



MILKEN INSTITUTE

Best Performing Cities:

Where America's Jobs are Created and Sustained

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November 2004

The Milken Institute is an independent economic think tank whose mission is to improve the lives and economic conditions of diverse populations in the U.S. and around the world by helping business and public policy leaders identify and implement innovative ideas for creating broad-based prosperity. We put research to work with the goal of revitalizing regions and finding new ways to generate capital for people with original ideas.

We do this by focusing on *human capital* – the talent, knowledge and experience of people, and their value to organizations, economies and society; *financial capital* – innovations that allocate financial resources efficiently, especially to those who ordinarily would not have access to it, but who can best use it to build companies, create jobs and solve long-standing social and economic problems; and *social capital* – the bonds of society, including schools, health care, cultural institutions and government services, that underlie economic advancement.

By creating ways to spread the benefits of human, financial and social capital to as many people as possible – *the democratization of capital* – we hope to contribute to prosperity and freedom in all corners of the globe.

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Executive Summary

The Milken Institute Best Performing Cities index ranks U.S. metropolitan areas based upon their economic performance and their ability to create, as well as keep, the greatest number of jobs in the nation. Metros with low business costs and a knowledge-based economy demonstrate that new jobs can be created in America and need not move offshore. This index enables businesses, industry associations, economic development agencies, investors, academics, governments and public policy groups, to assess and monitor recent metro performance.

The Best Performing Cities index is outcomes-based. Its components measure job, wage and salary, and technology growth. It includes both five-year and one-year performance. The five-year growth (1998-2003) averages, smooth out the business cycle impacts, and therefore do not penalize a metro too heavily for weak performance in the latest year. The latest year's performance (2003) provides a sense of the relative momentum among metropolitan economies around the country. The index also includes measures of the concentration and diversity of technology industries within the metros to quantify their participation in today's knowledge-based economy.

Each business cycle has its unique characteristics that impact metropolitan areas differently because of their diverse economic structures. The current economic cycle evidenced:

- A subdued jobs recovery;
- Severe information and communications technology equipment and services retrenchment;
- Rising health care and pension costs;
- An elevated level of political and economic uncertainty due to wars in Iraq and Afghanistan, post-Sept. 11th terrorism concerns and corporate governance scandals;
- Increased fiscal deficits;¹
- Decreased value of U.S. currency;²
- Increased exports; and
- Low interest rates that provided a boost to the housing and construction industries and mitigated concerns regarding reductions in consumer spending.



Top 20 Best Performing Cities

The top 20 Best Performing Cities among the largest 200 metropolitan areas in the United States reflect an assorted group of communities. A common key attribute among this year's listing is strength in services. A robust recovery in tourism is driving metro job growth in leisure and hospitality services. Growing populations and low U.S. interest rates support employment gains in home construction and related consumer industries; the growing populations of retirees are a catalyst for health care services.

Fort Myers-Cape Coral, Florida was the top-performing metropolitan area in 2004, up from third position last year. Descriptions of each of the remaining top 20 metros are detailed later in this report. A striking feature of this year's top 20 metros is that seven of the 20 metros (35 percent) are located in the state of Florida. The state's leadership should rightly feel a sense of pride amid the recent natural disasters. The state of California placed a total of seven metros on last year's Milken Institute Top 20 Best Performing Cities, but managed only two in 2004.

Top 20 Best Performing Cities

Composite Index, 2004

2004 Rank	Rank, Year Ago	Metro	Index
1	3	Fort Myers-Cape Coral FL	100.00
2	2	Las Vegas NV-AZ	152.12
3	43	Phoenix-Mesa AZ	152.46
4	4	West Palm Beach-Boca Raton FL	154.33
5	116	Daytona Beach FL	157.09
6	41	Sarasota-Bradenton FL	157.44
7	1	Fayetteville-Springdale-Rogers AR	161.07
8	20	Riverside-San Bernardino CA	167.55
9	29	Fort Lauderdale FL	176.34
10	10	Monmouth-Ocean NJ	178.26
11	19	Washington DC-MD-VA-WV	182.65
12	27	Tampa-St. Petersburg-Clearwater FL	193.99
13	72	Boise City ID	195.95
14	N/A	Portland ME	205.75
15	23	Naples FL	208.36
16	5	San Diego CA	209.62
17	40	Tucson AZ	211.00
18	9	McAllen-Edinburg-Mission TX	216.77
19	110	Trenton NJ	218.22
20	39	Albuquerque NM	219.02

Source: Milken Institute

Ten Largest Cities

It is more difficult for mature or older metro areas with typically high-density populations and little land available for expansion to achieve rapid job growth than for early- and mid-stage growth cycle metros to do so. Therefore, America's largest metropolitan areas were analyzed as a



distinct class. Among America's 10 largest cities, the Washington DC-MD-VA-WV metro ranked first, maintaining its 2003 position among the 10 largest metros. Its overall ranking rose from 19th on last year's index to 11th in 2004. Atlanta ranked second among this year's top 10 largest metros (72nd place overall). As job losses subside in telecommunication services, its economic fortunes should improve. The greater Philadelphia metro ranked third and is the most improved of the 10 largest metros, increasing its overall ranking from 107th place last year up to 84th on the Milken Institute 2004 listing of Best Performing Cities.

Of the 10 largest cities, Houston ranked fourth experiencing the greatest decline in overall ranking, falling from 25th place last year to 104th in 2004. This drop was largely attributable to weaknesses in manufacturing, construction and business services. Recent gains in Houston's mining industry may improve the metro's ranking on next year's index. Dallas ranked fifth among the 10 largest metros, though it slipped from 78th overall in 2003 to 114th this year. Extensive losses in Dallas' telecom industry over the past three years have put negative pressure on both employment and wages. The Los Angeles-Long Beach, California metro ranked sixth, dropping to 140th overall, down from 135th on last year's best performing metro listing. Increased foreign trade and defense spending have aided its prospects.

Boston is just behind at seventh place among the 10 largest metros and 144th overall. However, a 2004 Milken Institute study showed the Boston metropolitan area to be the leading life-sciences hub in the U.S.³ Its large IT hardware and software sector was hammered during the downturn, but appears to be stabilizing. Chicago is eighth among the largest metros in the United States (166th overall). The lower U.S. dollar should aid its sizable electronic components and communications equipment sectors as exports recover.

Coming in ninth among the 10 largest metros, New York City, notwithstanding the devastation of 9/11 showed progress overall. It rose from 175th place on last year's index to 169th in 2004. Despite renewed employment gains, the metro area's employment is 4 percent below its peak, reached at the end of 2000. Financial services firms are adding cautiously to their payrolls again after substantial cuts. Detroit, Michigan closes out in 10th place position among the 10 largest metros. Automobile consumer purchase incentives may have peaked, limiting advances in sales. Detroit must diversify its economy.

Top Five Best Performing Small Cities

Missoula, Montana is the best performing small city on our current ranking. Business cost advantages and a skilled labor force attract businesses to the Missoula metro. Las Cruces, New Mexico ranked second among smaller metropolitan areas in the U.S. largely due to government-sponsored economic development. Recent troubles at Santa Fe, New Mexico's Los Alamos National Laboratory threaten this metro's third-place ranking. Dover, Delaware and Casper, Wyoming are the fourth and fifth best performing small cities. The Dover metro is benefiting from the recent opening of a Wal-Mart distribution center in Smyrna. Casper's metro is largely driven by employment in the retail, leisure, and business and professional services industries.



Introduction

The 2004 Milken Institute *Best Performing Cities: Where America's Jobs are Created and Sustained* index measures where:

- jobs are being created;
- jobs are being maintained;
- wages and salaries are increasing;
- economies are growing; and
- businesses are thriving in the U.S.

