- In the past two years, Provo has dropped in the rankings in terms of one-year high-tech GDP growth and short-term job growth, which indicates that other large cities are beginning to catch up to Provo's strong performance in these areas.

2. AUSTIN
ROUND ROCK, TX MSA

Austin, Texas, holds on to its No. 2 position in the ranking after climbing to this spot in last year's BPC report (up from the third place in the 2021 and 2020 rankings). The city benefits from a strong labor market, with rapid job and wage growth over the past five years. Ranking fourth in both job growth and wage growth since 2016, the Austin–Round Rock area continues to be bolstered by a robust tech scene. Austin also has the highest number of households with access to broadband internet among Tier 1 cities, ranking 14th in the metric.

Austin has seen a strong economic recovery from the initial turmoil of the pandemic. By late 2021, the city had regained all the jobs that were lost in March and April of 2020, with total employment in December 2021 slightly above the December 2019 pre-pandemic level. Home to both the state capital and the University of Texas at Austin, the city's economy has benefited from resumption of in-person classes in schools and office work in government services. A report from Avison Young Innovation revealed that between February 2020 and August 2022, Austin gained nearly 70,000 in-person office jobs, leading the nation in this metric.[34]

However, Austin's leisure and hospitality sector, which had been expanding before the pandemic, has not fully recovered. By December 2021, employment in this sector remained below the pre-pandemic level. Although individual reservations are returning to pre-pandemic levels, the scarcity of business conferences and major events is hindering a full recovery of Austin's hospitality services.[35]

Austin's housing market is one of the most competitive in the country, with housing costs having reached an all-time high in May 2021.[36] According to data from 2021, the city ranks 143rd in percentage of households with affordable housing, placing it among the lowest third of large cities for this component of the index. With the labor market expanding throughout this region, controlling home-sale prices and surging rents are likely to continue as challenges for the city's leadership.

Maintained #2 rank	Indicator	Rank
Job growth (2016–21)	16.5%	4th
Job growth (2020–21)	7.1%	3rd
Wage growth (2016–21)	59.6%	4th
Wage growth (2020–21)	16.3%	5th
Short-term job growth (10/2021–10/2022)	4.7%	22rd
High-tech GDP growth (2016–21)	51.8%	21st
High-tech GDP growth (2020–21)	17.9%	18th
High-tech GDP concentration (2021)	1.72	12th
Number of high-tech industries (2021)	10	12th
HHs with broadband access (2021)	94.2%	14th
HHs with affordable housing costs (2017–21)	68.3%	131st
HHs with affordable housing costs (2021)	67.0%	143rd

Strengths

» Austin ranks among the top 20 large cities with the greatest one-year high-tech GDP growth, high-tech GDP concentration, and number of high-tech industries. The city continues to be a national leader in attracting high-tech investment, despite pandemic challenges.

Areas of Focus

» Austin ranks in the bottom among large cities in terms of availability of affordable housing, having one of the two least affordable housing markets among Tier 1 large cities.

3. RALEIGH
NC MSA

Raleigh, North Carolina, experienced a notable jump in rankings this year, moving up 13 spots to the third position, which places it among BPC's 2023 Tier 1 large cities. This marked a return of the Raleigh metropolitan area to BPC's top-performing cities, after placing fifth in our 2021 report but dropping in last year's rankings. Relatively strong job and wage growth have been important drivers of Raleigh's rebound in rankings, with the city improving its position relative to other large cities in all five measures of job and wage growth. In this year's rankings, Raleigh gained 51 positions in short-term job growth, up to the 14th spot from its prior year's 65th ranking, and 84 positions in one-year wage growth, up to 26th place from 110th place in 2022.

The Raleigh area benefits from three major universities located within the Research Triangle: North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill. These nearby universities and technical colleges turn out high-quality skilled workers who attract high-tech companies to the area. Among large cities, Raleigh ranks seventh in terms of number of high-tech industries with a strong presence in the city (i.e., industries with LQ>1), and 10th in terms of the high-tech sector's contribution to the city's GDP relative to the rest of the nation (i.e., high-tech GDP concentration).

While Raleigh maintains its relative advantage, compared to Tier 1 large cities, in terms of housing affordability, the city has experienced rising housing costs in recent years. Raleigh dropped 24 spots in one-year housing affordability[37] over the last two years, moving from 43rd place in 2021 to its current 67th position. Over the last two years, the percentage of households paying 30 percent or more of income on rent or housing in Raleigh rose by more than 2.2 percentage points.

Gained 13 ranks	Indicator	Rank
Job growth (2016–21)	10.8%	14th
Job growth (2020–21)	5.4%	11th
Wage growth (2016–21)	41.9%	15th
Wage growth (2020–21)	12.5%	26th
Short-term job growth (10/2021–10/2022)	5.3%	14th
High-tech GDP growth (2016–21)	33.6%	61st
High-tech GDP growth (2020–21)	12.4%	67th
High-tech GDP concentration (2021)	1.76	10th
Number of high-tech industries (2021)	12	7th
HHs with broadband access (2021)	93.4%	32nd
HHs with affordable housing costs (2017–21)	74.3%	44th
HHs with affordable housing costs (2021)	72.4%	67th

Strengths

- A high-quality talent pool, bolstered by well-respected universities and affordable housing costs.
- A strong high-tech sector, placing the area among the top 10 large cities in terms of concentration of high-tech and number of high-tech industries with LQ >1.

Areas of Focus

- Raleigh has experienced a relative increase in housing costs recently, yet remains one of the most affordable housing markets among Tier 1 large cities.

4. NASHVILLE
DAVIDSON-MURFREESBORO-FRANKLIN, TN MSA

Nashville, Tennessee, returns to the Tier 1 large cities, gaining 21 positions from 25th place in last year's rankings. This jump in ranking is largely driven by the city's strong labor market. Total employment grew by 5.9 percent between October 2021 and October 2022, placing Nashville sixth among large cities for short-term job growth. Nashville also ranks among the top 20 large cities with strongest five- and one-year job growth, indicating that the city's recent increase in employment represents a longer trend.

While Nashville is a well-known and popular tourist destination, its economy is bolstered by more than just the music and hospitality industries. Nashville's health-care industry contributes $67 billion and more than 328,000 jobs to the city annually.[38] With 18 publicly-traded health-care companies calling Nashville home, the health-care industry is the area's largest job creator, benefiting from the presence of large health-care employers such as the Vanderbilt University Medical Center.[39] Nashville's job market has also been bolstered by a growing tech scene, with high-tech job growth outpacing the national average by more than nine percentage points in the last five years.

Nashville finds itself in the middle of the pack for housing costs, ranking 80th over the last five years and 91st in 2021. Based on levels of short-term job growth, Nashville may struggle to keep housing costs down as more qualified workers move into the city. In addition, despite its recent growth, the high-tech sector's contribution to Nashville's GDP remains low relative to other large cities; the city has a high-tech GDP location quotient of 0.65, considerably below the Tier 1 large city average of 1.19. It remains to be seen if the recent high-tech expansion in Nashville can convert the city into a true tech hub.

Gained 21 ranks	Indicator	Rank
Job growth (2016–21)	10.8%	15th
Job growth (2020–21)	5.0%	18th
Wage growth (2016–21)	38.0%	24th
Wage growth (2020–21)	12.6%	24th
Short-term job growth (10/2021–10/2022)	5.9%	6th
High-tech GDP growth (2016–21)	53.0%	18th
High-tech GDP growth (2020–21)	17.3%	20th
High-tech GDP concentration (2021)	0.65	97th
Number of high-tech industries (2021)	7	33rd
HHs with broadband access (2021)	92.8%	45th
HHs with affordable housing costs (2017–21)	72.1%	80th
HHs with affordable housing costs (2021)	71.0%	91st

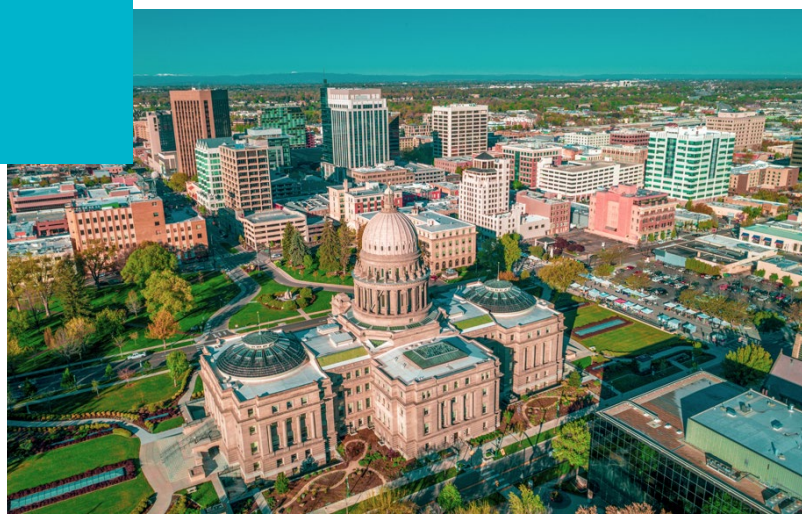
Strengths

- In recent years Nashville has become one of the nation's fastest-growing job markets.
- Besides being a popular tourist destination, Nashville benefits from a strong and well-established health-care industry and the growing presence of technology companies.

Areas of Focus

- Despite Nashville's strong high-tech GDP growth over recent years, high-tech concentration remains low. Nashville has one of the lowest overall high-tech GDP location quotients (0.65) among Tier 1 large cities.
- With strong job growth attracting qualified workers, Nashville may face difficulty in keeping housing costs down, presenting a challenge to city leadership as time goes on.

5. BOISE
ID MSA



Boise, Idaho, moves up 10 places to the fifth position in this year's rankings due in part to rapid job and wage growth over the last five years. Ranking second in five-year job growth, Idaho's state capital has expanded its workforce at a rapid rate. Alongside that expansion is a steady increase in wages, with Boise consistently ranking among the top 10 large cities with strongest five-year wage growth since the 2021 BPC report.

Boise's strong labor market has, however, experienced a relative cooling in the last year. The city ranked 104th in short-term job growth (i.e., job growth between October 2021 and October 2022), resulting in Boise's having the lowest ranking in this category among Tier 1 large cities. This could indicate that the job market has hit a plateau, or simply that other metropolitan areas are having higher rates of growth after experiencing larger workforce losses during the pandemic.

Boise has experienced a strong and steady influx of population over the past decade, with its population growing by 22.2 percent between December 2011 and December 2021. Many of the new Boise residents are priced-out West Coasters seeking a more affordable standard of living. Among them, San Francisco Bay Area tech workers have found a haven in Boise, attracted by competitive wages and a well-established high-tech scene in the Treasure Valley.[40]

Despite high population growth, housing in Boise remains relatively affordable compared to other Tier 1 large cities. The city has risen by more than 10 positions since the 2021 rankings in both one-year and five-year affordable housing metrics. But concerns remain about Boise's ability to maintain a supply of high-quality affordable housing. Between 2015 and 2018 rent costs rose 30 percent in Boise, and home values in Ada County hit record highs in 2019.[41] To maintain attractiveness to investors and migrants from high-cost areas, Boise leaders should ensure that additional growth does not come at the price of runaway housing costs.

Gained 10 ranks	Indicator	Rank
Job growth (2016–21)	20.0%	2nd
Job growth (2020–21)	6.2%	5th
Wage growth (2016–21)	54.3%	6th
Wage growth (2020–21)	12.8%	23rd
Short-term job growth (10/2021–10/2022)	2.9%	104th
High-tech GDP growth (2016–21)	29.2%	83rd
High-tech GDP growth (2020–21)	14.0%	44th
High-tech GDP concentration (2021)	0.82	75th
Number of high-tech industries (2021)	4	76th
HHs with broadband access (2021)	92.9%	44th
HHs with affordable housing costs (2017–21)	74.4%	41st
HHs with affordable housing costs (2021)	73.2%	56th

Strengths

» Boise's economy continues to benefit from the steady migration of skilled workers to the region since 2010. During the last five years, the city has maintained relatively high growth in wages and high-tech GDP.

Areas of Focus

» Housing costs hit record highs in the mid-to-late 2010s, putting added pressure on Boise's lower- and middle-income residents. The city has made progress in providing affordable housing since 2021; future reports will show if Boise can maintain this positive trend.

» The city has moved down in rankings in terms of five-year high-tech GDP growth, dropping from the 40th spot in BPC 2022 to the 83rd position in this year's report.

6. DALLAS
PLANO–IRVING, TX MD

Dallas, Texas, moved up four spots from last year's rankings and eight spots from 2021's rankings, bolstered by 6.5 percent short-term job growth, the highest of any US city. The first place in short-term job growth is not surprising, as the city has ranked among the top 20 large cities in five- and one-year job growth over the years leading up to its most recent performance (i.e., job growth between October 2021 and October 2022).

With a business-friendly state tax system, the Dallas area is home to 22 Fortune 500 companies, including ExxonMobil and AT&T.[42] Thanks to low business taxes and no state, corporate, or personal income tax,[43] Dallas has been able to maintain a high-quality talent pool by attracting new movers to the city. Even between July 2020 and July 2021, when many major metropolitan areas saw declining population totals, the Dallas–Fort Worth metropolitan area experienced an increase in population size, ranking first in the country for numeric population growth.[44]

Part of the reason for Dallas' success in rebounding after the pandemic is the diversity of its economy. Not overly dependent on any one industry, Dallas is a regional hub for transportation, financial services, information technology, and defense. Additionally, over the last year the Dallas–Plano–Irving metropolitan division has seen steady growth in manufacturing (adding 15,000 jobs), and education and health services (adding 22,100 jobs), and a major increase in leisure and hospitality jobs (gaining 32,000).[45]

As Dallas grows, questions remain about the availability of housing for its growing workforce, with city officials reporting that the city lacks 20,000 units of affordable housing.[46] The BPC rankings point in the same direction. Among Tier 1 cities, the Dallas–Plano–Irving metropolitan division had the lowest percentage of households with affordable housing in 2021, ranking 154th in this component of the index.

Gained 4 ranks	Indicator	Rank
Job growth (2016–21)	10.1%	18th
Job growth (2020–21)	5.1%	14th
Wage growth (2016–21)	35.9%	39th
Wage growth (2020–21)	11.5%	34th
Short-term job growth (10/2021–10/2022)	6.9%	1st
High-tech GDP growth (2016–21)	32.0%	68th
High-tech GDP growth (2020–21)	11.1%	82nd
High-tech GDP concentration (2021)	1.26	25th
Number of high-tech industries (2021)	7	33rd
HHs with broadband access (2021)	92.8%	46th
HHs with affordable housing costs (2017–21)	68.3%	133rd
HHs with affordable housing costs (2021)	66.2%	154th

Strengths

» Over the past year, Dallas had the strongest short-term job growth of all metropolitan areas. With one of the most diverse economies and a business-friendly tax framework, Dallas continues its climb in the rankings as a best-performing city.

Areas of Focus

» Among Tier 1 large cities, Dallas had both the strongest short-term job growth and the highest costs of housing. Based on data from 2021, the city ranked 154th in terms of housing affordability, placing it in the bottom quartile in this category across all US large cities.

7. WILMINGTON
NC MSA

Wilmington, North Carolina, moves up 14 spots in this year's rankings, resulting in a total 30-rank increase over the last two years. An up-and-coming coastal community, Wilmington stands out for its robust wage and job growth numbers—evidence that the economy is coming back strong after the pandemic job losses.