The index is constructed to provide businesses, industry associations, economic development agencies, investors, academics, and government and public policy groups with objective, research-based information to assess and monitor recent metro performance. It's benchmarking also provides an opportunity to gain insight into the means of achieving improved economic performance and develop metro-specific strategies. The 2004 Milken Institute Best Performing Cities index applies the same methodology used previously and that published by Forbes in its annual Best Places for Business edition, thereby permitting a consistent performance evaluation with prior years.

This 2004 index edition *Best Performing Cities: Where America's Jobs are Created and Sustained* reflects those metropolitan areas that recorded the best economic performance, and maintained as well as created, the most jobs over the recent past. We structured the index to allow individual metropolitan areas to shift position from year-to-year, but avoid mass migration within the rankings. Metros with low business costs and a knowledge-based economy demonstrate that new jobs can be created and sustained in America.

Milken Index is Outcomes-based, not Cost-based

The 2004 Milken Institute index overall metro rankings are calculated using the components shown in the table below. The index includes measures of job, wage and salary, and technology output growth (Gross Metro Product or GMP) over the most recent five years (1998-2003) and the latest year's performance (2003). We also incorporated the latest 12-month job growth performance.⁴ Employment growth receives the greatest weight because it is a critical factor in determining the vibrancy of America's communities. Wage and salary growth measure the quality of the jobs being created. Technology output growth is included because of its critical role in determining the economic vibrancy of cities.



The five-year growth averages smooth out the business cycle impacts and ensure that no city is penalized too heavily for weak performance in the latest year. The latest year’s performance provides a sense of the relative momentum among metropolitan economies in the United States.

2004 Milken Institute Best Performing Cities
Components

Component	Weight
Job Growth (I=1998)	0.143
Job Growth (I=2002)	0.143
Wage & Salary Growth (I=1997)	0.143
Wage & Salary Growth (I=2001)	0.143
Short Term Job Growth (Apr '03 - Apr '04)	0.143
Relative HT GDP Growth (I=1998)	0.071
Relative HT GDP Growth (I=2002)	0.071
High Tech GDP Location Quotient	0.071
Number of High Tech GDP LQ>1	0.071

Source: Milken Institute

Additional technology measures were included to reflect the concentration and diversity of technology industries in metropolitan areas. High-tech location quotients that measure the concentration of a technology industry in a particular metro relative to the nation as a whole were included as an indicator of a metro’s participation in the knowledge-based economy.⁵ Those metropolitan areas with a higher concentration of technology industries (out of a potential of 25) than the nation as a whole were also included.

The Milken Institute index is an outcomes-based measure as opposed to one that incorporates explicit input measures of business costs, cost-of-living components such as housing, and other quality-of-life measures such as crime rates. Such static input measures, although important, are subject to large variations (both inter-industry and intra-industry) and can be highly subjective, making them less meaningful than outcome measures. The motivations, reasons and rationales for business location decisions are many and varied. Examples abound of individual businesses that have chosen to remain in high-cost cities, even when lower-cost locations are available. The output measures used for this index include the benefit of situating in expensive locations.

In theory, a prospering region will raise wages as well as rents, as both human capital and land inputs are more fully utilized. Nevertheless, holding all other factors (such as the productivity associated with being in one location versus another) constant, a company will choose to locate where business costs are lower and their employees’ standard of living is higher.



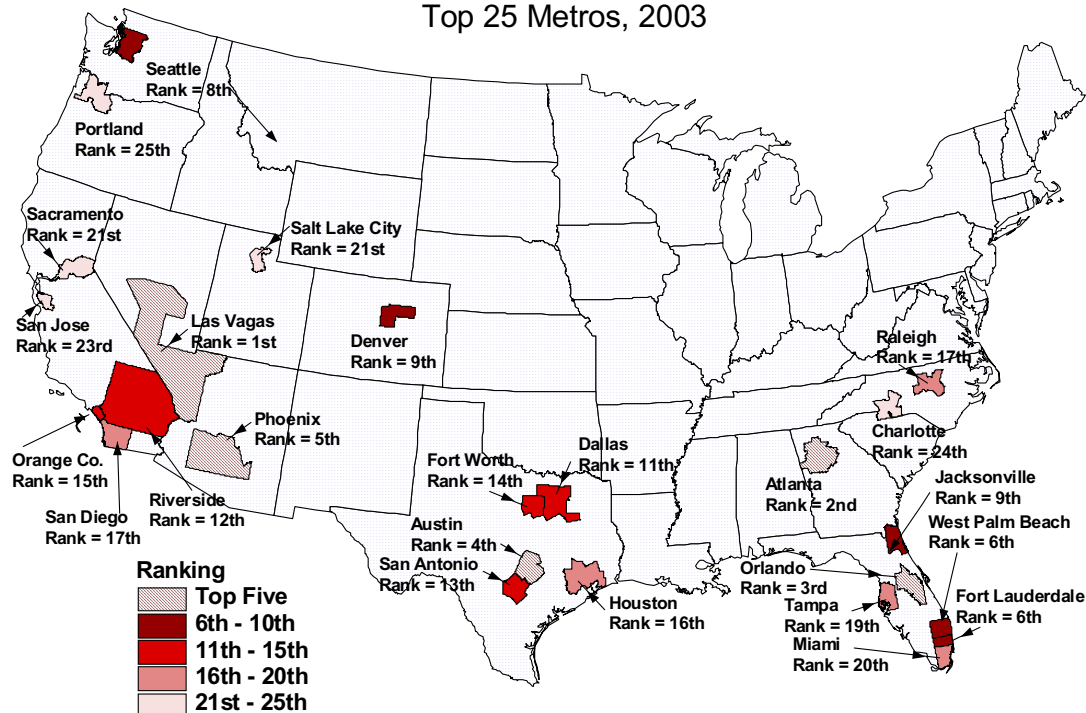
Keys to Becoming a Best Performing City

Cities must appreciate the criteria that will propel them forward and triangulate a course. Only then, can an effective, tailored strategy be formed and gains be achieved at minimum real cost. What is required to be a Best Performing City?

Economic Dynamism

Entrepreneurial Activity

Top 25 Metros, 2003



Firms enter and exit geographic areas all the time. To borrow from Lewis Carroll's *Through the Looking Glass*, it takes all the running you can do just to stay in the same place.⁶ Over the long haul, the key to regional sustainability is the diversity of its ecosystem. A metro must be able to innovate, start, grow and attract new firms continually to augment the diversity of its economic ecosystem and replace larger, older firms that may stagnate, exit or even disappear. Entrepreneurial capacity and behavior are prime drivers of economic growth and job creation. Entrepreneurs are necessary visionaries of the economic potential of new technologies and how to apply them to business concept innovations.

Regional economic dynamism is epitomized by fast-growing, entrepreneurial companies. For a metro area to be successful over the long haul, it has to have capable entrepreneurs. The very foundation of the theory of clustered economies rests upon the dynamic rejuvenation capability of the cluster. Over the long-term, cities with strength in entrepreneurship will be among our Best Performing Cities — large and small.



Capital Access⁷

In the past, riskier, more innovative entrepreneurs faced great difficulty in obtaining early-stage funding. Currently, there is a high degree of access to credit. Low interest rates have made it easier to obtain capital to finance business ventures. The explosion in the availability of capital to entrepreneurs has supported new economic growth.⁸ However, this ease of access to capital has come with a price as default rates have increased. The ability of entrepreneurs to gain access to financial capital without discrimination and manage it well, are key components of sustainable regional economic development and prosperity.

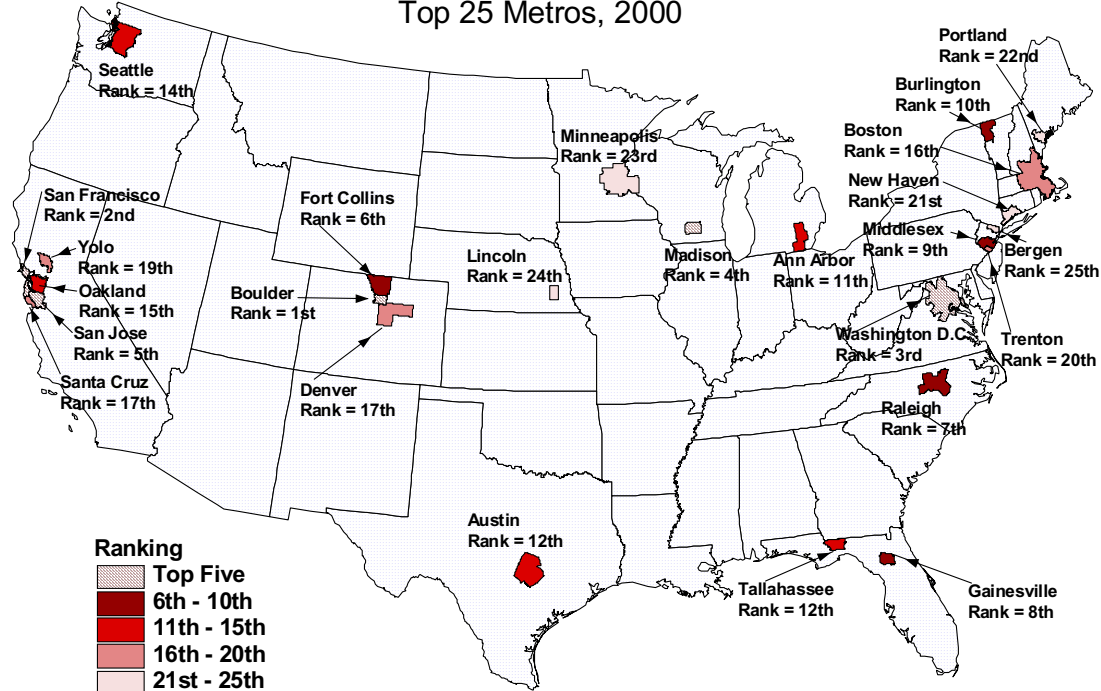
Start-up businesses tend to require large amounts of external financing for an extended period of time before they can tap traditional debt or equity markets. Private equity from pools of individual investors (angels) or highly specialized venture capital (VC) firms attempt to fill this void. Venture capital funding represents a small share of the overall capital markets, but its true value cannot be measured in dollars. Venture capitalists assist in business plan development, become board members, lend management skills, suggest strategic partnerships and alliances, assist in expansion plans, and bring in key talent where needed. VC activity is an excellent way to assess whether financiers have confidence in the new ideas and entrepreneurial infrastructure of a region. Despite the current difficult environment for private equity, albeit somewhat improved over last year's assessment, metros that develop deep private capital markets are poised for expansion.



Human/Creative Capital

Percent Adults with Bachelors Degree

Top 25 Metros, 2000



The availability of skilled workers is a crucial determinant in company location strategies, especially during periods of structural change. Structural change signals permanent contraction in certain industries. Economic theory suggests that job losses in declining industries are replaced with jobs in growing industries. However, it takes time for new jobs to be created and for workers to relocate and retrain. A population with higher skill levels is able to adapt more quickly. Metros with human capital capable of speedy adjustment have a competitive advantage over lower-skilled cities and will therefore suffer losses less severely and achieve gains more swiftly.

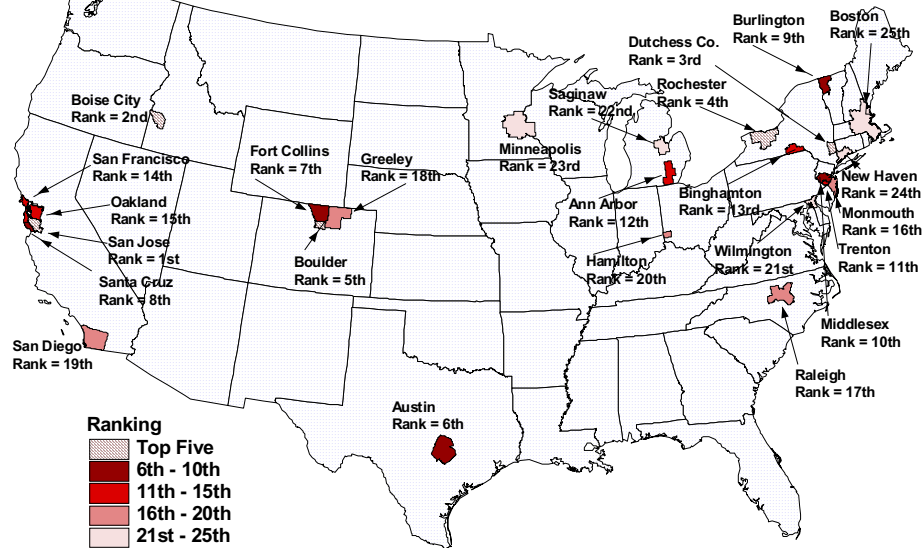
A region's most important source of competitive advantage is the knowledge embedded in its people. The knowledge, skills, experience and innovative potential of talented individuals have greater value than capital equipment. A successful enterprise accesses, creates and utilizes knowledge to sustain competitive advantage. A successful metro will develop, nurture and support a growing knowledge-based economy.⁹



Innovation Capacity

Patents per 100,000 Jobs

Top 25 Metros, 1999



Strong clusters of innovative activity are key to competitiveness in today's global economy. Because knowledge is generated and shared more efficiently in close proximity, economic activity based on new knowledge has a high propensity to cluster geographically. In leading clusters, fewer innovations escape to other regions or do so at a slower rate. The innovation capacity of a metropolitan area is an important component of its long term, sustainable economic development potential.

Research laboratories — private, government and university-based — are important drivers of economic development. Investment in R&D strengthens local research competency and attracts further investments by the private and public sectors in a process of dynamic feedback loops. Access to the latest innovations is attractive to companies because it provides them with an important source from which to create a competitive advantage over businesses without such proximity. Research capacity is a necessary, though insufficient factor in determining regional success. It's not just about the research, but what is done with it that counts.

Globalization/International Integration Attributes

Global economic integration is creating profound changes in the economic structure of businesses, industries, countries, regions and metropolitan areas. Technological advances have lowered transportation, telecommunications and computational costs, increasing the ease of global information flows. In our globalized economy, opportunities for success are strengthened by



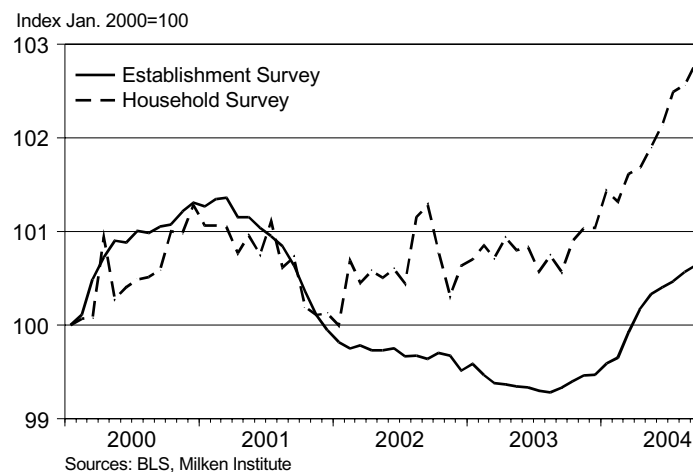
a company's ability to meet international quality standards, tap into multinational distribution networks, access cutting edge innovations and locate in those cities that provide the best environment to exploit international opportunities.