Wilmington is experiencing a major shift in its economy, moving from a primarily tourism-driven economy to one that's more diverse, with an emphasis on professional services and education.[47] The Port City has seen substantial growth in several industries over the last decade. Between 2011 and 2021, the education and health services sector grew 85.2 percent in real GDP, while the professional and business services sector increased by 73.5 percent. Alongside that increase, the tourism industry also saw 45.4 percent growth with a 23.9 percent increase in jobs in the leisure and hospitality sector.

Leaders in New Hanover County are trying to capitalize on this growth by bringing even larger companies to the area. The Wilmington City Council recently approved more than $2.6 million in incentives to attract a diverse set of larger firms, with companies in the energy, transportation, logistics, and financial technology sectors set to receive the grants.[48] Officials also hope that the talent pool graduating from the University of North Carolina Wilmington, and improvements to the Port of Wilmington can be major draws for larger firms in search of new locations.

Wilmington benefits from its location, with a popular waterfront and proximity to four beach communities. Its location also makes it difficult for the city to keep housing costs low, particularly when demand for housing exceeds supply. Wilmington ranks 130th in our affordable housing metric over the last five years; among Tier 1 large cities only Austin and Dallas have less affordable housing than the Cape Fear region.

Gained 14 ranks	Indicator	Rank
Job growth (2016–21)	8.8%	24th
Job growth (2020–21)	5.5%	10th
Wage growth (2016–21)	44.1%	9th
Wage growth (2020–21)	13.9%	13th
Short-term job growth (10/2021–10/2022)	3.6%	68th
High-tech GDP growth (2016–21)	31.7%	70th
High-tech GDP growth (2020–21)	19.2%	13th
High-tech GDP concentration (2021)	1.03	46th
Number of high-tech industries (2021)	5	61st
HHs with broadband access (2021)	91.5%	84th
HHs with affordable housing costs (2017–21)	68.5%	130th
HHs with affordable housing costs (2021)	68.2%	124th

Strengths

- Wilmington has managed to keep a competitive rate of wage growth while growing the workforce in several different sectors as the city's population continues expanding.
- A growing talent pool at the University of North Carolina Wilmington and upcoming improvements to the Port of Wilmington will continue to give the Cape Fear region a competitive advantage.

Areas of Focus

- Wilmington is experiencing high demand for housing with increasingly limited supply. To avoid a housing bust, more affordable options are needed.

8. PHOENIX
MESA–SCOTTSDALE, AZ MSA

Phoenix, Arizona, drops four ranks in 2023, but stays among the Tier 1 large cities for the third year in a row. Phoenix, Arizona's state capital and most populous city, stands out among best-performing cities for its medium-term job and wage growth, ranking ninth in five-year job growth and 14th in five-year wage growth. The Valley of the Sun finds itself above the median among large cities on almost all components of the BPC index, with the only two exceptions being one-year high-tech growth and housing costs. The city has shown resilience in maintaining its high rankings during and after the onset of the COVID-19 pandemic.

The Phoenix metro area boasts a diverse economy, with financial activities, professional and business services, and manufacturing among the largest sectors in real GDP. A balanced economy allows Phoenix to rely on more than just one or two industries, a feature that assisted in the city's quick and robust pandemic rebound.[49] Arizona's state capital is also emerging as a hub for a diverse set of high-tech industries. Over the last five years, Phoenix has seen jobs in the medical supplies and manufacturing sector increase by 86.9 percent and its software publishing sector increase by 108.1 percent. The city's pharmaceutical manufacturing and information services industry also experienced a remarkable jump in employment, with the number of jobs in this industry tripling between 2016 and 2021.

Despite that increase, among Tier 1 cities Phoenix had the second-slowest high-tech GDP growth between 2020 and 2021. The challenge for the city in upcoming years will be to compete with regional high-tech hubs such as Austin, Houston, and Dallas, TX, in order to attract more high-tech investment. With sharp wage growth and a relatively high amount of affordable housing for incoming talent, the Valley of the Sun is well positioned to respond to this challenge and future BPC rankings will tell of its ability to do so.

Dropped 4 ranks	Indicator	Rank
Job growth (2016–21)	11.7%	9th
Job growth (2020–21)	4.2%	40th
Wage growth (2016–21)	42.0%	14th
Wage growth (2020–21)	10.6%	50th
Short-term job growth (10/2021–10/2022)	3.9%	56th
High-tech GDP growth (2016–21)	46.0%	30th
High-tech GDP growth (2020–21)	9.6%	107th
High-tech GDP concentration (2021)	1.04	45th
Number of high-tech industries (2021)	7	33rd
HHs with broadband access (2021)	93.0%	40th
HHs with affordable housing costs (2017–21)	70.4%	98th
HHs with affordable housing costs (2021)	69.7%	109th

Strengths

» Phoenix has recovered the jobs lost during the COVID-19 pandemic and is set for continued growth thanks to a balanced economy with strengths across several industries.

Areas of Focus

» To maintain its place among Tier 1 best-performing cities and compete with other large metro areas such as Austin, Houston, and Dallas, Phoenix will have to attract more high-tech businesses and investment.

9. FAYETTEVILLE
SPRINGDALE–ROGERS, AR–MO MSA

Fayetteville, Arkansas, dropped one position in the 2023 BPC rankings. The city's strong performance over the last two editions of the BPC has been fueled by competitive job and wage growth combined with relatively affordable housing, as reflected in this year's rankings. Fayetteville's performance is evidence of its stable upward trajectory in the BPC rankings: the city debuted among Tier 1 large cities last year, following a climb from 15th position in 2021 and 37th in 2020.

The Fayetteville–Springdale–Rogers, AR–MO metropolitan area is home to the University of Arkansas and three of Arkansas' six Fortune 500 companies: Walmart, Tyson Foods, and JB Hunt Transport. With fall 2022 enrollment hitting record highs, the University of Arkansas is promoting the area's growth; the school provides Fayetteville with more than 30,000 students every year.[50]

Despite the presence of Fortune 500 companies, Fayetteville lags in the development of the high-tech sector. The city ranks 184th among large cities in high-tech GDP concentration, with a high-tech LQ of 0.32. It may prove difficult for Fayetteville to join the ranks of the regional financial hubs without more large high-tech industries in the area.

Despite such challenges, the city has grown steadily in recent years. In the last 10 years (2011 to 2021), Fayetteville has added jobs across multiple sectors, with employment growing more than 30 percent in the financial services, professional and business services, education and health services, and leisure and hospitality sectors. During the same time, the professional and business services sector more than doubled in terms of real GDP, with an outstanding growth of 103.2 percent.

Simultaneously, the city has experienced stable population growth, and recent projections show that the area population could grow by as much as 76 percent between this year and 2060. Over the same period, employment is projected to more than double.[51] If these projections hold, and if the city can attract more investment from the high-tech sector, Fayetteville could continue its upward trajectory in future BPC rankings.

Dropped 1 rank	Indicator	Rank
Job growth (2016–21)	10.8%	13th
Job growth (2020–21)	4.2%	45th
Wage growth (2016–21)	39.4%	21st
Wage growth (2020–21)	11.5%	37th
Short-term job growth (10/2021–10/2022)	4.6%	29th
High-tech GDP growth (2016–21)	33.5%	62nd
High-tech GDP growth (2020–21)	14.1%	43rd
High-tech GDP concentration (2021)	0.32	184th
Number of high-tech industries (2021)	1	162nd
HHs with broadband access (2021)	92.5%	53rd
HHs with affordable housing costs (2017–21)	77.9%	6th
HHs with affordable housing costs (2021)	79.7%	2nd

Strengths

» Fayetteville benefits from the presence of several Fortune 500 companies and the state's flagship university within the metropolitan area. Fayetteville also has one of the most affordable housing markets, a rare trait among Tier 1 large cities.

Areas of Focus

» To become a major financial hub, Fayetteville will need to attract more large high-tech industries.

10. PALM BAY
MELBOURNE–TITUSVILLE, FL MSA

Palm Bay, Florida, a coastal area in Brevard County, drops five ranks in 2023, and eight ranks from second place in the 2021 ranking. Despite the drop, the area remains among the top 25 large cities in terms of the prominence of its high-tech industry, ranking 11th in high-tech GDP concentration and 24th in number of high-tech industries with LQ >1. Brevard County's largest city also boasts the fifth-highest five-year job growth rate, with a 12.6 percent increase in total employment since 2016.

In recent years, Palm Bay has seen a strong increase in population. Between December 2020 and December 2021, Palm Bay's population grew nearly 2 percent, far above the national population growth of 0.12 percent over the same period. Brevard County is home to Cape Canaveral ("Space Coast") and a large portion of Palm Bay's population growth can be attributed to the growth of Space Coast companies like SpaceX and L3Harris. Incoming employees of these big tech companies may choose to live in the Melbourne–Palm Bay area because of the regional amenities and relative affordability.[52]

Palm Bay's high-tech industries are growing at a remarkable rate. Between 2016 and 2021, employment in Palm Bay's high-tech sector grew 39 percent, almost four times as much as the national high-tech employment growth during the same period. Much of this growth can be attributed to aerospace parts, pharmaceutical, and machinery manufacturing, with employment in each of those three industries growing by more than 100 percent between 2016 and 2021. The only other high-tech industry in the Palm Bay area to grow by more than 100 percent during that time was scientific research and development. R&D has been a major source of job growth regionally, as Brevard County holds the distinction of having the largest share of STEM-related jobs in the entire state.[53]

With growth in high-tech industries, Palm Bay area workers are also seeing wages growing faster than the national average. Ranking 17th in five-year wage growth, the Space Coast has been able to increase its competitiveness among neighboring prominent Florida cities.

Dropped 5 ranks	Indicator	Rank
Job growth (2016–21)	12.6%	5th
Job growth (2020–21)	4.3%	36th
Wage growth (2016–21)	41.5%	17th
Wage growth (2020–21)	10.5%	55th
Short-term job growth (10/2021–10/2022)	3.6%	70th
High-tech GDP growth (2016–21)	37.8%	47th
High-tech GDP growth (2020–21)	9.1%	113th
High-tech GDP concentration (2021)	1.73	11th
Number of high-tech industries (2021)	8	24th
HHs with broadband access (2021)	91.4%	85th
HHs with affordable housing costs (2017–21)	70.9%	94th
HHs with affordable housing costs (2021)	71.3%	81st

Strengths

» Palm Bay has long stood out as a focal point for the aerospace and defense industries, but the area is gaining jobs in a diverse set of high-tech sectors as well.

Areas of Focus

» As Miami and other nearby cities continue to grow and stake their claims as high-tech and innovation hubs, Palm Bay will need to increase high-tech GDP growth and maintain high wage growth to keep up with neighboring cities.

COMPLETE RESULTS: 2023 BEST-PERFORMING LARGE CITIES

TIER 1 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Provo–Orem, UT	1	1	1	1	2	1	9	34	12	48	14	16	18	71	46
Austin–Round Rock, TX	2	2	3	4	3	4	5	22	21	18	12	12	14	131	143
Raleigh, NC	3	16	5	14	11	15	26	14	61	67	10	7	32	44	67
Nashville–Davidson–Murfreesboro–Franklin, TN	4	25	8	15	18	24	24	6	18	20	97	33	45	80	91
Boise City, ID	5	15	6	2	5	6	23	104	83	44	75	76	44	41	56
Dallas–Plano–Irving, TX	6	10	14	18	14	39	34	1	68	82	25	33	46	133	154
Wilmington, NC	7	21	37	24	10	9	13	68	70	13	46	61	84	130	124
Phoenix–Mesa–Scottsdale, AZ	8	4	7	9	40	14	50	56	30	107	45	33	40	98	109
Fayetteville–Springdale–Rogers, AR–MO	9	8	15	13	45	21	37	29	62	43	184	162	53	6	2
Palm Bay–Melbourne–Titusville, FL	10	5	2	5	36	17	55	70	47	113	11	24	85	94	81

Source: *Milken Institute analysis (2023)*

TIER 2 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Savannah, GA	11	78	52	36	9	76	39	25	34	2	51	106	59	122	116
Myrtle Beach–Conway–North Myrtle Beach, SC–NC	12	101	50	34	4	31	7	73	20	11	169	162	60	77	71
Orlando–Kissimmee–Sanford, FL	13	57	27	48	12	42	17	20	50	50	71	33	50	167	176
San Jose–Sunnyvale–Santa Clara, CA	14	7	22	87	145	2	1	18	5	34	1	5	1	165	157
Riverside–San Bernardino–Ontario, CA	15	22	36	8	21	18	21	8	42	60	105	106	48	190	189
Reno, NV	16	20	18	7	15	5	2	102	6	24	100	76	169	134	123
Tampa–St. Petersburg–Clearwater, FL	17	17	32	30	41	36	38	17	59	37	68	33	83	145	147
Ogden–Clearfield, UT	18	13	9	10	65	22	99	105	24	63	91	76	12	8	20
Salt Lake City, UT	19	3	4	19	43	16	70	142	16	68	37	16	22	73	95
Charlotte–Concord–Gastonia, NC-SC	20	31	26	28	59	37	64	7	89	83	83	76	68	63	60
Cape Coral–Fort Myers, FL	21	27	23	20	8	19	10	66	8	1	160	128	94	144	138
Crestview–Fort Walton Beach–Destin, FL	22	29	28	17	13	12	20	106	17	71	73	76	119	123	118
Rockingham County–Strafford County, NH	23	81	76	89	25	29	3	99	105	112	41	24	11	100	50
Charleston–North Charleston, SC	24	54	29	35	33	55	48	2	77	120	64	33	102	103	96
Portland–South Portland, ME	25	82	94	70	17	56	36	60	11	93	86	49	64	89	73
Atlanta–Sandy Springs–Roswell, GA	26	47	21	46	44	72	83	11	66	27	30	61	37	105	111
Jacksonville, FL	27	24	39	21	48	33	41	31	64	49	99	106	79	111	119
Denver–Aurora–Lakewood, CO	28	14	11	49	71	26	53	46	25	96	27	24	30	139	144
Durham–Chapel Hill, NC	29	11	42	33	37	11	45	91	148	109	6	7	91	91	90
Naples–Immokalee–Marco Island, FL	30	23	20	22	19	10	4	58	9	5	140	128	134	160	177
North Port–Sarasota–Bradenton, FL	31	30	46	32	7	30	15	69	110	46	129	162	71	104	112
Knoxville, TN	32	61	91	63	57	75	35	32	55	111	93	76	167	16	10
Port St. Lucie, FL	33	32	31	11	35	25	27	19	154	40	177	128	39	135	151
Seattle–Bellevue–Everett, WA	34	6	13	78	179	7	30	23	7	73	3	49	2	151	145
San Francisco–Redwood City–South San Francisco, CA	35	35	24	101	188	3	43	5	1	12	2	11	26	164	170
Lakeland–Winter Haven, FL	36	19	25	3	6	8	22	120	28	30	182	162	164	107	117