Regions must link to the global economy. Clusters linked to the outside world offer access to an industry's best practices and latest developments. A metro area's global orientation ensures expanding markets for its firms. Each city's network of public and private institutions plays a key role in determining the locale's competitiveness —maximizing the rate of return on assets. A “best performing city” values and nurtures all of these ingredients.

National Economic Conditions

The U.S. is experiencing a relatively subdued jobs recovery, despite other economic measures that show underlying strength. Industrial production has risen by 5.2 percent over the past 12 months, investment in capital goods is up 13.9 percent, and exports and imports have increased by 11 percent. As of September 2004, the Establishment Survey shows that employment is nearly 600,000 below its cyclical peak reached in late 2000.

Establishment Survey vs. Household Survey
Employment



Possible explanations for weak job growth include:

- over-hiring during the boom of the 1990s;
- Severe information and communications technology equipment and services retrenchment;
- increases in the costs of pension and health care benefits;
- elevated levels of political and economic uncertainty due to wars in Iraq and Afghanistan, Sept. 11th terrorism concerns, and accounting and corporate governance scandals;
- productivity gains demanded by global competition;



- international trade regimes (i.e., NAFTA, EU, WTO);¹⁰
- structural changes in the U.S. economy leading to more self-employment;
- uncertainty from the tight 2004 U.S. federal election race; and
- lingering concerns about the duration of the economic recovery.

America's metropolitan areas, owing to their diverse economic structures and employment bases, respond very differently to changes in monetary and fiscal policies. For example, the last U.S. economic slowdown that occurred when the Internet bubble burst, impacted cities in strikingly different ways. Some cities, such as Silicon Valley and cities dependent upon interaction with it, continue to struggle to recoup losses. Yet fortunately for many of America's communities, there have been some fortuitous dimensions to the current business cycle. One of those is the remarkably strong housing sector that is driving increases in consumer spending. The global economy, with the U.S. as its leading participant, presents opportunities to those geographic areas most able to respond quickly to both shocks and opportunities.



Best Performing Cities: Largest 200 Cities List

The top 20 best performing cities among the largest 200 metropolitan areas reflect an assorted group of communities. A common key attribute among this year's list is strength in services, a sector in which the U.S. demonstrates high productivity. A robust recovery in tourism is driving metro job growth in leisure and hospitality services. Growing populations among metros support employment gains in home construction and related consumer industries. America's aging population, especially the growing population of retirees, is a catalyst for health care services growth.

A somewhat unusual finding was that none of the top 20 American research universities are located in any of the 2004 top 20 best performing cities.¹¹ A number of studies exist, including those of the Milken Institute,¹² that stress both the desirability and necessity of a knowledge-based economy for geographic areas to grow and maintain long-term competitiveness. Because the Best Performing Cities index uses outcome components measured over time, there is a tendency for the data to emphasize job, wage and salary, and gross metro product (GMP) growth. Hence, previously high-flying tech centers such as Denver and Seattle, do not appear among the top 20 due to the late-2000 burst of the dot-com, technology and telecom bubbles. However, six metros on the top 20 Best Performing Cities index are located in the top 20 states for biopharmaceutical employment.¹³ The implication for the current best performing cities is that without a firm university R&D base and strong commercialization linkages with the private sector, their top standing may not be maintainable over time.

A striking feature of this year's top 20 metros is that seven of the 20 metros (35 percent) are located in the state of Florida. Florida's state leaders should rightly feel a sense of pride amid the recent natural disasters. Severe hurricane destruction in 2004 will constrain growth in some sectors of the economy as it propels growth in others. Reconstruction efforts and rising fuel prices will hinder tourism activities in the state. The net effect may be declines in next year's ranking of Florida metros.

The state of California placed a total of seven metros on last year's Milken Institute Top 20 Best Performing Cities index: San Diego (ranked 5th), San Luis Obispo-Atascadero (6th), Chico-Paradise (13th), Ventura (14th), Sacramento (15th), Vallejo-Fairfield-Napa (17th) and Riverside-San Bernardino (20th). Only two metros from the state made this year's listing: Riverside-San Bernardino (8th) and San Diego (16th). California's losses mean gains for lower-cost states/metros such as Las Vegas, Phoenix and Tucson. A rebound in high-tech exports and renewed domestic investment in IT and communications hardware and software should improve the position of several California metros in 2005.

**Top 20 Best Performing Cities**

Composite Index, 2004

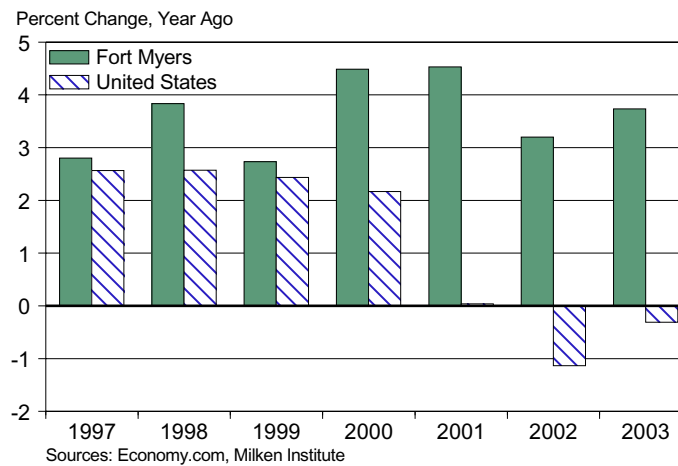
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Source: Milken Institute

Fort Myers-Cape Coral, Florida was the best performing city this year, improving from third in 2003. The region's economy has witnessed solid growth throughout the recent economic downturn, and accelerated during the recovery. The lowest annual employment growth was 3.2 percent in 2002, just a slight falloff from the cyclical peak of 4.5 percent in 2000. Most impressively, perhaps, it recorded job growth of 20.2 percent over the most recent 5-year period. According to recent data by the U.S. Census Bureau, Cape Coral's city population grew by more than 16 percent from 2000 to 2003 placing it among the top 10 fastest-growing cities in the U.S. with populations greater than 100,000. Despite some recent indications of slowing, employment growth in 2003 was the third-fastest in the country. The Fort Myers-Cape Coral economy has a low dependence on manufacturing helping to insulate it from the sharp national downturn in that sector. Structural factors are bolstering its long-term growth prospects: it has low business and housing costs relative to the rest of southwest Florida and a diversified industrial mix for a smaller metro area.



Annual Job Growth Fort Myers vs. United States



Lower housing costs are making Fort Myers-Cape Coral, Florida a more attractive destination for retirees. More than 25 percent of the metro area's residents are 65 or over. This has helped fuel a surge in housing construction. Single-family permits rose more than 80 percent between 2000 and 2003, while multifamily permits advanced 45 percent over the same period. Construction is underway on five new residential towers along the city's waterfront. Commercial construction is advancing at a healthy clip as developers expect the area's rapid growth to continue. As an indication of the importance of construction to the region's economy, construction employment represents 12 percent of total employment versus 5.2 percent for the nation. Well-off retirees bring pensions and transfer payments that support consumption activity.

Fort Myers-Cape Coral, Florida has become an increasingly popular tourism destination. Sanibel Harbour Resort is a major employer. Leisure and hospitality services have witnessed strong employment growth. As an indication of its dependence on travel and tourism, full-service restaurants are the largest employment category in the metro area. The Southwest Florida International Airport is among the national leaders in passenger growth and is undergoing a \$438 million expansion.