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Colorado Springs, CO	37	9	17	26	70	40	71	93	52	86	29	33	4	152	153
San Diego–Carlsbad, CA	38	42	49	95	58	57	28	90	14	47	7	2	8	196	195
Fort Lauderdale–Pompano Beach–Deerfield Beach, FL	39	72	63	74	42	49	16	48	54	23	72	49	81	198	197
Huntsville, AL	40	12	10	16	49	38	142	154	84	114	8	16	107	2	3
Boulder, CO	41	41	44	52	68	35	143	51	26	79	4	6	3	161	156
Olympia–Tumwater, WA	42	28	30	42	90	20	51	157	3	7	85	61	7	132	125
West Palm Beach–Boca Raton–Delray Beach, FL	43	63	85	57	20	27	6	30	125	80	101	76	126	185	178
Fort Worth–Arlington, TX	44	40	35	27	61	60	88	9	41	125	63	128	49	108	150
Greenville–Anderson–Mauldin, SC	45	88	45	66	76	97	85	15	124	56	82	49	117	23	29
Fort Collins, CO	46	43	12	37	69	28	73	67	76	163	34	12	56	138	140
Asheville, NC	47	165	73	75	16	70	31	79	72	132	104	33	180	74	53
Manchester–Nashua, NH	48	70	99	109	80	43	11	119	35	150	18	24	16	128	94
Santa Maria–Santa Barbara, CA	49	57	75	81	105	47	32	52	38	38	13	7	72	194	196
Las Vegas–Henderson–Paradise, NV	50	149	88	69	1	98	12	36	23	6	142	162	86	172	180
Montgomery County–Bucks County–Chester County, PA	51	94	70	102	47	101	74	97	99	104	16	16	19	66	41
Sacramento–Roseville–Arden-Arcade, CA	52	44	47	43	55	45	52	71	115	57	66	61	31	174	173
Cambridge–Newton–Framingham, MA	53	49	58	116	62	59	63	42	71	102	5	2	29	157	162
Ocala, FL	54	48	33	23	73	34	18	140	130	118	151	76	96	54	27
Stockton–Lodi, CA	55	71	74	6	38	13	19	53	137	33	188	190	97	183	167
Anaheim–Santa Ana–Irvine, CA	56	69	61	123	87	86	58	24	33	76	15	1	10	192	191
Gainesville, FL	57	66	57	44	72	41	61	121	10	4	95	76	176	137	103
Deltona–Daytona Beach–Ormond Beach, FL	58	39	69	45	30	46	14	54	175	119	128	76	157	140	130
Camden, NJ	59	78	144	93	23	109	84	10	88	154	77	24	55	147	126
McAllen–Edinburg–Mission, TX	60	18	103	29	64	94	80	27	2	94	157	128	185	97	84
Oakland–Hayward–Berkeley, CA	61	53	65	124	101	65	67	63	27	75	9	2	25	177	181

Source: *Milken Institute analysis (2023)*

TIER 3 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Kennewick–Richland, WA	62	36	19	41	78	82	148	39	152	88	60	106	101	38	30
Miami–Miami Beach–Kendall, FL	63	98	97	86	63	52	8	4	48	35	144	128	174	200	200
Tallahassee, FL	64	86	123	61	96	64	60	82	44	19	92	106	98	136	133
San Antonio–New Braunfels, TX	65	37	48	62	84	74	87	35	104	115	80	61	75	115	121
Allentown–Bethlehem–Easton, PA–NJ	66	134	90	90	22	111	76	83	134	9	54	61	147	101	110
Portland–Vancouver–Hillsboro, OR–WA	67	34	38	88	142	50	69	13	93	184	21	33	21	156	159
Los Angeles–Long Beach–Glendale, CA	68	87	93	147	88	88	47	37	69	39	17	7	47	199	199
Indianapolis–Carmel–Anderson, IN	69	77	56	64	56	89	117	92	159	165	49	61	67	43	24
Brownsville–Harlingen, TX	70	109	159	51	32	83	25	81	158	3	196	190	200	90	43
College Station–Bryan, TX	71	27	21	25	29	44	66	72	79	28	130	162	197	175	185
Chattanooga, TN–GA	72	59	62	53	89	63	68	178	4	16	168	128	143	34	31
Santa Rosa, CA	73	68	59	170	141	48	33	64	32	70	40	16	9	189	186
Pensacola–Ferry Pass–Brent, FL	74	76	55	31	117	51	59	94	168	74	162	128	90	75	75
Boston, MA	75	114	105	146	92	71	105	47	13	89	39	49	54	169	175
Madison, WI	76	50	34	110	124	78	109	139	19	98	23	33	61	76	88
Grand Rapids–Wyoming, MI	77	110	92	111	46	112	98	135	40	135	108	106	108	15	9
Warren–Troy–Farmington Hills, MI	78	168	137	153	27	162	86	87	139	116	67	76	33	33	36
Oxnard–Thousand Oaks–Ventura, CA	79	158	138	125	126	85	44	44	100	134	33	12	27	193	187
Salisbury, MD–DE	80	141	98	80	26	93	65	194	60	41	127	106	149	96	66
Santa Cruz–Watsonville, CA	81	151	124	163	77	58	42	122	67	77	55	33	35	188	184
Winston-Salem, NC	82	96	122	92	81	84	46	136	122	142	138	76	135	51	40
Hickory–Lenoir–Morganton, NC	83	91	115	108	93	77	29	114	193	191	119	49	194	1	1
Fresno, CA	84	62	60	40	94	53	40	86	86	45	174	128	186	182	171
York–Hanover, PA	85	159	121	137	82	126	77	78	146	55	111	49	130	55	49
Harrisburg–Carlisle, PA	86	127	54	106	106	115	158	21	181	84	89	76	116	27	15
San Luis Obispo–Paso Robles–Arroyo Grande, CA	87	139	51	118	39	61	54	196	63	42	76	49	63	187	188
Visalia–Porterville, CA	88	64	101	39	51	68	56	109	58	17	191	190	177	180	160

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Springfield, MO	89	55	78	59	86	62	72	143	129	162	103	128	168	47	37
Spokane–Spokane Valley, WA	90	46	87	55	54	79	152	129	22	171	78	106	103	106	99
Lancaster, PA	91	129	66	94	60	80	62	180	102	22	102	162	173	67	48
Modesto, CA	92	74	107	65	104	54	57	134	51	25	175	162	42	176	174
New York–Jersey City–White Plains, NY–NJ	93	116	106	156	99	95	89	26	57	64	50	33	111	197	198
Worcester, MA–CT	94	85	100	126	52	125	118	113	121	121	38	12	62	121	106
Salem, OR	95	33	53	56	91	32	49	192	29	92	158	162	74	158	146
Spartanburg, SC	96	83	40	12	146	67	125	59	195	127	198	162	150	17	4
Louisville–Jefferson County, KY–IN	97	115	110	107	83	128	110	57	109	138	156	128	115	25	47
Ann Arbor, MI	98	97	68	117	103	102	147	100	75	136	35	33	20	119	132
Lake County–Kenosha County, IL–WI	99	112	154	114	109	127	90	103	116	183	22	76	36	85	85
Silver Spring–Frederick–Rockville, MD	100	93	109	145	123	117	94	150	117	66	20	16	5	112	105
Fort Wayne, IN	101	134	82	91	118	99	124	98	165	152	131	128	70	3	6
Columbus, OH	102	80	83	71	85	91	113	152	123	149	114	190	43	57	52
Minneapolis–St. Paul–Bloomington, MN–WI	103	119	104	135	137	130	141	49	156	168	58	76	41	49	57
Killeen–Temple, TX	104	90	116	67	102	119	91	126	46	54	163	190	123	120	129
Clarksville, TN–KY	105	120	134	47	66	124	138	179	36	15	197	162	171	82	70

Source: *Milken Institute analysis (2023)*

TIER 4 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Waco, TX	106	52	129	58	67	81	108	95	173	196	117	162	151	129	108
Newark, NJ–PA	107	133	153	148	74	142	160	65	87	97	31	16	80	184	179
Greensboro–High Point, NC	108	138	147	128	111	108	78	148	172	173	74	24	124	83	72
Trenton, NJ	109	51	71	76	115	103	174	149	118	78	24	16	104	162	141
Birmingham–Hoover, AL	110	104	132	85	129	121	149	125	94	61	141	128	140	45	54
Bremerton–Silverdale, WA	111	56	16	84	192	123	166	123	15	31	109	128	6	117	114
Tucson, AZ	112	38	41	83	172	73	167	145	80	167	36	24	93	114	104
Cincinnati, OH–KY–IN	113	111	67	99	98	107	133	191	136	141	98	128	105	28	21
Kalamazoo–Portage, MI	114	103	86	151	113	144	100	172	37	160	44	76	128	60	62
Lansing–East Lansing, MI	115	89	163	183	185	156	131	38	31	81	112	76	131	50	64
Kansas City, MO–KS	116	65	95	113	159	132	184	153	112	103	56	24	73	42	39
Des Moines–West Des Moines, IA	117	95	133	73	75	114	190	174	126	130	153	162	88	20	23
Chicago–Naperville–Arlington Heights, IL	118	121	152	162	136	133	104	55	98	137	81	61	106	153	142
Bakersfield, CA	119	113	142	54	97	87	96	156	128	58	165	162	109	181	183
Omaha–Council Bluffs, NE-IA	120	60	102	132	184	104	161	118	85	52	107	106	89	53	78
Davenport–Moline–Rock Island, IA–IL	121	165	179	168	156	143	165	16	132	26	173	162	153	10	19
El Paso, TX	122	73	111	72	135	96	106	187	106	59	116	76	145	143	139
Providence–Warwick, RI–MA	123	157	156	149	34	150	127	108	144	90	90	76	122	154	165
Pittsburgh, PA	124	153	127	174	160	139	146	111	145	65	53	76	142	18	17
Oklahoma City, OK	125	142	114	82	165	146	182	76	92	85	171	128	92	48	69
Greeley, CO	126	101	43	50	199	23	144	137	56	190	183	162	66	116	122
Columbia, SC	127	100	77	115	133	135	128	163	45	29	135	128	136	86	92
Gulfport–Biloxi–Pascagoula, MS	128	125	177	100	53	177	151	185	39	8	150	128	175	79	89
Nassau County–Suffolk County, NY	129	188	189	177	24	165	95	130	180	174	70	49	17	179	169
Scranton–Wilkes-Barre–Hazleton, PA	130	164	186	180	149	151	115	133	90	10	94	106	181	52	33
Baltimore–Columbia–Towson, MD	131	106	113	141	122	140	185	112	96	146	43	33	95	102	120
Merced, CA	132	84	81	38	110	66	79	85	185	170	200	190	187	170	190

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Syracuse, NY	133	175	143	182	158	157	111	96	151	175	61	33	100	56	59
Washington–Arlington–Alexandria, DC–VA–MD–WV	134	67	79	112	164	113	180	168	101	140	28	61	15	113	113
Memphis, TN–MS–AR	135	128	166	104	127	116	101	84	140	139	161	128	166	126	131
South Bend–Mishawaka, IN–MI	136	144	130	193	198	138	92	40	186	157	139	76	138	19	18
Albuquerque, NM	137	75	89	120	112	120	137	193	141	129	42	49	125	109	101
Tacoma–Lakewood, WA	138	131	118	60	140	69	154	116	164	197	137	162	13	159	155
Mobile, AL	139	122	164	103	120	141	126	199	53	14	106	128	198	92	100
St. Louis, MO–IL	140	149	128	131	139	137	170	158	167	110	84	76	110	35	22
Lincoln, NE	141	26	80	130	191	106	157	165	49	164	79	76	76	59	77
Albany–Schenectady–Troy, NY	142	105	135	178	177	134	107	175	97	143	32	24	118	58	68
Eugene, OR	143	106	119	139	161	90	81	80	191	178	145	76	52	171	172
Houston–The Woodlands–Sugar Land, TX	144	145	112	79	138	170	186	3	150	169	132	128	99	125	136
Little Rock–North Little Rock–Conway, AR	145	126	150	98	121	149	159	128	179	123	118	76	144	62	80
New Haven–Milford, CT	146	117	185	144	107	160	122	151	65	153	57	61	58	166	164
Buffalo–Cheektowaga–Niagara Falls, NY	147	171	158	195	132	167	140	75	114	133	87	76	139	65	76
Amarillo, TX	148	24	111	96	119	105	129	184	107	159	166	128	160	69	58
Lubbock, TX	149	45	136	68	95	110	163	77	197	198	148	128	163	141	127
Springfield, MA	150	143	161	155	31	180	175	62	131	117	133	61	158	163	158
Green Bay, WI	151	92	139	136	173	129	169	171	95	108	167	128	77	5	8
Urban Honolulu, HI	152	191	196	200	114	194	112	43	103	21	155	106	51	191	193
Duluth, MN–WI	153	180	172	184	169	154	119	131	81	53	146	128	156	29	42
Wichita, KS	154	130	64	138	163	172	189	88	169	180	19	106	113	30	38
Bridgeport–Stamford–Norwalk, CT	155	182	187	196	79	193	97	159	108	144	26	33	38	186	182
Elgin, IL	156	148	184	176	147	163	93	141	182	192	115	61	28	88	63
Virginia Beach–Norfolk–Newport News, VA–NC	157	140	140	122	166	158	116	115	127	105	125	106	65	155	149
Toledo, OH	158	187	169	187	144	184	162	45	91	172	154	128	133	39	25
Lexington–Fayette, KY	159	163	146	133	125	174	168	138	178	106	124	61	87	72	82
Richmond, VA	160	123	117	105	151	100	114	160	162	166	149	128	137	95	107

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Kingsport–Bristol–Bristol, TN–VA	161	161	181	166	180	168	75	162	163	62	172	106	192	4	7
Dayton, OH	162	136	125	154	183	136	179	173	120	156	62	49	112	37	32
Fayetteville, NC	163	174	183	119	116	122	82	110	188	179	159	162	154	148	137
Cleveland–Elyria, OH	164	162	173	157	152	153	150	146	111	99	122	106	148	70	55
Montgomery, AL	165	167	151	143	128	171	156	167	142	36	88	106	161	78	93
Tulsa, OK	166	169	108	127	195	179	199	61	113	189	121	76	132	31	51
Evansville, IN–KY	167	173	96	158	143	152	135	117	170	186	110	162	165	26	12
Augusta–Richmond County, GA–SC	168	106	126	77	170	92	130	177	200	145	164	162	188	61	44
Gary, IN	169	179	165	159	130	178	121	132	160	95	194	162	114	36	61
Canton–Massillon, OH	170	181	192	171	175	161	120	164	43	51	189	190	189	12	13
Salinas, CA	171	131	131	121	100	118	102	189	147	100	186	190	24	195	194
Rockford, IL	172	184	194	197	196	195	183	12	73	122	134	106	152	68	102
Laredo, TX	173	170	149	97	155	131	132	50	183	124	199	190	195	149	161
Utica–Rome, NY	174	177	160	189	182	148	103	169	157	147	120	106	179	24	28

Source: *Milken Institute analysis (2023)*

TIER 5 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Anchorage, AK	175	196	174	192	108	192	188	41	196	155	147	128	23	127	152
Fort Smith, AR–OK	176	118	148	164	189	176	177	161	78	69	195	76	199	13	16
Cedar Rapids, IA	177	124	141	165	187	182	192	190	143	195	52	61	69	7	35
Detroit–Dearborn–Livonia, MI	178	160	188	150	28	187	178	170	187	151	123	128	146	124	128
Roanoke, VA	179	155	145	152	174	169	139	181	155	187	136	76	172	32	26
Flint, MI	180	194	155	175	50	191	134	186	161	87	185	162	182	81	86
Hartford–West Hartford–East Hartford, CT	181	176	170	173	154	190	198	155	74	91	47	106	82	142	135
Philadelphia, PA	182	136	84	129	134	145	196	89	176	199	59	128	159	168	168
Rochester, NY	183	146	167	186	131	183	171	182	177	185	48	49	120	87	74
Wilmington, DE–MD–NJ	184	172	171	142	171	159	176	144	189	188	152	106	57	93	87
Reading, PA	185	190	120	172	148	166	153	147	192	101	143	128	162	84	79
Lafayette, LA	186	186	176	160	150	197	197	107	133	176	176	106	170	22	65
Milwaukee–Waukesha–West Allis, WI	187	147	162	169	186	164	145	188	138	161	96	76	121	99	97
Columbus, GA–AL	188	152	191	140	197	147	136	124	135	131	113	128	190	146	166
Akron, OH	189	154	180	190	193	175	123	183	119	126	126	190	127	46	34
Beaumont–Port Arthur, TX	190	185	178	198	200	196	155	33	198	194	193	162	129	21	45
Vallejo–Fairfield, CA	191	99	72	134	181	155	200	101	199	200	65	106	34	178	192
Peoria, IL	192	192	200	185	168	199	172	127	171	148	178	162	155	11	14
New Orleans–Metairie, LA	193	198	195	194	178	189	187	28	149	32	181	162	178	150	148
Baton Rouge, LA	194	193	157	161	153	185	173	195	153	128	180	162	141	40	83
Corpus Christi, TX	195	183	199	181	190	198	195	74	82	181	170	128	183	110	134
Dutchess County–Putnam County, NY	196	195	190	188	162	173	181	176	194	182	69	61	78	173	163
Youngstown–Warren–Boardman, OH–PA	197	200	198	199	157	200	164	197	184	177	190	190	191	14	5
Huntington–Ashland, WV–KY–OH	198	189	182	179	194	181	194	198	174	158	187	162	193	9	11
Shreveport–Bossier City, LA	199	199	197	191	176	186	191	166	166	72	192	162	196	118	115
Jackson, MS	200	178	175	167	167	188	193	200	190	193	179	128	184	64	98

Source: *Milken Institute analysis (2023)*

TIER 1 SMALL CITIES

1. IDAHO FALLS
ID MSA

Idaho Falls, Idaho, regains its top position among small cities in this year's rankings, after falling to fifth place in the 2022 edition of the BPC. Although considerably smaller than Boise, Idaho's largest metropolitan area, Idaho Falls is the largest city in Eastern Idaho and the closest metropolitan area to Yellowstone National Park, which in 2021 was the third most visited national park.[55] Idaho Falls houses a growing regional airport, where 2022 passenger totals were 42 percent higher than in the previous year, and a full 78 percent higher than in 2019, before the pandemic.[56] It is also home to the Idaho National Laboratory, which employs more than 5,700 workers supporting research on nuclear physics and renewable energy, among other disciplines.[57]

Idaho Falls performs well relative to its peers in all components of the BPC index: its poorest performance is in five-year affordable housing, where it ranks 60th out of 203 small cities. In recent years, the city has seen improvements in rankings relative to its peers on several components of the BPC index, including housing affordability. Its 24th place in percentage of households with affordable housing, using one-year data, represents an improvement over the 56th position the city achieved in the 2021 BPC rankings, which used a comparable housing affordability metric. The city also experienced a marked improvement in short-term job growth: Idaho Falls went from 83rd place in 2022 to 58th place this year in this component of the BPC index.

While Idaho Falls experienced a dramatic improvement in five-year high-tech GDP growth, rising from 101st place in 2022 to its current 31st position, it lags in recent one-year high-tech GDP growth. Idaho Falls is the lowest-ranking Tier 1 small city in one-year high-tech growth, falling to 77th place in this component of the BPC index from 55th position in last year's rankings.

Gained 4 ranks	Indicator	Rank[54]
Job growth (2016–21)	17.9%	3rd
Job growth (2020–21)	5.7%	9th
Wage growth (2016–21)	46.6%	7th
Wage growth (2020–21)	11.0%	27th
Short-term job growth (10/2021–10/2022)	2.9%	58th
High-tech GDP growth (2016–21)	40.2%	31st
High-tech GDP growth (2020–21)	10.2%	77th
High-tech GDP concentration (2021)	1.1	8th
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	92.6%	10th
HHs with affordable housing costs (2017–21)	76.1%	60th
HHs with affordable housing costs (2021)	78.2%	24th

Strengths

» Idaho Falls benefits from the strength of its travel and health-care businesses, sustained by the presence of a thriving regional airport and the Idaho National Laboratory.

» The city is also home to a US Department of Energy nuclear lab that houses one of the only two reactors producing medical radioisotopes in the US.

Areas of Focus

» Idaho Falls lags other Tier 1 small cities in one-year high-tech GDP growth; the city ranks 77th in this component of the index, falling 22 ranks from 55th position last year.

2. LOGAN
UT MSA

Logan, Utah, falls back to second position among small cities, after placing in the top spot in last year's rankings. The city ranked in the top 10 in terms of five-year and one-year job and wage growth, but fell to the 55th position in short-term job growth, covering the period between October 2021 and October 2022. This drop occurred even as Logan's rate of short-term job growth increased from 2.2 percent to 3.0 percent over the last year, implying that while Logan's job market remains strong, job growth in other small cities accelerated faster.

In five-year high-tech GDP growth, Logan moved up from 29th place in 2022 to the third position in this year's rankings. However, the city fell 40 spots (from 32nd to 72nd) in the most recent year's metric of high-tech GDP growth, even as the one-year rate of growth of the high-tech sector increased from 2.5 percent to 10.5 percent.

Manufacturing is a large and growing part of Logan's economy: employment in this sector grew by 11.3 percent between 2020 and 2021 as wages rose 22.1 percent during the same period. This strong manufacturing job and wage growth in the most recent year represents an acceleration from prior growth in this sector.

Logan is home to Utah State University, a public land-grant university with more than 20,000 students enrolled on its Logan campus.[59] It is also a destination for outdoor recreation, including Logan Canyon and Bear Lake, the "Rocky Mountain Caribbean."[60] The city's vibrant education and outdoor resources, however, add pressure to the housing market. Logan ranks low relative to its peers in housing affordability, falling to 119th in both metrics related to affordable housing.

Dropped 1 rank	Indicator	Rank
Job growth (2016–21)	15.2%	5th
Job growth (2020–21)	6.1%	8th
Wage growth (2016–21)	52.6%	4th
Wage growth (2020–21)	16.0%	4th
Short-term job growth (10/2021–10/2022)	3.0%	55th
High-tech GDP growth (2016–21)	65.9%	3rd
High-tech GDP growth (2020–21)	10.5%	72nd
High-tech GDP concentration (2021)	0.89	15th
Number of high-tech industries (2021)	5	10th
HHs with broadband access (2021)	93.5%	5th
HHs with affordable housing costs (2017–21)	73.4%	119th
HHs with affordable housing costs (2021)	72.4%	119th

Strengths

» Logan, home to Utah State University, benefits from the school's contribution to a vibrant labor market. The city also benefits from a strong and growing manufacturing sector and abundant access to water, a valuable resource in the region.

Areas of Focus

» The city ranks low relative to its peers in housing affordability. Pressure on the housing market is aggravated by a large and increasing student population.[58]

3. ST. GEORGE
UT MSA

St. George, Utah, moves to third place, falling one position from its 2022 ranking. The high-tech sector has grown considerably in St. George over the past years. Between 2016 and 2021, high-tech GDP grew by 60 percent, with the city placing seventh in this year's rankings (up from ninth place in 2022 and 12th place in 2021).

St. George has also experienced strong wage growth in recent years, with its five-year wage growth ranking first among small cities for the third year in a row. A strong performance is shown in St. George's employment growth: the city ranked second in five-year job growth this year, after having ranked first in this metric for three consecutive years in past editions of the BPC rankings.

St. George faces infrastructure challenges. As a desert city closer to Las Vegas than to Salt Lake City, St. George has an arid climate that has overburdened the water supply; despite attempts to assuage shortages via the building of a new pipeline, continued reliance on the Colorado river as a water source is unsustainable under current conditions.[62] At the same time, housing affordability remains an issue for many St. George residents. To address this problem, city officials have unveiled a 20-year general plan that outlines a vision of a metropolitan area with a vibrant downtown and mixed-use as well as traditional residential neighborhoods.[63]

Dropped 1 rank	Indicator	Rank
Job growth (2016–21)	25.4%	2nd
Job growth (2020–21)	7.7%	6th
Wage growth (2016–21)	56.0%	1st
Wage growth (2020–21)	12.0%	14th
Short-term job growth (10/2021–10/2022)	3.9%	20th
High-tech GDP growth (2016–21)	60%	7th
High-tech GDP growth (2020–21)	14.3%	34th
High-tech GDP concentration (2021)	0.5	62nd
Number of high-tech industries (2021)	2	66th
HHs with broadband access (2021)	92.1%	19th
HHs with affordable housing costs (2017–21)	70.9%	148th
HHs with affordable housing costs (2021)	68.1%	171st

Strengths

- St. George experienced strong job and wage growth over the last five years, ranking first among small cities in wage growth between 2016 and 2021.
- The city is home to Utah Tech University and benefits from the institution's contribution to a skilled workforce. With talent of high quality, the city has attracted high-tech into the area, St. George ranked seventh in high-tech GDP over the last five years.

Areas of Focus

- Many households in St. George are burdened by high housing costs; housing affordability has not improved in recent years but has grown worse.
- The city's increasing growth continues to put a strain on an already overburdened water supply.[61]

4. THE VILLAGES
FL MSA

The Villages, Florida, moves up to fourth place in this year's rankings, reclaiming its position among Tier 1 small cities. After considerable weakening during the pandemic, the city's job growth regained momentum, with The Villages ranking first and fourth in five-year and one-year job growth in this year's rankings. This was in large part driven by the expanding high-tech sector, which grew by 21.9 percent for employment and 23.6 percent for real GDP over the last year. This expansion earned The Villages seventh spot in this year's rankings of one-year high-tech GDP growth.

The Villages was the fastest-growing metro area by population between the 2010 and 2020 censuses, which has put a strain on housing prices.[64] Despite this, The Villages continues to stand out among Tier 1 small cities for housing affordability. Based on most recent year's data, the city ranks fourth in percentage of households with affordable housing, which represents a considerable improvement over its 93rd place in the 2021 rankings.

Despite strong one-year high-tech GDP growth, The Villages continues to fall behind other small cities in terms of high-tech concentration and diversity of its high-tech industries. The city ranked 161st in high-tech GDP concentration and 118th in number of high-tech industries with LQ >1.[65] To ensure sustained future growth, The Villages will need to increase high-tech investment from diverse sources in the coming years.

Gained 61 ranks	Indicator	Rank
Job growth (2016–21)	28.2%	1st
Job growth (2020–21)	9.1%	4th
Wage growth (2016–21)	53.4%	3rd
Wage growth (2020–21)	10.4%	36th
Short-term job growth (10/2021–10/2022)	3.4%	35th
High-tech GDP growth (2016–21)	39.9%	32nd
High-tech GDP growth (2020–21)	23.6%	7th
High-tech GDP concentration (2021)	0.25	161st
Number of high-tech industries (2021)	1	118th
HHs with broadband access (2021)	89.6%	70th
HHs with affordable housing costs (2017–21)	76.3%	55th
HHs with affordable housing costs (2021)	80.8%	4th

Strengths

» The Villages stands out among Tier 1 small cities in terms of housing affordability. Based on the most recent year's data, the city ranked fourth in percentage of households with affordable housing, up 16 positions from 20th place in the 2021 BPC rankings.

Areas of Focus

» Despite strong high-tech GDP growth, The Villages continues to fall behind other small cities in terms of high-tech concentration and the diversity of its high-tech industries.

5. BEND
REDMOND, OR MSA

Bend–Redmond, Oregon, jumps five positions to fifth place in this year's rankings. Bend's performance has been driven by its strong job and wage growth. This year, the city ranks fifth in five-year wage growth and ninth in five-year job growth. The city has also experienced an improvement in short-term job growth, jumping to 38th from its 127th position in the 2022 rankings. Strongly reliant on tourism, Bend experienced a large rebound in employment in the leisure and hospitality sector, which grew by 10.7 percent between 2020 and 2021, following a pandemic-era drop of 18.2 percent.

Bend scores among the bottom of Tier 1 small cities in housing affordability; more than 31 percent of the city's households spend 30 percent or more of income on housing. With more than a quarter of the city's employment based in the retail, leisure, and hospitality sectors, the cost of living for service workers who keep the tourist economy afloat is becoming prohibitive.

Bend is a popular destination for outdoor recreation and enjoys immediate proximity to Mt. Bachelor, largest ski resort in the Pacific Northwest.[66] Because much of the area's recreational land is held by the US Forest Service, resorts are prohibited from building lodging on site. The proliferation of short-term rentals and the influx of out-of-state residents has contributed to the housing shortage.[67] The city has made attempts to mitigate the crisis by incentivizing long-term rentals and imposing some limits on short-term ones,[68] but further efforts are needed to improve the city's housing conditions with the aim of ensuring sustained and equitable growth.

Gained 5 ranks	Indicator	Rank
Job growth (2016–21)	10.8%	9th
Job growth (2020–21)	4.9%	16th
Wage growth (2016–21)	50.2%	5th
Wage growth (2020–21)	14.1%	7th
Short-term job growth (10/2021–10/2022)	3.3%	38th
High-tech GDP growth (2016–21)	57.6%	11th
High-tech GDP growth (2020–21)	12.2%	56th
High-tech GDP concentration (2021)	0.74	23rd
Number of high-tech industries (2021)	2	66th
HHs with broadband access (2021)	93.2%	6th
HHs with affordable housing costs (2017–21)	66.4%	185th
HHs with affordable housing costs (2021)	68.1%	170th

Strengths

- Bend–Redmond's performance is driven largely by strong job and wage growth due in part to the expansion of its high-tech sector. The city has also been successful in ensuring robust broadband access for its residents.
- A popular area for outdoor recreation and the craft beer capital of the West, Bend–Redmond experienced a strong rebound in its leisure and hospitality sector.

Areas of Focus

- Bend–Redmond's housing supply has been unable to keep pace with the city's growth: the metropolitan area ranked 170th and 185th in our two metrics of housing affordability.

6. PUNTA GORDA
FL MSA

Punta Gorda, Florida, rejoins Tier 1 top-performing small cities after dropping to Tier 2 in last year's rankings. The city continues to demonstrate strong wage growth, ranking third and eighth in one- and five-year wage growth, respectively. Punta Gorda's wages have been boosted by the strong performance of the professional and business services sector, which makes up more than 10 percent of the city's employment. Strong wage growth also reflects a rebound in the financial activities sector, which represents more than a quarter of Punta Gorda's economy in terms of real GDP.

Although high-tech GDP grew at the remarkable pace of 35.8 percent from 2020 to 2021, placing Punta Gorda second among small cities in one-year high-tech GDP growth, the high-tech sector still represents a relatively small portion of the city's economy. Punta Gorda ranks 130th in high-tech concentration, with zero high-tech industries in the city having LQ >1. Still, the recent jump in Punta Gorda's high-tech GDP growth is a positive indicator of high-tech potential for the city.

Although hit hard by Hurricane Ian in September 2022, buildings in Punta Gorda fared better than in neighboring parts of the Gulf Coast, likely due to hurricane-resistant infrastructure that was implemented in the wake of Hurricane Charley in 2004.[70] Yet the city's housing infrastructure could benefit from additional investment. Like other Tier 1 cities, Punta Gorda has a shortage of affordable housing. Efforts to change the city code to allow for increased development have met fierce resistance from residents who value the small-town feel of the city as it currently exists.[71] The success or failure of such efforts will determine the city's future ability to ensure sufficient access to affordable housing for residents.