With a booming retirement population, health care services are witnessing strong gains. Lee Memorial Health is the area's top employer. Consolidation in the hospital sector may retard growth for a while, but health care employment should expand over the long term. Professional and business services employment has grown by over 38 percent during the past four years and many young professional families have migrated to the area. The metro's fifth-place position nationwide in wage and salary growth over the past five years is an indication of the quality of jobs being created there. The Florida Gulf Coast Technology and Research Park will house an incubator for Florida Gulf Coast University. The area is beginning to experience growing pains as its infrastructure investment has not kept pace.

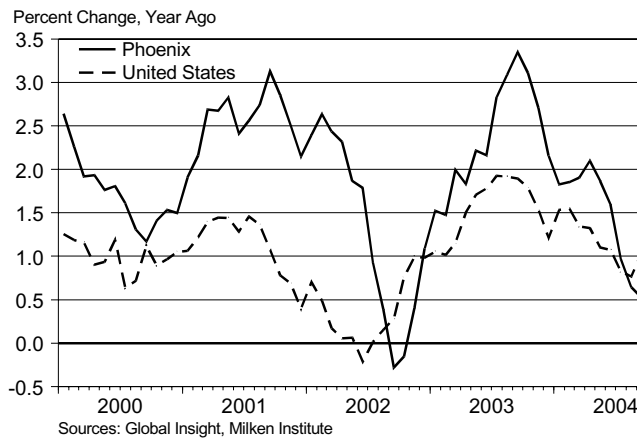


Las Vegas, Nevada retained its second place this year. Its travel and tourism sector displayed remarkable resiliency after the 9/11-induced downturn. Despite the impacts from 9/11, total job growth, over the latest five years as well as in 2003, placed it second in the nation. Recent figures provide additional encouragement as current year-over-year job growth is the fastest in the country. A very favorable business climate in Las Vegas is drawing companies from higher-priced areas, especially California, fueling growth and keeping the metro’s unemployment rate well below the national average.

Leisure and hospitality services account for 30 percent of total employment in Las Vegas, more than three times the national average. In recent months, gaming revenues witnessed gains of 14-16 percent from a year ago, and revenues on “the Strip” seem poised to break the record set in 2000. With higher tourist visitations, hotel occupancy is increasing and supporting additional room construction. Convention attendance hit a record in 2003 and booking trends appear very favorable this year. International visitation is recovering. Strong in-migration is fueling a building boom with single-family permits rising 22 percent in 2003, the highest growth rate in a decade. If current trends continue, Las Vegas may climb to first-place on next year’s Best Performing Cities index.

Phoenix, Arizona leapt to third position on the Best Performing Cities index, up from 43rd in 2003. Similar to other high-tech manufacturing centers, Phoenix suffered from the severe decline in activity in this sector, but substantially less than most others. Part of the explanation lies in Phoenix’s high dependence on defense- and homeland-security related industries that have received additional funding from the wars in Afghanistan and Iraq, and post 9/11 security measures. General Dynamics, Raytheon and Boeing have large operations in Phoenix. General Dynamic’s Spectrum Astro group recently opened a leading-edge satellite and space systems facility.

Financial Activities Employment
Phoenix vs. United States



The Phoenix metro is demonstrating employment growth in the financial services industry. Phoenix is an important regional financial services center with major operations including Well Fargo, American Express, Bank One and Discover Financial Services. Phoenix witnessed a housing

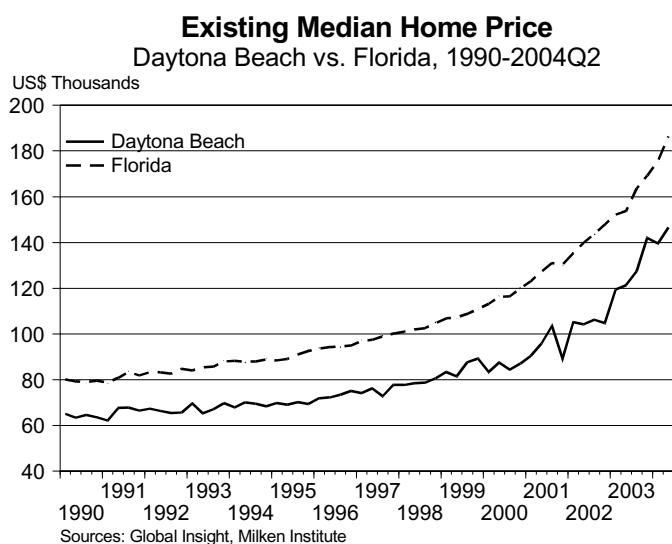


boom with single-family permits up 19.7 percent in 2003 and 39.9 percent since 2000. Commercial markets appear to be stabilizing as business and financial services firms are expanding. The Translational Genome Research Institute is slated for completion later this year.

West Palm Beach-Boca Raton, Florida is fourth on the Best Performing Cities index, maintaining the same position it held on the 2003 index. Although its employment growth moderated in 2003, it ranked 10th among the 200 largest metros over the past five years. One of the area's key advantages is that it attracts an affluent retirement population that fuels consumer purchases. Per capita income is 43 percent above the national figure.

Professional and business services are a major component of the West Palm Beach metro area economy; it is 50 percent more dependent on this sector than the nation as a whole. Over the past year, professional and business services have accounted for one-half of total job growth. Health care services continue to witness expansion. Columbia Palm Beach Healthcare and Tenet Healthcare Corp. are the region's two top employers. Using an aggressive incentive package, the region successfully enticed the Scripps Research Institute to build its first biotech research facility outside of San Diego. This is a major bet that Governor Bush and local economic development officials hope will spawn biotech startup companies and pay dividends in high-wage jobs and future tax receipts.

Daytona Beach, Florida jumped to fifth this year, a remarkable improvement from its 116th rank in 2003. Part of this jump is attributable to upward employment revisions. The metro area is witnessing strong population growth and tourism is expanding. It is experiencing broad-based employment gains across sectors, with manufacturing being the only exception.



The area is becoming more attractive as a place to live due to its affordable housing as it draws migrants from more expensive Florida metros. Daytona recorded a 38.5 percent increase in single-family housing permits in 2003, the second fastest in the nation. There is increased resistance to



new housing construction as exemplified by anti-growth activists' attempts to place an initiative on the November 2 ballot. The region has a highly seasonal tourism market with NASCAR and Spring break activities. Health services are a major employer in the region with general medical and surgical hospitals, and offices of physicians, two of the top five employers in the metro. The metro area witnessed the fourth-fastest growth in employment in 2003.

A booming retirement market and recovering tourism activity propelled **Sarasota-Bradenton, Florida** to sixth, up from 2003's 41st place. Well-off retirees find the metro area's housing prices very attractive relative to Southeast Florida metros and are migrating at a high rate. Per capita income is 22.3 percent above the national average. With travel and tourism recovering, retail sales are growing aided by the brisk expansion in local payrolls, and wage and salary gains. Tourist-bed tax receipts are running at double-digit rates above their year-ago levels in recent months.

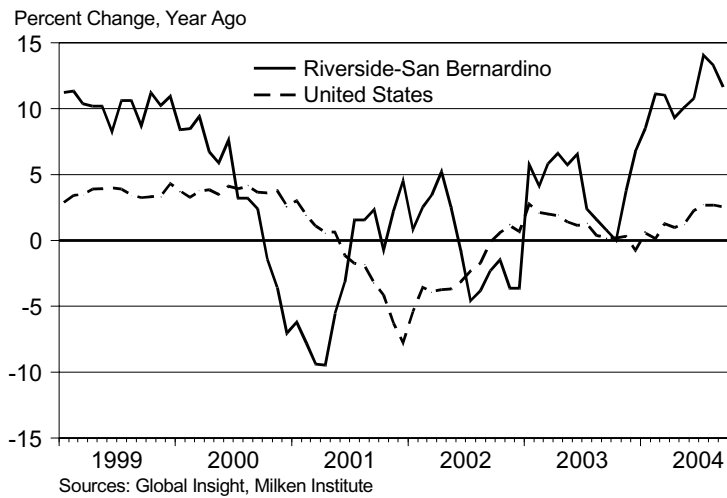
Professional and business services recorded large job gains and the relative contribution of this employment segment to the Sarasota-Bradenton, Florida economy is twice that of the U.S. Expansion at Port Manatee is expected to boost trade volume through the port. The metro sustained relatively minor damage during this year's hurricane season, encouraging its further expansion as a data and IT recovery location. Sarasota-Bradenton is a high quality-of-life, high per-capita income metro.