Gained 14 ranks	Indicator	Rank
Job growth (2016–21)	7.2%	19th
Job growth (2020–21)	4.2%	26th
Wage growth (2016–21)	42.1%	8th
Wage growth (2020–21)	16.0%	3rd
Short-term job growth (10/2021–10/2022)	4.3%	10th
High-tech GDP growth (2016–21)	45.7%	18th
High-tech GDP growth (2020–21)	35.8%	2nd
High-tech GDP concentration (2021)	0.34	130th
Number of high-tech industries (2021)	0	170th
HHs with broadband access (2021)	91.6%	26th
HHs with affordable housing costs (2017–21)	72.0%	136th
HHs with affordable housing costs (2021)	69.7%	148th

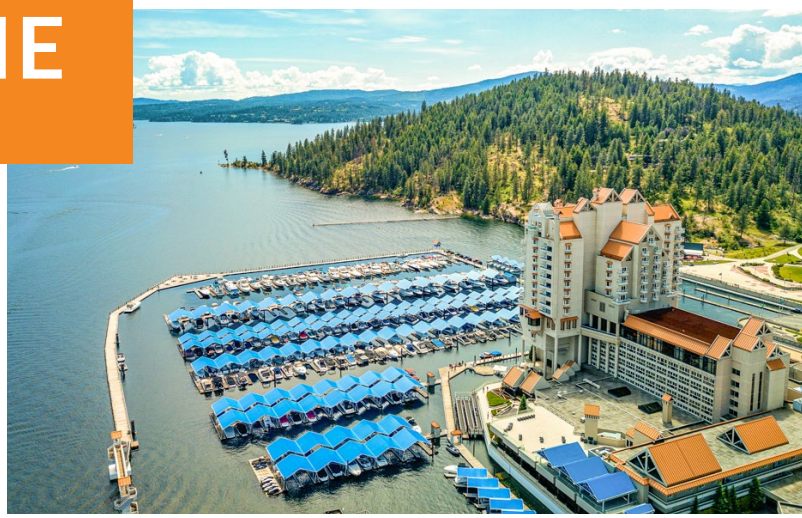
Strengths

- Ranking second among small cities in one-year high-tech GDP growth, Punta Gorda's recent high-tech expansion has been accompanied by strong and sustained growth in wages.
- Recent performance places the city in the top 10 small cities for short-term job growth. With recent gains in employment, and with the city's increased capacity for air traffic,[69] Punta Gorda is well positioned to continue growing.

Areas of Focus

- Although Punta Gorda has expanded its high-tech sector, it continues to score low on high-tech concentration, having zero high-tech industries with LQ >1.

7. COEUR D'ALENE
ID MSA



Coeur d'Alene, Idaho, has experienced accelerated wage growth. The city's wage growth over the last five years is second only to that of St. George, UT, while its single-year wage growth is second only to the Elkhart–Goshen, IN area. This growth is largely driven by strong performance in the high-tech and professional and business services sectors, as well as a rebound of the leisure and hospitality sector. Five-year job growth in Coeur d'Alene has also been strong but appears to be slowing. The city ranked 106th in short-term job growth between October 2021 and October 2022, ranking in the bottom half of small cities in this category.

Growth in Coeur d'Alene's high-tech sector continues strong, with single-year high-tech GDP growth ranking fifth for the last two years, compared to 20th place two years ago. Five-year high-tech GDP growth has shown an even more dramatic climb to eighth place this year, up from 139th two years ago.

Broadband access in Coeur d'Alene is relatively poor, with the city ranking 92nd out of 203 small cities. Only 89 percent of the city's households have access to broadband internet, placing Coeur d'Alene below the national median in this metric. The city also performs poorly in access to affordable housing: based on the most recent ACS data, more than two-thirds of households in Coeur d'Alene had unaffordable housing. Moreover, the city's housing costs have only risen in recent years. In this year's rankings, Coeur d'Alene ranked 180th in housing affordability compared to its 108th ranking two years ago. These rising costs have been driven largely by the influx of well-off new residents during the pandemic.[72]

Dropped 4 ranks	Indicator	Rank
Job growth (2016–21)	14.8%	6th
Job growth (2020–21)	5.4%	12th
Wage growth (2016–21)	54.8%	2nd
Wage growth (2020–21)	17.1%	2nd
Short-term job growth (10/2021–10/2022)	2.1%	106th
High-tech GDP growth (2016–21)	63.7%	5th
High-tech GDP growth (2020–21)	22.7%	8th
High-tech GDP concentration (2021)	0.53	51st
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	89.0%	92nd
HHs with affordable housing costs (2017–21)	69.8%	157th
HHs with affordable housing costs (2021)	66.5%	180th

Strengths

» Coeur d'Alene is a year-round destination for outdoor tourism, where the labor market has experienced strong short- and medium-term growth driven by a rebound of the city's leisure and hospitality sector coupled with growth of high-tech businesses.

Areas of Focus

» Rising housing costs make Coeur d'Alene one of the least affordable small cities.

» Broadband access remains low, with less than 90 percent of the city's households having access to high-quality internet.

8. MISSOULA
MT MSA

Missoula, Montana, moves up 17 spots to enter the Tier 1 best-performing small cities, primarily because of 96.4 percent growth in high-tech GDP, which places the city first among small cities in this metric. Montana's second-largest city also boasts the eighth-highest small-city one-year wage growth, helping the area compete with other Mountain West cities for talent. Much of Missoula's growth in wages occurred in the information, business, and financial services sectors, each of which saw wages grow more than 60 percent over the last five years.

Home to the University of Montana, a public research university, Missoula also benefits from the educational institution's contributions to the city's talented workforce. However, Missoula faces a challenging environment as it competes to maintain its talent pipeline. The city struggles to offer its residents affordable housing: between 2016 and 2021, Missoula ranked 179th in percentage of households with affordable housing costs, falling into the bottom quartile among small cities for this metric. While Missoula's rank has increased relative to other cities in 2021, more progress will be required as Missoula strives to supply its residents with sufficient affordable housing and to maintain the strong performance it has shown in recent years.

Gained 17 ranks	Indicator	Rank
Job growth (2016–21)	5.0%	34th
Job growth (2020–21)	4.5%	21st
Wage growth (2016–21)	39.3%	13th
Wage growth (2020–21)	14.0%	8th
Short-term job growth (10/2021–10/2022)	1.7%	127th
High-tech GDP growth (2016–21)	96.4%	1st
High-tech GDP growth (2020–21)	14.9%	27th
High-tech GDP concentration (2021)	0.65	32nd
Number of high-tech industries (2021)	4	15th
HHs with broadband access (2021)	91.9%	22nd
HHs with affordable housing costs (2017–21)	67.6%	179th
HHs with affordable housing costs (2021)	70.4%	139th

Strengths

» With a growing population, a built-in talent pipeline, and remarkable high-tech GDP growth, Missoula gained nearly 20 positions in this year's rankings.

Areas of Focus

» To retain and attract a talented workforce, Missoula needs to improve housing affordability.

9. SIOUX FALLS
SD MSA

Sioux Falls, South Dakota, maintains its place among Tier 1 small cities, having gained 15 positions over the past three years, even as it drops two places from the 2022 rankings. The city's sustained top performance has been largely due to relatively strong short-term and medium-term (five-year) job growth, coupled with affordable housing and robust broadband access.

The 5.5 percent job growth experienced by Sioux Falls over the last five years has been bolstered by employment growth in professional and business services, and education and health services sectors, which have grown 8.5 percent and 11.5 percent, respectively, over that period. Strong medium-term job growth makes the city attractive to incoming domestic migrants. Sioux Falls also has a business-friendly climate, thanks to the absence of corporate or personal income taxes, and to South Dakota's low sales tax—an additional attraction to incoming businesses and residents.

Between 2010 and 2020, Sioux Falls saw a 25 percent increase in its population.[73] To accommodate the new residents and businesses, the city approved nearly $2 billion worth of building permits in 2022, nearly doubling the record high from 2021.[74] With between 6,000 and 7,000 people moving to the city annually over the last few years, the new housing and commercial projects are aimed to keep housing costs down and provide more investment opportunities in the coming years.[75]

Dropped 2 ranks	Indicator	Rank
Job growth (2016–21)	5.5%	30th
Job growth (2020–21)	3.5%	50th
Wage growth (2016–21)	31.7%	29th
Wage growth (2020–21)	7.8%	95th
Short-term job growth (10/2021–10/2022)	4.2%	13th
High-tech GDP growth (2016–21)	34.5%	47th
High-tech GDP growth (2020–21)	6.8%	112th
High-tech GDP concentration (2021)	0.54	48th
Number of high-tech industries (2021)	1	118th
HHs with broadband access (2021)	92.4%	14th
HHs with affordable housing costs (2017–21)	77.8%	27th
HHs with affordable housing costs (2021)	77.8%	33rd

Strengths

» Sioux Falls' attractiveness is bolstered by a high supply of affordable housing, friendly business climate, and relatively strong access to broadband internet.

Areas of Focus

» Although the high-tech sector has been expanding in Sioux Falls, the city still falls behind most other small cities in the number of high-tech industries making a strong contribution to its GDP (i.e., LQ >1). Attracting more diversified high-tech investment would benefit the city's prospects for sustained growth.

10. GAINESVILLE
GA MSA

Gainesville, Georgia, returns to the group of top-performing small cities for the seventh year in a row, dropping two positions in this year's ranking. The city's top performance is driven by a strong labor market: Gainesville ranks among the top 10 small cities in five-year job and wage growth, with a 12.8 percent increase in wages during the pandemic recovery (2020–2021).

Just north of Atlanta and Athens, Gainesville has experienced a population increase of more than 30 percent since 2010.[76] While the economy has historically been centered around manufacturing, the city has seen a rising wave of high-tech jobs in recent years. Over the last five years, Gainesville has seen almost 69 percent real growth in the professional and business services sector and greater than 20 percent real growth in information services.[77]

Gainesville's growth has come at the cost of increasingly less affordable housing. In 2021's BPC rankings, Gainesville ranked 72nd in affordable housing with 75.6 percent of households spending less than 30 percent of income on housing costs. By this year's rankings, the city had dropped 93 ranks, sitting at 165th place with more than 30 percent of Gainesville residents spending 30 percent of their incomes on housing costs, according to the most recent ACS data. A study by the Urban Land Institute in 2019 disclosed a shortage of housing for middle-income families and identified more than 40 percent of Hall County's population as cost burdened.[78] More affordable housing developments are necessary, particularly as Gainesville continues to grow.

Dropped 2 ranks	Indicator	Rank
Job growth (2016–21)	10.0%	10th
Job growth (2020–21)	3.2%	58th
Wage growth (2016–21)	42.0%	9th
Wage growth (2020–21)	12.8%	12th
Short-term job growth (10/2021–10/2022)	3.1%	47th
High-tech GDP growth (2016–21)	31.6%	53rd
High-tech GDP growth (2020–21)	10.6%	71st
High-tech GDP concentration (2021)	0.33	135th
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	91.2%	31st
HHs with affordable housing costs (2017–21)	71.7%	140th
HHs with affordable housing costs (2021)	68.4%	165th

Strengths

» Benefiting from proximity to Atlanta and America's busiest airport, Gainesville has seen strong high-tech and employment growth over the past five years.

Areas of Focus

» Housing costs have increased considerably in Gainesville, putting an increasing financial pressure on the city's middle-class residents. Further growth may additionally strain existing housing resources.

11. PRESCOTT
AZ MSA

Prescott, Arizona, makes a remarkable rise to a Tier 1 small city after ranking 46th in 2022. This rise was bolstered by Prescott's strong short-term job growth and robust digital infrastructure: the city ranked 14th in short-term job growth and ninth in broadband access in this year's rankings.

Located in a valley north of Phoenix and south of Flagstaff, Prescott is a city whose population has shown modest growth since 2010. The valley is home to two skilled-workforce producers: Embry-Riddle Aeronautical University and Yavapai College offer incoming businesses a breadth of local talent. While Prescott Valley has primarily been an agricultural and mining economy, a recent increase in high-tech industries has propelled the city in our rankings. Over the last five years, high-tech GDP grew by 40.4 percent in Prescott, earning the city the 30th position in our rankings in medium-term high-tech growth.

One area of concern is Prescott's high cost of living, underlined by 149th and 152nd rankings in our two metrics of affordable housing. To stay attractive to domestic migrants and investors, Prescott will need to increase its supply of affordable housing.

Gained 35 ranks	Indicator	Rank
Job growth (2016–21)	6.4%	26th
Job growth (2020–21)	3.9%	36th
Wage growth (2016–21)	32.7%	23rd
Wage growth (2020–21)	8.5%	69th
Short-term job growth (10/2021–10/2022)	4.2%	14th
High-tech GDP growth (2016–21)	40.4%	30th
High-tech GDP growth (2020–21)	11.6%	64th
High-tech GDP concentration (2021)	0.35	127th
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	92.6%	9th
HHs with affordable housing costs (2017–21)	70.4%	152nd
HHs with affordable housing costs (2021)	69.7%	149th

Strengths

» Ranking among the top-10 small cities with highest broadband access, Prescott's relatively strong digital infrastructure has aided its rise to a Tier 1 best-performing small city.

Areas of Focus

» Prescott may struggle to attract domestic migration and new investment if living costs continue to sit above state and national averages.

12. BLOOMINGTON
IN MSA

Bloomington, Indiana, moves up six positions in the 2023 rankings, due in part to the city's strong short-term job growth and dense high-tech sector. Bloomington benefits from being home to the flagship campus of Indiana University, which is the city's largest employer and has a student population above 40,000.

Like many Midwest cities, Bloomington's economy was historically dominated by manufacturing, with the city facing the challenge of diversifying its economy over the last few decades. All evidence points to the city's having overcome this challenge, as Bloomington rises to third position in high-tech GDP concentration in this year's rankings. While much of the city's job growth continues to be driven by the manufacturing and natural resources sectors, Bloomington has also seen professional and business services jobs increase by more than 20 percent over the last five years; its high-tech sector expanded by 38.6 percent in the same period.

Bloomington ranked 118th in broadband access and 175th in percentage of households with affordable housing in this year's rankings. As the city continues to grow, advancement in its digital and housing infrastructure will be necessary to ensure inclusive progress.

Gained 6 ranks	Indicator	Rank
Job growth (2016–21)	2.3%	54th
Job growth (2020–21)	3.6%	43rd
Wage growth (2016–21)	31.4%	31st
Wage growth (2020–21)	9.9%	41st
Short-term job growth (10/2021–10/2022)	4.2%	12th
High-tech GDP growth (2016–21)	38.6%	34th
High-tech GDP growth (2020–21)	14.5%	32nd
High-tech GDP concentration (2021)	1.4	3rd
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	87.9%	118th
HHs with affordable housing costs (2017–21)	68.5%	173rd
HHs with affordable housing costs (2021)	67.6%	175th

Strengths

» Home to Indiana University, Bloomington benefits from this educational institution's contribution to a highly qualified talent pool.

Areas of Focus

» Bloomington ranks 118th in broadband access. To compete for investment with other high-tech, industry-driven small economies, the city will need to extend high-quality internet access to a larger proportion of its residents.

13. WENATCHEE
WA MSA

Wenatchee, Washington, regains its Tier 1 status after two years as a Tier 2 city. Wenatchee's return to the top-performing small cities is partly due to strong high-tech and short-term job growth: the city ranked sixth in high-tech GDP growth over the last five years, and 15th in short-term job growth.

Known as the "Apple Capital of the World" thanks to the area's many apple orchards, Wenatchee's economy has been primarily driven by agriculture, natural resources, and government.[79] But over the last five years, Wenatchee has seen a rise in its high-tech industry, with an emphasis on financial activities. Between 2016 and 2021, Wenatchee's financial activities sector saw strong job and wage growth, with jobs increasing by 29.3 percent and wages more than doubling over this period.

Wenatchee benefits from being a major urban center and tourist destination for North Central Washington. However, the city's prospects may be impaired by low access to economic opportunities for residents. Wenatchee ranks 134th in broadband access and 104th in housing affordability based on most recent year's data. To ensure sustained and inclusive growth, city leaders should expand the supply of affordable housing and extend broadband access to more residents.

Gained 22 ranks	Indicator	Rank
Job growth (2016–21)	3.6%	42nd
Job growth (2020–21)	5.5%	11th
Wage growth (2016–21)	25.7%	63rd
Wage growth (2020–21)	9.1%	54th
Short-term job growth (10/2021–10/2022)	4.1%	15th
High-tech GDP growth (2016–21)	61.2%	6th
High-tech GDP growth (2020–21)	12.5%	54th
High-tech GDP concentration (2021)	0.46	79th
Number of high-tech industries (2021)	1	118th
HHs with broadband access (2021)	87.3%	134th
HHs with affordable housing costs (2017–21)	75.5%	72nd
HHs with affordable housing costs (2021)	73.2%	104th

Strengths

- Wenatchee is diversifying its economy, with strong growth in its high-tech sector in recent years.
- Home to several large public gardens, the city benefits from many natural attractions and a reasonable cost of living.

Areas of Focus

- With only one big high-tech industry as of 2021, Wenatchee could benefit from attracting more diversified high-tech investment.
- Wenatchee ranks 134th in broadband access; the city should expand broadband access to a larger share of its residents to ensure equitable growth.

14. BURLINGTON
NC MSA

Burlington, North Carolina, moves up by 22 spots in this year's rankings, due in large part to the city's strong and diversified wage growth. Burlington's wages rose by 13 percent over the last year and 35.9 percent over the last five years, placing the city 11th and 18th in these two metrics. This wage growth has been diversified across multiple industries. Over the last five years, wages grew by more than 50 percent in four of Burlington's industrial sectors: retail trade, transportation, financial activities, and professional and business services.

Burlington's economy is largely driven by three sectors: manufacturing, financial activities, and education and health services. LabCorp (already providing more than 3,000 jobs, which makes it the city's largest employer) is considering an additional investment of $71 million to build and house an aircraft base at the Burlington Alamance Regional Airport, where Honda already manufactures jet engines.[80] Toyota and Wolfspeed are among other companies that have made considerable investments in recent years to manufacture products in Burlington.

While Burlington has had a remarkably diverse economic expansion in recent years, the city has lagged when it comes to high-tech GDP growth. Burlington could benefit from attracting more high-tech investment to ensure sustained growth in future years.

Gained 22 ranks	Indicator	Rank
Job growth (2016–21)	3.8%	40th
Job growth (2020–21)	4.1%	31st
Wage growth (2016–21)	35.9%	18th
Wage growth (2020–21)	13.0%	11th
Short-term job growth (10/2021–10/2022)	2.8%	62nd
High-tech GDP growth (2016–21)	5.2%	146th
High-tech GDP growth (2020–21)	3.9%	146th
High-tech GDP concentration (2021)	0.68	29th
Number of high-tech industries (2021)	3	34th
HHs with broadband access (2021)	88.3%	111th
HHs with affordable housing costs (2017–21)	73.6%	111th
HHs with affordable housing costs (2021)	75.9%	52nd

Strengths

- Burlington has experienced sustained and strong wage growth, with the city ranking 11th and 18th in one-year and five-year wage growth.
- The growth in Burlington's wages and employment been spread across several industries, helping the city diversify its economic growth.

Area of Focus

- Burlington is in the bottom third of small cities on one-year and five-year high-tech GDP growth. The city would benefit from attracting more investment from the high-tech sector in future years.

COMPLETE RESULTS: 2023 BEST-PERFORMING SMALL CITIES

TIER 1 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Idaho Falls, ID	1	5	1	3	9	7	27	58	31	77	8	34	10	60	24
Logan, UT–ID	2	1	2	5	8	4	4	55	3	72	15	10	5	119	119
St. George, UT	3	2	4	2	6	1	14	20	7	34	62	66	19	148	171
The Villages, FL	4	65	3	1	4	3	36	35	32	7	161	118	70	55	4
Bend-Redmond, OR	5	10	13	9	16	5	7	38	11	56	23	66	6	185	170
Punta Gorda, FL	6	20	11	19	26	8	3	10	18	2	130	170	26	136	148
Coeur d'Alene, ID	7	3	6	6	12	2	2	106	5	8	51	34	92	157	180
Missoula, MT	8	25	22	34	21	13	8	127	1	27	32	15	22	179	139
Sioux Falls, SD	9	7	7	30	50	29	95	13	47	112	48	118	14	27	33
Gainesville, GA	10	8	9	10	58	9	12	47	53	71	135	34	31	140	165
Prescott, AZ	11	46	25	26	36	23	69	14	30	64	127	34	9	152	149
Bloomington, IN	12	18	38	54	43	31	41	12	34	32	3	34	118	173	175
Wenatchee, WA	13	35	48	42	11	63	54	15	6	54	79	118	134	72	104
Burlington, NC	14	36	44	40	31	18	11	62	146	146	29	34	111	111	52

Source: *Milken Institute analysis (2023)*

TIER 2 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Twin Falls, ID	15	[81]		14	30	21	25	9	29	22	142	170	119	129	150
Daphne–Fairhope–Foley, AL	16	21	5	12	27	12	18	184	15	82	139	66	23	76	51
Rapid City, SD	17	28	110	46	14	41	40	17	56	85	126	66	38	133	156
Elkhart–Goshen, IN	18	41	129	15	2	6	1	129	156	57	181	66	133	34	56
Lebanon, PA	19	85	19	64	51	36	24	8	189	158	35	15	132	114	14
Redding, CA	20	4	63	35	119	17	15	30	36	60	59	34	86	193	188
Billings, MT	21	62	97	52	41	46	20	40	123	95	113	118	27	132	92
Lake Havasu City–Kingman, AZ	22	48	16	8	17	19	68	64	50	103	154	118	85	113	143
Columbia, MO	23	30	51	68	22	27	49	79	138	69	39	66	34	141	141
Madera, CA	24	13	34	11	37	16	43	99	10	21	108	66	116	192	202
Johnson City, TN	25	55	112	44	33	50	28	39	150	196	70	34	158	61	71
Auburn–Opelika, AL	26	39	17	24	29	25	75	74	57	17	115	66	135	135	153
Yuma, AZ	27	23	66	21	40	30	77	23	87	181	123	118	61	123	95
Carson City, NV	28	76	45	25	65	15	9	69	178	173	109	15	15	159	164
Tyler, TX	29	22	62	38	68	75	64	36	70	180	81	66	65	96	82
Brunswick, GA	30	91	95	69	24	71	34	44	144	42	110	66	139	130	94
Sebastian–Vero Beach, FL	31	19	8	27	77	22	10	31	149	199	99	66	95	127	144
Bellingham, WA	32	37	12	91	115	47	82	32	43	41	16	3	3	196	187
El Centro, CA	33	96	104	41	32	28	19	87	49	73	168	118	35	199	184
Grants Pass, OR	34	16	20	36	136	10	21	37	35	182	54	34	80	190	186
Sherman–Denison, TX	35	64	39	23	70	44	113	21	153	138	47	118	52	93	103
Warner Robins, GA	36	52	74	22	109	48	76	131	25	106	57	66	33	95	91
Walla Walla, WA	37	6	33	20	10	54	105	109	19	30	103	118	125	149	117
Rochester, MN	38	50	56	57	89	67	169	19	133	143	25	15	74	23	42
Grand Junction, CO	39	122	57	29	20	40	66	91	42	113	152	170	7	151	140
Hilton Head Island–Bluffton–Beaufort, SC	40	94	15	18	73	39	47	84	67	9	150	170	40	162	162
Blacksburg–Christiansburg–Radford, VA	41	108	43	66	15	87	102	96	111	70	41	15	129	90	97
Jonesboro, AR	42	26	14	13	71	20	33	134	21	92	158	170	150	83	90
Athens-Clarke County, GA	43	121	78	53	35	66	55	2	129	133	131	66	64	182	183

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Panama City, FL	44	119	136	88	13	108	35	18	159	43	112	118	32	170	155
Champaign–Urbana, IL	45	9	106	62	98	51	38	182	72	33	31	15	42	143	130
Pocatello, ID	46	31	59	33	44	38	48	119	193	26	188	170	148	19	26
Jackson, TN	47	69	132	67	106	53	17	101	8	24	174	118	160	116	59
Appleton, WI	48	73	47	102	141	94	81	93	40	149	63	34	25	4	11
Yuba City, CA	49	12	40	7	53	14	26	187	119	140	102	5	36	195	199
Ames, IA	50	38	109	103	114	57	30	57	61	61	55	34	196	138	107
Fargo, ND-MN	51	15	23	63	61	52	46	164	78	163	34	34	63	105	129
Longview, WA	52	42	32	50	128	32	134	25	27	39	67	118	89	167	136
Atlantic City–Hammonton, NJ	53	184	168	163	5	151	13	1	63	88	87	66	30	203	198
Altoona, PA	54	147	127	139	108	128	86	54	117	19	12	34	145	50	9
Joplin, MO	55	86	84	87	39	121	84	59	170	96	143	34	88	46	63
Fond du Lac, WI	56	72	27	113	101	88	62	180	84	134	28	10	60	10	13
Hagerstown–Martinsburg, MD–WV	57	156	168	118	38	86	73	123	60	36	64	66	141	85	102
Winchester, VA-WV	58	32	65	17	56	26	147	135	109	14	166	170	84	39	87
Jacksonville, NC	59	97	91	39	19	134	23	66	114	93	136	170	44	181	138
Barnstable Town, MA	60	141	90	149	7	142	83	42	96	100	21	5	4	186	179

Source: *Milken Institute analysis (2023)*

TIER 3 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Bangor, ME	61	113	98	92	72	58	98	78	127	28	148	118	62	94	100
Springfield, IL	62	145	107	169	48	167	118	103	12	1	18	34	120	43	35
Lewiston, ID–WA	63	17	118	60	81	84	104	125	20	37	77	66	168	88	116
Midland, TX	64	104	55	4	86	11	178	4	97	195	202	170	18	110	127
Eau Claire, WI	65	56	69	99	97	55	90	143	122	175	46	10	51	57	66
Homosassa Springs, FL	66	116	126	83	47	56	5	189	168	104	165	118	115	47	22
Charlottesville, VA	67	81	10	73	100	83	138	90	77	120	24	34	45	125	106
Ocean City, NJ	68	195	164	93	3	80	6	70	164	79	185	170	50	188	168
Morgantown, WV	69	107	119	79	78	81	126	24	177	102	104	118	77	89	65
Lafayette–West Lafayette, IN	70	83	71	65	25	115	173	80	28	20	129	34	82	146	152
East Stroudsburg, PA	71	134	75	129	23	127	72	137	58	87	11	66	12	164	161
Decatur, AL	72	33	35	31	180	24	128	92	41	129	140	118	198	3	1
Lewiston–Auburn, ME	73	78	94	107	129	64	88	43	23	65	146	170	66	107	111
Dalton, GA	74	102	154	116	76	179	31	185	102	59	27	15	166	14	5
Jackson, MI	75	143	139	132	62	152	58	176	24	5	120	118	48	58	47
Hammond, LA	76	43	102	43	102	35	42	61	179	194	175	170	130	77	115
Muskegon, MI	77	199	192	150	18	181	57	114	136	11	144	66	76	48	83
Burlington-South Burlington, VT	78	114	117	161	143	113	100	33	52	97	7	5	13	177	159
Albany, OR	79	59	28	37	66	61	80	53	154	190	156	118	54	178	176
Morristown, TN	80	44	24	45	111	62	50	65	148	89	194	170	192	31	132
California–Lexington Park, MD	81	74	86	32	157	49	193	162	86	166	6	15	58	73	32
Harrisonburg, VA	82	60	50	59	75	60	145	116	59	84	121	118	172	71	98
Gettysburg, PA	83	126	76	143	46	104	60	121	173	111	114	34	142	69	50
Mount Vernon–Anacortes, WA	84	75	18	89	135	42	91	100	64	156	97	66	8	168	174
Sebring, FL	85	87	72	80	130	69	16	202	88	4	167	170	163	36	27
Napa, CA	86	158	81	147	80	92	37	81	137	18	122	118	2	198	201
Pueblo, CO	87	63	52	70	166	37	121	63	76	137	52	66	127	161	142
Rome, GA	88	124	70	74	59	140	78	67	202	31	125	118	174	122	68
Bay City, MI	89	144	195	173	45	131	39	156	191	49	43	118	87	53	45
Abilene, TX	90	10	42	28	103	33	152	159	38	177	86	66	93	106	167

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Odessa, TX	91	142	135	71	199	43	114	3	33	78	196	170	96	101	151
Corvallis, OR	92	57	68	121	162	82	111	5	112	178	2	1	47	194	193
Medford, OR	93	68	89	47	83	34	109	141	65	159	95	66	106	189	185
Dover, DE	94	67	49	77	104	70	125	128	17	23	145	118	53	172	160
Hinesville, GA	95	130	46	16	54	97	29	167	103	151	172	118	69	171	194
Michigan City–La Porte, IN	96	79	143	144	152	122	51	183	108	62	124	15	24	32	31
Vineland–Bridgeton, NJ	97	154	181	86	60	135	99	86	13	122	111	66	79	202	195
Janesville–Beloit, WI	98	71	41	78	116	73	149	122	174	187	74	34	21	64	89
St. Cloud, MN	99	112	83	126	163	109	162	88	26	53	82	15	57	65	124
Chico, CA	100	110	145	165	121	65	52	94	106	15	94	118	46	197	181
Kahului–Wailuku–Lahaina, HI	101	188	178	197	1	199	45	7	16	3	164	118	153	201	200
Watertown–Fort Drum, NY	102	166	198	176	52	147	44	124	110	50	71	118	29	147	145
Bowling Green, KY	103	146	115	95	34	126	70	95	141	162	197	170	97	82	72
Columbus, IN	104	127	31	153	187	136	97	118	100	147	78	15	16	2	17
Dubuque, IA	105	77	121	108	154	99	116	97	105	202	132	66	20	59	29
Hattiesburg, MS	106	122	87	49	42	103	112	181	147	51	173	66	152	128	81
Kingston, NY	107	173	114	180	84	150	103	49	75	105	44	34	17	191	173
Chambersburg–Waynesboro, PA	108	125	30	100	146	98	131	41	169	170	100	118	123	37	23
Parkersburg–Vienna, WV	109	190	151	177	96	155	67	56	192	47	157	118	124	30	8
Wausau, WI	110	93	99	101	117	102	133	177	79	94	153	66	90	11	25
Albany, GA	111	70	141	112	151	107	79	48	39	121	33	118	194	166	122
Bloomington, IL	112	167	193	151	85	153	161	34	82	125	141	118	113	29	12
Binghamton, NY	113	152	159	185	142	119	96	22	140	168	5	1	104	131	113
Grand Island, NE	114	95	161	109	67	76	53	198	128	164	186	118	112	45	37
Hot Springs, AR	115	105	80	55	69	89	154	165	90	74	85	66	188	103	131
Dothan, AL	116	51	60	48	126	68	110	111	121	141	184	170	181	51	48
Topeka, KS	117	88	142	138	156	124	71	77	69	176	106	66	137	68	76
Great Falls, MT	118	137	128	96	74	59	32	158	201	188	192	170	73	98	77
Staunton–Waynesboro, VA	119	49	26	85	168	101	144	72	124	142	96	34	126	81	93
Owensboro, KY	120	168	131	110	90	154	89	105	142	99	193	170	67	49	38