Fayetteville, Arkansas (Northwest Arkansas) was the top performing metropolitan area in 2003, however, it slipped to seventh this year. Wal-Mart, its retail/distribution anchor firm, was a significant driver of growth, employing more than 10,000 people in the Fayetteville area. Basic infrastructure upgrading will help propel J.B. Hunt Transportation Services, one of the nation's largest trucking firms located there. Employment growth continues ahead of the national pace, but it has dipped, partly attributable to declines in poultry and food processing. The University of Arkansas supports biotechnology development in the state directly with its research, and indirectly by strategically nurturing those education programs that feed targeted industrial development in the state such as Tyson Foods.¹⁴ Scientific Research and Development Services is the fourth largest employment sector in Northwest Arkansas, employing more than 4,000 people.

Riverside-San Bernardino, California ranked eighth on this year's Best Performing Cities index, up from 20th place in the 2003 index. It is the fastest-growing metropolitan area in California. It has become one the West Coast's largest transportation and logistics hubs as inbound cargo from Asia and outbound goods destined for Asian markets flow through its warehouses and distribution facilities. Stater Bros., a supermarket chain, believes that its new 2.1 million square foot distribution center will be the largest single facility in all of Southern California. The metro is capturing manufacturing operations that are migrating from other areas in the state. The strong housing market in Riverside-San Bernardino is showing no sign of faltering under increasing U.S. interest rates. Single-family housing permits rose 20.4 percent in 2003. Federal government spending increasingly drives its economy in both the defense industry and the metro's expanding prison system.

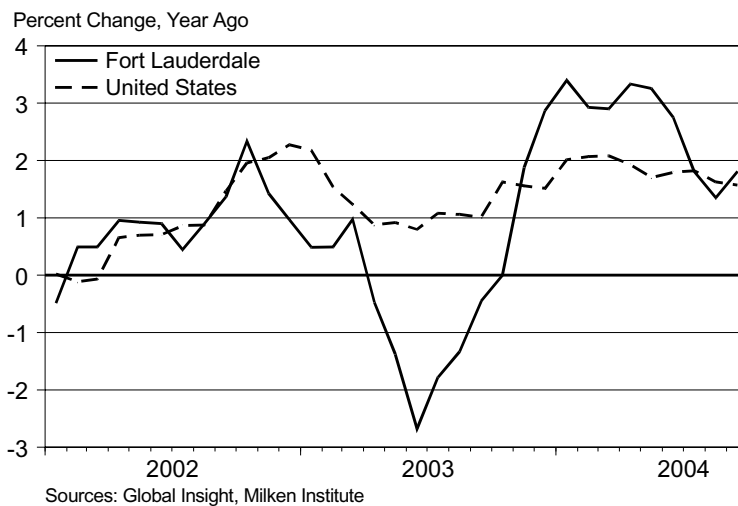


Warehousing & Distribution Employment Riverside-San Bernardino vs. United States



The fifth Florida metro among the 2004 top 20 best performing cities is ninth-place **Fort Lauderdale**. Increasing trade between the U.S. and Latin America is generating job and wage growth in the area. Recent gains in employment are evidenced by banks and brokerage companies. The metro added jobs throughout 2001-2002 as most metros were shedding positions. Tourism is expanding and the metro set a new record for visitations for the second year in a row in 2003. Computer Systems Design & Related Services is the metro area's leading high-tech industry.

Leisure & Hospitality Services Employment Fort Lauderdale vs. United States

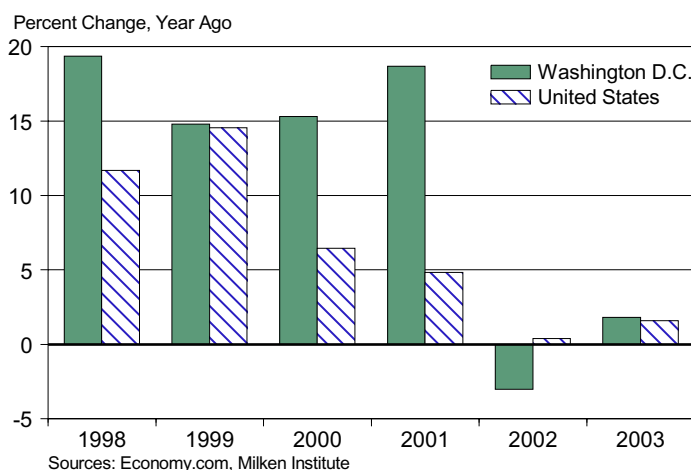




Monmouth-Ocean, New Jersey ranked 10th among the top 20 best performing cities, matching its ranking on the 2003 index. Tourism and tourism-related industries employed over 50,000 people in the metro contributing an estimated \$3 billion each year to the area's economy. Monmouth-Ocean's increasingly diversified industrial base creates opportunities for strong long-term growth. The metro area is an attractive residential location for nearby workers in Middlesex and many New York commuters. Downsizing in the telecom sector negatively impacted employment in the metro given the presence of Lucent Technologies, AT&T and Verizon, but employment appears to have stabilized. Competitive commercial real estate prices have allowed the area to attract small research facilities such that its concentration of high-tech industries is 15 percent greater than the nation overall.

A highly educated workforce, aided by expanding federal government homeland security spending in **Washington DC-MD-VA-WV** has kept this metro among the top 20 cities, ranking 11th in 2004 up from its 19th place on last year's index. The District of Columbia added more than 1,400 biopharmaceutical-related jobs between 1983 and 2003, representing an increase of more than 110 percent. The metro is home to Prestwick Pharmaceuticals, a product-based specialty pharmaceutical company, and Bayer Diagnostics. The National Institutes of Health and other government labs support the area's biopharmaceutical cluster.¹⁵ Washington, D.C. is the fastest-growing major metro in the country. Population gains have been the strongest in its outer suburban areas. Loudoun County has witnessed the strongest population gains in the country since the 2000 Census. While the federal government is the region's largest employer, Computer Systems Design & Related Services is the second-largest employer segment with nearly 100,000 knowledge workers. The Washington DC-MD-VA-WV's economy is twice as dependent on high-tech activity as the nation and is 10th among all metropolitan areas.