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Las Cruces, NM	121	66	96	76	113	96	136	71	158	185	60	34	138	154	146
Glens Falls, NY	122	156	174	182	57	156	63	173	95	161	22	34	122	99	62
Iowa City, IA	123	99	160	135	165	133	117	26	74	58	93	66	110	158	172
Santa Fe, NM	124	183	103	157	55	187	184	145	9	10	38	15	75	155	133
Lynchburg, VA	125	131	134	119	175	129	151	45	187	148	91	34	108	35	53
San Rafael, CA	126	45	82	179	158	77	61	203	22	108	1	3	1	200	203
Yakima, WA	127	53	77	61	91	85	181	28	162	191	138	118	154	144	99
Sumter, SC	128	131	137	115	174	79	56	195	93	16	56	34	186	118	157
Sierra Vista–Douglas, AZ	129	14	100	72	200	91	202	120	81	114	30	34	176	52	43
Cape Girardeau, MO-IL	130	61	92	81	170	106	171	144	85	124	61	66	100	75	55
Racine, WI	131	148	149	128	148	139	141	200	4	76	66	5	71	108	67
Wichita Falls, TX	132	101	123	105	186	137	159	27	135	179	36	66	146	86	40
Waterloo–Cedar Falls, IA	133	139	183	134	139	123	115	139	48	63	162	118	83	66	88
Longview, TX	134	178	150	130	177	174	124	29	139	83	84	15	173	62	105
San Angelo, TX	135	105	157	94	160	105	177	50	80	160	69	118	169	84	78
Elmira, NY	136	161	148	184	190	169	65	108	113	75	37	15	91	117	61
Sheboygan, WI	137	80	61	104	150	114	168	146	116	135	147	66	94	9	18
Oshkosh–Neenah, WI	138	58	64	120	159	164	155	161	107	91	58	66	11	54	44
Macon–Bibb County, GA	139	127	130	111	105	90	59	132	197	101	137	66	167	160	135

Source: *Milken Institute analysis (2023)*

TIER 4 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Elizabethtown–Fort Knox, KY	140	171	93	158	184	172	172	82	2	90	80	118	81	17	34
Florence–Muscle Shoals, AL	141	120	155	106	138	116	101	113	118	116	179	170	200	28	3
Greenville, NC	142	40	54	58	99	78	87	174	184	152	10	66	184	183	197
Mankato–North Mankato, MN	143	92	37	124	169	95	130	142	160	167	26	5	143	126	21
Flagstaff, AZ	144	98	169	114	64	171	186	16	37	198	45	66	180	174	169
Florence, SC	145	129	85	51	127	111	160	196	55	12	133	66	201	92	121
Springfield, OH	146	186	171	156	124	145	92	140	101	136	198	118	59	40	7
Pittsfield, MA	147	136	177	192	49	186	137	115	44	81	17	34	72	180	189
Muncie, IN	148	90	113	178	155	130	182	6	104	128	88	66	136	91	73
Bismarck, ND	149	165	163	127	94	170	135	138	115	144	117	118	98	21	54
Erie, PA	150	197	193	175	132	182	174	51	132	13	49	34	149	112	79
Norwich–New London, CT	151	175	176	187	28	193	185	133	66	110	4	10	28	165	163
Ithaca, NY	152	160	146	171	123	157	85	157	131	35	19	15	37	187	196
Cheyenne, WY	153	138	88	75	140	93	122	179	120	66	116	118	102	100	178
Sioux City, IA–NE–SD	154	117	79	133	125	175	143	126	51	98	163	118	107	26	64
La Crosse–Onalaska, WI–MN	155	157	133	125	95	112	142	163	125	150	134	118	43	80	120
Hanford–Corcoran, CA	156	53	124	56	149	45	153	98	145	126	189	170	56	184	191
Decatur, IL	157	161	199	186	182	163	22	117	157	52	155	66	182	25	85
Texarkana, TX–AR	158	161	116	123	112	177	158	76	89	6	176	118	197	70	126
Lawrence, KS	159	88	73	168	82	118	132	189	68	115	42	66	39	176	190
Monroe, MI	160	177	187	195	93	190	119	189	83	25	83	118	131	33	30
Mansfield, OH	161	172	162	166	92	144	93	153	182	183	50	15	178	79	96
Johnstown, PA	162	185	158	200	178	195	198	85	143	29	9	15	164	8	2
Jefferson City, MO	163	47	67	98	185	110	196	112	152	174	89	118	147	5	6
New Bern, NC	164	115	152	82	79	143	108	186	130	86	159	118	190	121	108
Midland, MI	165	164	153	164	63	185	197	189	186	48	76	118	49	16	19
Charleston, WV	166	187	197	189	181	191	146	149	71	38	90	66	99	12	28
Cumberland, MD–WV	167	159	122	181	145	138	139	188	203	45	65	15	177	22	10
Kankakee, IL	168	34	36	141	201	125	189	60	54	165	14	66	128	156	112
Carbondale–Marion, IL	169	111	101	137	131	141	164	104	94	127	105	34	155	137	125

	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Valdosta, GA	170	29	53	97	167	72	94	175	134	192	20	66	191	153	192
Saginaw, MI	171	182	182	196	120	168	74	150	167	123	72	66	117	97	110
Bloomsburg–Berwick, PA	172	135	140	117	133	149	165	189	151	68	128	66	156	56	60
Lima, OH	173	133	138	145	137	159	156	154	126	189	119	66	101	44	49
Tuscaloosa, AL	174	155	29	84	153	117	180	75	14	193	187	170	157	134	147
Goldsboro, NC	175	150	188	131	161	100	107	151	199	109	149	66	105	139	166
Alexandria, LA	176	176	189	136	107	165	129	83	165	80	182	170	161	104	137
Rocky Mount, NC	177	140	180	140	110	148	106	201	200	131	40	34	193	145	86
Anniston–Oxford–Jacksonville, AL	178	103	167	90	134	120	150	102	195	203	169	170	175	41	118
Williamsport, PA	179	179	194	174	188	161	163	68	190	169	73	34	144	102	46
Terre Haute, IN	180	151	175	167	164	162	148	168	161	117	53	15	170	78	58
Casper, WY	181	189	147	146	176	180	123	160	46	107	177	66	68	120	123
Houma–Thibodaux, LA	182	196	184	190	197	201	201	11	155	67	171	66	187	18	20
Niles–Benton Harbor, MI	183	153	170	160	88	184	176	155	98	172	151	34	114	124	134
State College, PA	184	100	105	155	193	158	191	152	92	118	13	10	140	169	128
Cleveland, TN	185	82	58	122	202	74	157	147	180	200	195	170	151	38	36
Battle Creek, MI	186	198	196	194	118	194	127	130	99	139	160	170	103	115	84
Manhattan, KS	187	149	156	162	171	160	140	194	45	40	118	170	41	175	177
Kokomo, IN	188	109	125	202	203	198	120	170	183	186	98	66	55	7	57

Source: *Milken Institute analysis (2023)*

TIER 5 CITIES	2023 Rank	2022 Rank	2021 Rank	Job Growth 2016–21 Rank	Job Growth 2020–21 Rank	Wage Growth 2016–21 Rank	Wage Growth 2020–21 Rank	Short-Term Job Growth Rank	High-Tech GDP 2016–21	High-Tech GDP 2020–21	High-Tech Concentration Rank	LQ Count Rank	Broadband Access 2021 Rank	Housing Affordability 2017–21 Rank	Housing Affordability 2020–21 Rank
Weirton–Steubenville, WV–OH	189	197	186	148	87	183	167	199	198	130	201	170	171	6	15
Beckley, WV	190	194	144	142	172	146	179	89	175	145	178	170	202	42	101
Grand Forks, ND–MN	191	181	185	191	144	176	175	166	91	46	107	118	109	142	154
Danville, IL	192	118	173	193	194	188	188	46	196	197	170	66	185	13	39
Lawton, OK	193	169	120	170	189	166	192	136	62	201	101	118	78	109	109
St. Joseph, MO–KS	194	84	108	152	192	132	166	178	194	157	75	118	165	63	80
Enid, OK	195	[82]		198	196	203	199	170	73	44	92	118	179	15	70
Wheeling, WV–OH	196	200	191	188	147	189	195	110	176	153	200	170	159	1	16
Fairbanks, AK	197	192	165	154	122	178	190	52	181	184	191	170	121	150	158
Gadsden, AL	198	191	179	201	198	200	203	107	163	55	183	118	162	24	74
Pine Bluff, AR	199	170	201	172	195	173	170	147	171	119	199	170	195	67	69
Victoria, TX	200	193	190	183	179	196	187	73	172	171	180	170	199	74	114
Monroe, LA	201	174	172	159	173	192	183	172	188	154	68	66	189	163	182
Lake Charles, LA	202	180	166	199	183	197	200	169	185	155	190	170	183	20	41
Farmington, NM	203	201	200	203	191	202	194	197	166	132	203	118	203	87	75

Source: *Milken Institute analysis (2023)*

ENDNOTES

1. The BPC uses the smaller unit of analysis, when available. As an example, the Los Angeles–Long Beach–Anaheim Metropolitan Statistical Area is broken into two Metropolitan Divisions: Anaheim–Santa Ana–Irvine and Los Angeles–Long Beach–Glendale; therefore, the two metropolitan divisions (instead of the metropolitan statistical area) are included in the BPC analysis and rankings. See the online appendix for more information.
2. See online appendix for more information.
3. John Gramlich, "Two Years into the Pandemic, Americans Inch Closer to a New Normal," Pew Research Center, March 3, 2022, https://www.pewresearch.org/2022/03/03/two-years-into-the-pandemic-americans-inch-closer-to-a-new-normal/.
4. Laurence Ball, Daniel Leigh, and Prachi Mishra, "Understanding US Inflation during the COVID Era," Brookings Institution, September 2022, https://www.brookings.edu/bpea-articles/understanding-u-s-inflation-during-the-covid-era/.
5. "CPI for All Urban Consumers (CPI-U), 12-Month Percent Change," US Bureau of Labor Statistics, accessed February 22, 2022, https://data.bls.gov/.
6. Taylor Tepper and Benjamin Curry, "Federal Funds Rate History 1990 to 2022," *Forbes*, December 14, 2022, https://www.forbes.com/advisor/investing/fed-funds-rate-history/.
7. "Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, Second Quarter 0222 and Annual Update," Bureau of Economic Analysis, September 29, 2022, https://www.bea.gov/data/gdp/gdp-industry.
8. "Real Average Hourly Earnings for All Employees Increased 0.1 Percent from November to December 2021," Bureau of Labor Statistics, accessed on February 22, 2023, https://www.bls.gov/opub/ted/2022/real-average-hourly-earnings-for-all-employees-increased-0-1-percent-from-november-to-december-2021.htm.
9. For purposes of high-level economic analysis, the US Bureau of Labor Statistics (BLS) aggregates NAICS sectors into 11 super-sectors representing one or more of the two-digit NAICS industries. For more information see "NAICS Supersectors," https://www.bls.gov/sae/additional-resources/naics-supersectors-for-ces-program.htm.
10. The 2023 BPC uses the same definition of high-tech industries as in previous BPC reports. This definition classifies as high-tech the following industries (NAICS 2017 codes in parenthesis): Pharmaceutical and Medicine Manufacturing (3254); Commercial and Service Industry Machinery Manufacturing (3333); Computer and Peripheral Equipment Manufacturing (3342); Communications Equipment Manufacturing (3342); Audio and Video Equipment Manufacturing (3343); Navigational, Measuring, Medical, and Control Instruments Manufacturing (3345); Semiconductor and Other Electronic Component Manufacturing (3344); Manufacturing and Reproducing Magnetic and Optical Media (3346); Aerospace Product and Parts Manufacturing (3364); Medical Equipment and Supplies Manufacturing (3391), Software Publishers (5112); Motion Picture and Video Industries (5121); Sound Recording (5122); Telecommunications (517); Data Processing, Hosting, and Related Services (518); Other Information Services (5191);

Architectural, Engineering, and Related Services (5413); Computer Systems Design and Related Services (5415); Scientific Research and Development Services (5417); Medical and Diagnostic Laboratories (6215).

11. Net output is defined as the final value of goods and services produced in a sector less the cost of materials and services purchased.

12. Tina Highfill and Christopher Surfield, "New and Revised Statistics of the US Digital Economy, 2005–2021," US Department of Commerce Bureau of Economic Analysis, November 2022, https://www.bea.gov/data/special-topics/digital-economy.

13. "15 Recruiting Trends in the Post-Pandemic Tech Industry," Data People, accessed on February 20, 2022, https://datapeople.io/article/recruiting-trends-post-pandemic-tech-industry/.

14. Based on Moody's payroll data for nonfarm workers.

15. Akrur Barua, "The Tech Workforce Is Expanding—and Changing—As Different Sectors Battle for Talent," Economics Spotlight (blog), Deloitte Insights, December 2021, https://www.deloitte.com/global/en/our-thinking/insights/topics/economy/spotlight/tech-workforce-expanding.html.

16. Michael Dalton, Matthew Dey, and Mark Loewenstein, "The Impact of Remote Work on Local Employment, Business Relocation, and Local Home Costs," US Bureau of Labor Statistics, Working Paper 553, August 12, 2022, https://www.bls.gov/osmr/research-papers/2022/ec220080.htm.

17. "15 Recruiting Trends in the Post-Pandemic Tech Industry," Data People, accessed on February 22, 2023, https://datapeople.io/article/recruiting-trends-post-pandemic-tech-industry/.

18. John Gramlich, "Two Years into the Pandemic."

19. William H. Frey, "New Census Data Shows a Huge Spike in Movement out of Big Metro Areas during the Pandemic," Brookings Institution, April 14, 2022, https://www.brookings.edu/blog/the-avenue/2022/04/14/new-census-data-shows-a-huge-spike-in-movement-out-of-big-metro-areas-during-the-pandemic/. See also, William H. Frey, "Big Cities Saw Historic Population Losses While Suburban Growth Declined during the Pandemic," Brookings Institution, July 11, 2022, https://www.brookings.edu/research/big-cities-saw-historic-population-losses-while-suburban-growth-declined-during-the-pandemic/#:~:text=Between%202019%2D20%20and%202020,growth%20since%20at%20least%202010.

20. Frey, "New Census Data Shows a Huge Spike."

21. Frey, "Big Cities Saw Historic Population Losses."

22. Tim Henderson, "The Pandemic Prompted People to Move, But Many Didn't Go Far," Pew Charitable Trusts, March 23, 2022, https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/03/23/the-pandemic-prompted-people-to-move-but-many-didnt-go-far.

23. John Gramlich, "Two Years into the Pandemic."

24. The same pattern holds using 2021 data.

25. As expressed by the FCC Task Force to Prevent Digital Discrimination: "Everyone, regardless of where they live and who they are, needs access to robust high-speed broadband services for 21st century success." This sentiment coming from one of the nation's main Federal Commissions underlines the importance of broadband access in today's economic landscape. See "Home," Task Force to Prevent Digital Discrimination, FCC, available at https://www.fcc.gov/task-force-prevent-digital-discrimination.

26. This year's BPC index returns to using ACS data on percentage of households with access to broadband internet. While this measure may not fully capture quality, access to broadband internet represents a minimum requirement for successful digital integration and is therefore a valuable indicator to identify digitally vulnerable regions.

27. While this report looks only at access differentials *between* cities, there can be considerable variation in broadband access *within* cities as well. See: Christopher Reddick et al., "Determinants of Broadband Access and Affordability: An Analysis of a Community Survey on the Digital Divide," *Cities* 106, (November 2020), https://doi.org/10.1016/j.cities.2020.102904. See also: Alex Trollip, "Understanding the Urban Digital Divide," Bipartisan Policy Center, March 5, 2021, https://bipartisanpolicy.org/blog/urban-broadband-blog/.

28. Abel Garcia, "The Next Silicon Valley? Why More Tech Companies are Relocating to Las Vegas," *KTNV Las Vegas*, November 22, 2021, https://www.ktnv.com/news/tech-companies-move-to-las-vegas-and-help-diversify-economy. See also "New Data Connection Center Coming to Myrtle Beach," *WMBF News*, May 10, 2022, https://www.wmbfnews.com/2022/05/10/new-data-connection-center-coming-myrtle-beach/.

29. Claude Lopez, Hyeongyul Roh, and Maggie Switek, "The Community Explorer: Using County-Level Data on US Diversity Effectively to Inform Policy," Milken Institute, https://milkeninstitute.org/report/community-explorer-county-data.

30. Joshua Montes, Christopher Smith, and Juliana Dajon, "'The Great Retirement Boom': The Pandemic-Era Surge in Retirements and Implications for Future Labor Force Participation," Board of Governors of the Federal Reserve, November 2022, https://www.federalreserve.gov/econres/feds/the-great-retirement-boom.htm.

31. Large cities' rankings range from 1 (top-performing large city) to 200 (bottom-performing large city).

32. Ilan Mochari, "Move Over, Silicon Valley: Utah Has Arrived," *Inc.com*, November 10. 2014, https://www.inc.com/ilan-mochari/silicon-valley-utah.html?cid=em01016week46b; George Anders, "Tech's Boldest New Headquarters Is in Provo, Utah," *Forbes*, August 19, 2016, https://www.forbes.com/sites/georgeanders/2016/08/19/techs-boldest-new-headquarters-is-in-provo-utah/?sh=42ec12143288.

33. Paighten Harkins, "Three Things to Know about Utah Tech Layoffs," *The Salt Lake Tribune*, December 28, 2022, https://www.sltrib.com/news/2022/12/28/3-things-know-about-utah-tech/.

34. Meredith Aldis, "Austin Leads Nation in Office Job Growth, Report Says," *FOX 7 Austin*, October 11. 2022, https://www.fox7austin.com/news/austin-texas-office-job-growth.

35. Tom Miller and Mayra Monroy, "The State of Austin's Hotel Industry," *KXAN Austin*, https://www.kxan.com/news/business/the-state-of-austins-hotel-industry/.

36. "Austin Housing Market Prices Skyrocket, Home Buyers Pay Attention," *FOX 7 Austin*, June 15, 2021, https://www.fox7austin.com/news/austin-housing-market-prices-skyrocket-home-buyers-pay-attention.

37. One-year housing affordability is measured in terms of percent of households with affordable housing according to one-year ACS data.

38. "Health Care," Nashville Area Chamber of Commerce, accessed February 2, 2022, https://www.nashvillechamber.com/economic-development/relocate-or-expand/target-industries/healthcare.

39. "Nashville: The Health Care Industry Capital," Nashville Health Care Council, accessed February 2, 2022, https://healthcarecouncil.com/nashville-health-care-industry/.

40. Patrick Sisson, "As Boise Booms, a City Faces the Curse of 'Californiacation'," *Curbed*, January 22, 2019, https://archive.curbed.com/2019/1/22/18193112/boise-real-estate-housing-downtown.

41. Margaret Carmel, "Idaho's Economy Is Booming, but Rising Cost of Living Could Impact the State in Coming Years," *KTVB 7*, https://www.ktvb.com/article/news/local/growing-idaho/idahos-economy-is-booming-but-rising-cost-of-living-could-impact-the-state-in-coming-years/277-0e17c197-7f0d-4feb-83aa-68217f35ffec.

42. "Fortune 500," *FORTUNE*, accessed March 1, 2023, https://fortune.com/ranking/fortune500/.

43. Texas ranks 13th overall in the Tax Foundation's 2023 State Business Tax Climate Index. See: Janelle Fritts and Jared Walczak, "2023 State Business Tax Climate Index," Tax Foundation, October 25, 2022, https://taxfoundation.org/2023-state-business-tax-climate-index/. See also: "Taxes in Texas," Tax Foundation, accessed March 1, 2023, https://taxfoundation.org/state/texas/#:~:text=Texas%20does%20not%20have%20an,tax%20rate%20of%208.20%20percent.

44. Tasha Tsiaperas, "Dallas–Fort Worth Leads the Nation in 2021 Population Growth," *Axios Dallas*, March 31, 2022, https://www.axios.com/local/dallas/2022/03/31/dallas-fort-worth-2021-population-growth; See also, Frey, "Big Cities Saw Historic Population Losses."

45. "Dallas–Fort Worth Area Employment — November 2022," US Bureau of Labor Statistics, accessed February 18, 2023, https://www.bls.gov/regions/southwest/news-release/areaemployment_dallasfortworth.htm.

46. "A SWOT Analysis of the Dallas Economy," *Dallas Morning News*, June 6, 2021, https://www.dallasnews.com/opinion/editorials/2021/06/06/a-swot-analysis-of-the-dallas-economy/.

47. Emma Dill, "The Wilmington Job Economy Has Shifted from Tourism and Toward Service," *Wilmington StarNews*, October 15, 2021, https://www.starnewsonline.com/story/news/2021/10/15/wilmington-nc-jobs-economy-shift-toward-service-sector-20-000/8443178002/.

48. Emma Dill, "Wilmington Business Growth to See More than $2.6 Million in Incentives," *Wilmington StarNews*, March 1, 2022, https://www.starnewsonline.com/story/news/2022/03/02/wilmington-nc-business-growth-jobs-incentives/6930675001/.

49. Cecilia Chan, "Job Growth Likely to Continue in Region, Expert Panel Says," *East Valley Tribune*, February 1, 2023, https://www.eastvalleytribune.com/job-growth-likely-to-continue-in-region-expert-panel-says/article_acddc3b1-0b3c-5d8b-b8cb-a30eb1f98f4e.html.

50. Ryan Anderson, "University of Arkansas Tops 30,000 in Student Enrollment at Fayetteville Campus," *Arkansas Democrat Gazette*, September 8, 2022, https://www.arkansasonline.com/news/2022/sep/08/university-of-arkansas-tops-30000-in-student/.

51. Samuel Stebbins, "Fayetteville, AR Will be Among the Fastest Growing Cities by 2060," *The Center Square*, September 16, 2022, https://www.thecentersquare.com/missouri/fayetteville-ar-will-be-among-the-fastest-growing-cities-by-2060/.

52. Rick Neale, "U-Haul Study: Palm Bay, Melbourne One of Fastest Growing US Cities," *Florida Today*, January 4, 2022, https://www.floridatoday.com/story/news/2022/01/04/palm-bay-melbourne-ranks-no-3-growth-among-u-s-cities-new-u-haul-study/9089724002/.

53. STEM stands for "science, technology, engineering and mathematics." See "Florida's Space Coast," Economic Development Commission, accessed February 6, 2023, https://spacecoastedc.org/.

54. Small cities' rankings range from 1 (top-performing large city) to 203 (bottom-performing large city).

55. Forrest Brown, "The Top 10 Most-Visited US National Park Sites in 2021 Are ...," *CNN*, February 16, 2022, https://www.cnn.com/travel/article/most-visited-us-national-park-sites-2021/index.html.

56. "Idaho Falls Regional Airport Saw More Passengers in 2022 than Ever Before," *East Idaho News*, January 26, 2023, https://www.eastidahonews.com/2023/01/idaho-falls-regional-airport-saw-more-passengers-in-2022-than-ever-before/.

57. "About Us," Idaho National Laboratory, accessed March 1, 2023, https://inl.gov/about-inl/.

58. Savannah Burnard, "What USU's Plans to Increase Student Enrollment Mean for Student Housing," *The Utah Statesman*, February 13, 2023, https://www.proquest.com/docview/2775767026.

59. "Utah State University 2022 Fast Facts," Utah State University, accessed March 1, 2023, https://www.usu.edu/about/fast-facts/USU_fast-facts.pdf.

60. "About Logan," Logan City, accessed March 1, 2023, https://www.loganutah.org/visitors/about_logan/index.php.

61. Kyle Dunphey, "Utah Drought: Is the St. George Area Running Out of Water?," *Deseret News*, January 23, 2023, https://www.deseret.com/utah/2023/1/23/23567776/how-bad-is-utah-drought-running-out-of-water.

62. Dunphey, "Utah Drought." See also: Mark Eddington, "Mayor Lays Out Where St. George Is Planning on Getting Water to Keep Growing in Address," *The Salt Lake Tribune*, February 8, 2023, https://www.sltrib.com/news/2023/02/08/st-georges-growth-progress/.

63. Mori Kessler, "'Even with the Growth': St. George Leaders Recap Successes, Look Ahead during State Of The City Address," *St George News*, February 8, 2023, https://www.stgeorgeutah.com/news/archive/2023/02/08/mgk-even-with-the-growth-st-george-leaders-recap-successes-look-ahead-during-state-of-the-city-address/#.Y_akVibMKUk. See also: "Downtown Area Plan," St. George City, accessed March 2, 2023, https://enet.sgcity.org/pdf/administration/general/downtownplandrafts/downtownareaplandraft.pdf.

64. Ayelet Sheffey and Andy Kiersz, "The Villages in Florida Is the Fastest Growing Metro Area," *Insider*, August 13, 2021, https://www.businessinsider.com/the-villages-florida-msa-metro-area-republican-exurban-census-2021-8.

65. A LQ higher than 1 implies that the industries' contribution to the city's GDP is higher than the overall national contribution of the same industry to national GDP.

66. "Where #vanlife Meets #skibum," *The New York Times*, February 7, 2023, https://www.nytimes.com/2023/02/07/travel/vanlife-skiing-oregon.html.

67. "In a Housing Crisis, Put the Focus Back on Locals," *The Source Weekly*, April 21, 2021, https://www.bendsource.com/opinion/in-a-housing-crisis-put-the-focus-back-on-locals-14482177. See also: Cole Sinanian, "'We're Just Houseless': High Rents in Oregon Towns Fuel Some to Seek Refuge on Public Lands," *USA Today*, December 5, 2022, https://www.proquest.com/newspapers/were-just-houseless-high-rents-oregon-towns-fuel/docview/2745727759/se-2.

68. "Bend City Council Approves Changes to Short Term Rental Rules," City of Bend, October 5, 2022, https://www.bendoregon.gov/Home/Components/News/News/5463/29.

69. Asha Patel and Matthew Seaver, "Punta Gorda Airport Reopens Its Second Runway after Yearlong Rebuild," *Wink News*, January 16, 2023, https://winknews.com/2023/01/16/punta-gorda-airport-reopens-its-second-runway-after-yearlong-rebuild/.

70. "Three Ways to Build Back Smarter after Hurricane Ian," *The New York Times*, October 3, 2022, https://www.nytimes.com/2022/10/03/climate/hurricane-ian-rebuilding.html. See also: "Why Many Homes and Buildings in Punta Gorda Still Stand, Even after Ian," *The Washington Post*, October 1, 2022, https://www.washingtonpost.com/climate-solutions/2022/10/01/punta-gorda-hurricane-ian-damage/.

71. Claire Galt and Matthew Seaver, "Punta Gorda Residents Fighting City's Proposal to Increase Building Height Limit," *Wink News*, January 4, 2023, https://winknews.com/2023/01/04/punta-gorda-residents-fighting-citys-proposal-to-increase-building-height-limit/.

72. Amy Gamerman, "Million-Dollar Lake Homes in Montana and Idaho Sell for Double What They Did Two Years Ago," *Wall Street Journal*, April 28, 2022, https://www.wsj.com/articles/lake-homes-montana-and-idaho-11651161500.

73. "Sioux Falls City, South Dakota," US Census Bureau, accessed March 5, 2023, https://www.census.gov/quickfacts/siouxfallscitysouthdakota.

74. Symmone Gauer, "Sioux Falls Saw 'Unprecedented' Growth Year with $1.93B in Building Permits," *Sioux Falls Argus Leader*, January 12, 2023, https://www.yahoo.com/news/sioux-falls-saw-unprecedented-growth-171830983.html.

75. Gauer, "Sioux Falls Saw 'Unprecedented' Growth Year."

76. "Gainesville City, Georgia," US Census Bureau, accessed March 5, 2023, https://www.census.gov/quickfacts/fact/table/gainesvillecitygeorgia/PST045222.

77. Real growth measured by real GDP.

78. Megan Reed, "Why Lack of Affordable Housing in Hall County Is Such a Crisis," *Gainesville Times*, December 30, 2019, https://www.gainesvilletimes.com/news/growth-development/why-lack-affordable-housing-hall-county-such-crisis/.

79. "Economic Development," The City of Wenatchee, accessed February 28, 2023, https://www.wenatcheewa.gov/government/economic-development.

80. David Hill, "Labcorp Looking to Build $71 Million Aircraft Base at Burlington Alamance Regional Airport," *Triad Business Journal*, February 14, 2023, https://www.bizjournals.com/triad/news/2023/02/14/labcorp-burlington-airport-base.html.

81. Information for Twin Falls, ID was first included in the 2023 BPC report.

82. Information for Enid, OK was first included in the 2023 BPC report.

ABOUT THE AUTHORS

Maggie Switek, PhD, is the director of regional economics at the Milken Institute's Research Department, where she heads all projects related to economic opportunities and well-being across regions and communities in the US and abroad. Before joining the Milken Institute, Switek worked in academia and consulting, developing a broad range of expertise in antitrust, intellectual property, labor, public policy, and well-being. Her experience in antitrust includes working with counsel and enforcement agencies to evaluate the impacts of mergers, acquisitions, price-fixing, and other competition matters. In research, Switek's interests include well-being, migration, and regional economics. She has published studies related to the effects of public social spending on the quality of life in Latin America, the impact of rapid economic growth (and accompanying economic changes) on well-being in China, and migration patterns among young adults in Sweden. Switek received her PhD in economics from the University of Southern California in 2014.

Hyeongyul Roh, PhD, is an associate director specializing in applied economics within the Research Department at the Milken Institute. The core of his research interests is to empirically assess the efficiency of markets and identify optimal economic decisions based on the empirical setting. His recent work focuses on energy industry organization and clean energy policy by employing economic theory and diverse machine learning methods. Specifically, his papers examine how public policies, designed to support renewable energy, drive private sector investments and technological innovations, and how rapidly increasing supply of intermittent wind and solar generation at scale is creating challenges for electricity markets. Before joining the Institute, Roh was a postdoctoral fellow at the Duke University Energy Initiative, where he led data-driven research projects and mentored students in exploring machine learning approaches to interdisciplinary challenges in energy markets. Roh holds a PhD in economics from North Carolina State University and an MS in mathematical finance from Boston University.

Lawson Mansell is an associate with the Research Department at the Milken Institute. He supports the department's research portfolio in health economics, regional economics, and international finance. Prior to joining the Milken Institute, Mansell worked for the Niskanen Center and the Palmetto Promise Institute in South Carolina where he also previously served on the staff of South Carolina's 1st congressional district. Mansell is earning his master of public policy at Pepperdine University School of Public Policy and he holds a bachelor of arts in political science from Thomas Edison State University.

Katherine Sacks, PhD, is an associate director in health economics within the Research Department. Prior to joining the Milken Institute, Sacks was part of the team creating a State Safety-net Generosity Index, and she has been working to quantify the regulations governing social assistance programs in the United States across all states since the advent of welfare reform in the 1990s. Her research incorporates novel methodological approaches to combine program rules into a measure of safety-net generosity in each state in a given year, which she has used to examine the relative assistance climates of different states. She also researches the social determinants of health, focusing on adverse maternal birth outcomes, and the effects of the social safety net on measures of population health. Sacks holds an MA and PhD in public policy from the University of North Carolina at Chapel Hill, an MSc from the London School of Economics, and a BA from Barnard College.

MILKEN INSTITUTE

LOS ANGELES | WASHINGTON | NEW YORK | MIAMI | LONDON | ABU DHABI | SINGAPORE