Computer Systems Design Svcs. Real Output Washington D.C. vs. United States

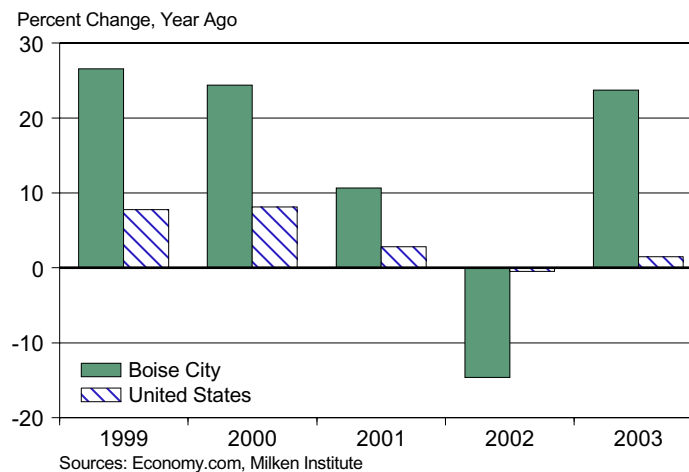




Tampa-St. Petersburg-Clearwater, Florida ranked 12th on the 2004 Best Performing Cities index, up from last year's 27th position. Financial services giants, Citigroup, JP Morgan and Raymond James are fueling payroll advances in the metro. American Collegiate Financial Services is relocating its corporate headquarters to Tampa. Job growth is accelerating as broad-based expansion appears to be underway. Increasing international trade is expanding its port operations, leading to greater transportation and warehousing operations. Global competition and foreign outsourcing to lower-cost regions challenge the Tampa metro's relatively low cost advantages threatening future economic growth in the area.¹⁶

Boise City, Idaho's economy is expanding at an impressive rate after a collapse in semiconductor, computer and peripheral sales harmed its growth rate over the past three years. It ranked 13th on our Best Performing Cities index in 2004, up from 72nd last year. Boise lost more than 7,000 manufacturing jobs since reaching a peak in 2000. With recovering U.S. and global sales of chips and computers, Boise-based Micron Technology and HP's printer division are expanding payrolls again. Boise's costs of doing business are very low relative to other major western tech centers. Micron and HP are the largest employers in the metro area and are largely responsible for Boise having the fourth-highest dependence upon high-tech industries in the country. Boise holds the distinction of recording the highest growth in high-tech output over the last five years among the 200 largest metropolitan areas. Professional and business services grew throughout the economic downturn helping stabilize the metro's economy.

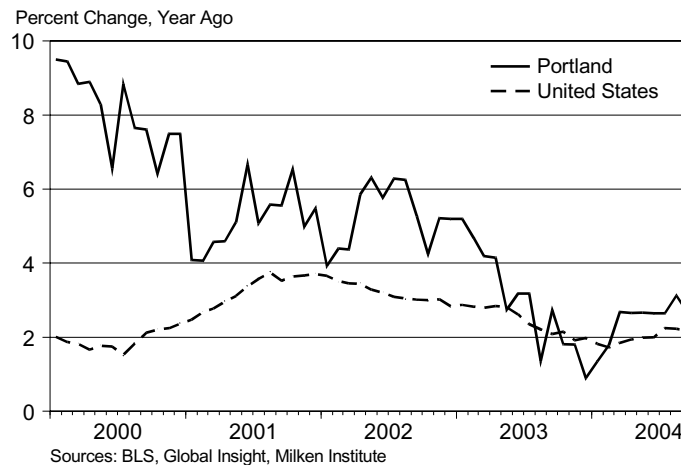
High Tech Output Growth Boise City vs. United States





Portland, Maine is the first metro from the state to rank among the top 20 best performing cities on the index (14th place). Its coastal location and retail outlet stores fuel economic development in this popular tourist destination. Health care is a major economic engine for the metro, accounting for 15 percent of total employment. Health care payrolls are expanding at a 4 percent rate, boosting overall job growth. Activity at the Portsmouth Naval Shipyard in New Hampshire and the Naval Air Station Brunswick, two important national defense facilities located nearby, provide significant spillover gains to this metro. Although rising costs of doing business (taxes and energy costs) in the Portland metropolitan area threaten job growth, its highly skilled labor force will continue to attract companies demanding knowledge-intensive workers.

Health Care Employment Portland vs. United States

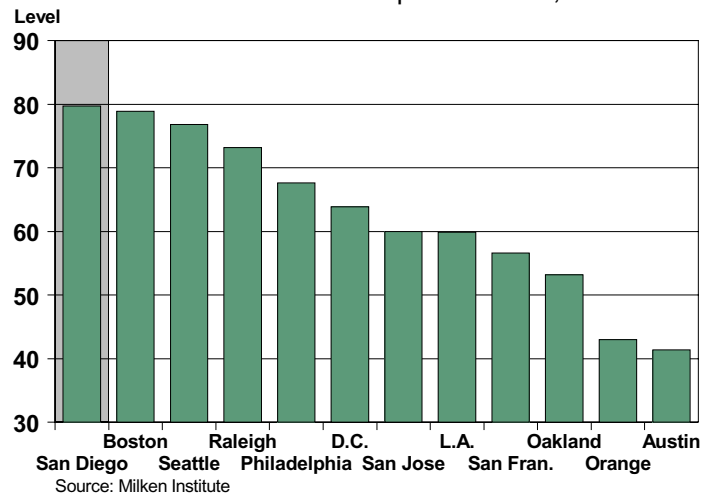


Yet another Florida-based metro, **Naples**, ranked among the top 20 best performing cities (15th) in 2004. The growing population of wealthy retirees drives demand for health care employment supporting the services industry and fueling payroll expansion in the retail, and leisure and hospitality sectors. Naples holds the distinction of recording the strongest growth among all metros in wages and salaries over the past five years. Tourism is recovering due to declines in the U.S. dollar against the Canadian dollar and the Euro, in addition to less apprehension over terrorism fears. Retirement income is poised to increase along with rising U.S. interest rates. Land scarcity, as a result of environmental restrictions to protect the Florida Everglades, is driving land and housing values upwards.



The **San Diego** metro topped the 2002 Best Performing Cities index, but slipped to fifth place in 2003, with its position eroding further to 16th on this year's listing. San Diego holds the distinction of ranking first on the national 2004 Milken Institute biotech composite index, second on the 2004 Milken Institute overall life science composite index and it is in a virtual tie with Boston as the top biotechnology cluster in the country.¹⁷ The diversity of its technology sectors and a large military presence generate consistent strong economic performance. In addition to biotech, medical equipment, wireless telecom services, semiconductors and aerospace are important components of its technology base. Its leisure and hospitality sector are seeing renewed activity. The high quality of the jobs created in recent years is reflected in San Diego's eighth-place position in wage and salary growth over the last five years.

Biotech Research & Development Assets
Twelve Selected Metropolitan Areas, 2004

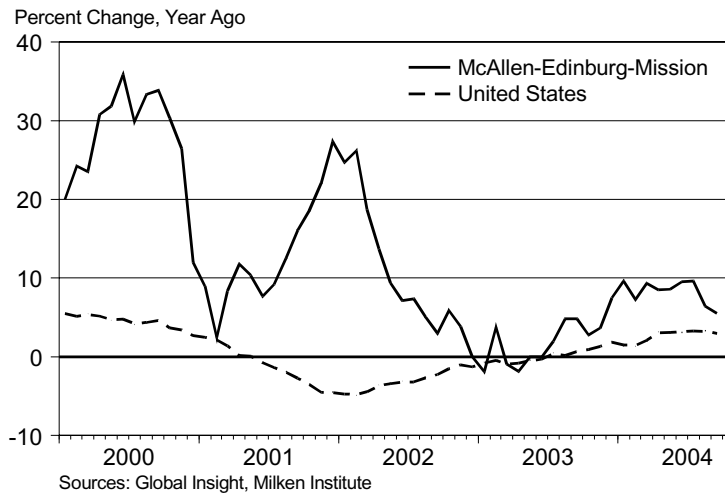


The **Tucson, Arizona** metro ranked 17th on the 2004 Best Performing Cities index. Businesses that relocated from higher-cost southern California contributed to Tucson's improved performance over last year's 40th-place ranking. The metro's heavy exposure to cycles in defense spending places it in a somewhat vulnerable position relative to other areas with a broader economic development base. Tucson's largest employer is the Raytheon Aircraft Company (10,171 employees). The University of Arizona, which employs 10,078 workers, is a stabilizing presence in the area. Financial and business services are growing in the area with Citibank scheduled to open a large new call center.



McAllen-Edinburg-Mission, Texas, is 18th slipping from ninth-place on last year's index. McAllen-Edinburg-Mission has been able to capitalize on its low business costs by attracting a significant number of back-office operations. It experienced strong growth even as Texas border towns experienced a slowdown. Financial services and business services are recording vigorous gains in employment. Manufacturing activity is beginning to recover and maquiladora plants on the Mexican side of the border are increasing production as well. Improving the quality of jobs created in the metro will help reduce its dependence on federal government transfer payments.

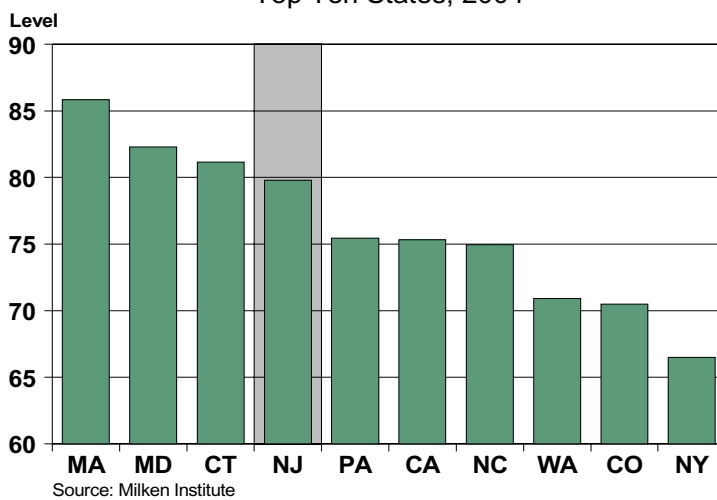
Professional & Business Services Employment McAllen-Edinburg-Mission vs. United States



The **Trenton, New Jersey** metro jumped up from 110th place on last year's Best Performing Cities index to 19th. Government and state agency payrolls contribute to economic growth in the state's capital city. A good transportation infrastructure contributes to Trenton's ability to gain positive economic spillovers from the greater New York/Philadelphia areas. Excellence in education is furthered by the presence of Princeton, Rutgers and Rider Universities along with the increasingly competitive College of New Jersey in the metro. Trenton is also developing a reputation as a second-tier financial services center. Merrill Lynch employs 6,000 workers there and is Trenton's largest private sector employer.



State Biopharmaceutical Innovation Index Top Ten States, 2004



Albuquerque, New Mexico ranked 20th overall in this year's best performing metro index, up from its 39th position on last year's listing. The presence of research institutions such as the University of New Mexico (which employs 19,377 workers) and The Sandia National Laboratories (with over 6,830 employees) attract highly skilled employees and fuel economic gains in the area. Albuquerque has the third highest concentration of high-tech output in the country and ranks 14th in growth in that category in the nation over the past five years. The Microsystems and Engineering Sciences Applications (MESA) facility, currently under construction, promises to propel its high-tech activity forward in the future. Sandia National Laboratories has been at the forefront in the design and manufacture of microelectronic devices.¹⁸ The metro struggles to rebound from declines in the telecom industry. Below average home prices and living costs, combined with rising per capita incomes are leading to increases in disposable income. However, limited water resource supplies contain Albuquerque's capacity for expansion.

America's Ten Largest Cities: Performance

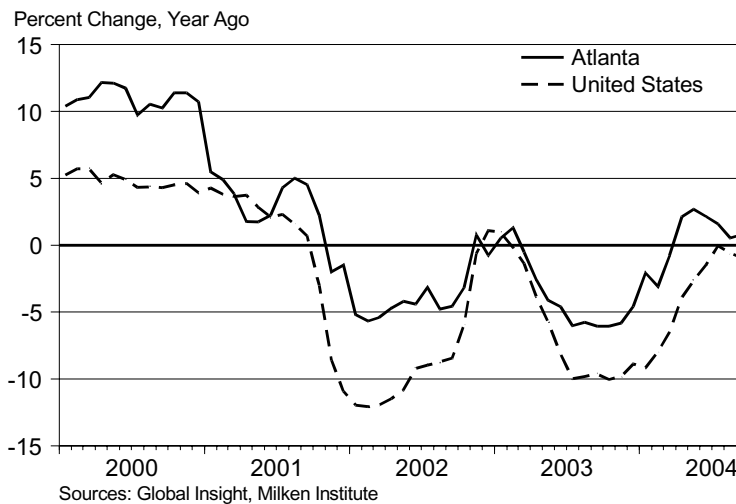
Metro areas in their mature stage with little land available for expansion and high density, face difficulty recording job growth as rapidly as metros in their early- and mid-stage growth cycles. Congestion-related problems add to costs forcing out lower value-added activities. For these reasons and others, we compare and analyze America's largest metropolitan areas as a distinct class. For example, it is an unreasonable expectation for New York City, with the densest center in the U.S., to experience job growth at the same pace as Fayetteville, AR.

Among America's 10 largest cities, **Washington DC-MD-VA-WV** is the top performing economy. Economic activities in the Washington, D.C. metro are discussed previously in this report because it also ranked 11th on the top 20 Best Performing Cities index. After data revisions, the regional economy is the only metro among the 10 largest in the country that did not experience an employment decline in any single year over the last five years. It is beginning to experience some of the symptoms of its success in its rapid home price appreciation. Nevertheless, strong growth continues in 2004.



Atlanta is the second ranking city among this year's 10 largest metros (72nd place overall). Airline employment and travel through its Hartsfield airport, which declined due to fallout from 9/11, showed strong gains, especially in late 2003. However Delta Air Lines, which employs over 10,000 people in the area, is in a bleak financial situation. The increasingly high price of oil and jet fuel is taking its toll on the economy generally. The combination of weak employment gains and rising U.S. interest rates is hindering residential-construction growth in Atlanta, despite strong population increases in the city. Congestion-related infrastructure problems pose a challenge to the city's economic vibrancy going forward. Although growth was subdued relative to the second half of the 1990s, it remains a regional hub for the Southeast. As job losses subside in telecommunication services, its economic fortunes should improve.

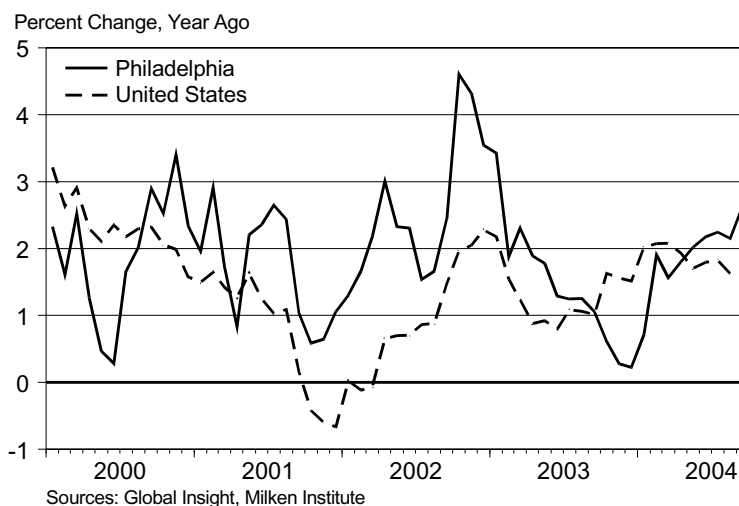
Air Transportation Employment Atlanta vs. United States



Philadelphia ranked third among this year's 10 largest metros (84th overall). The city's economy improved over last year (107th overall) largely due to strength in the leisure and hospitality industry, the fastest-growing segment of Philadelphia's vibrant economy this past year. One of the largest segments of the greater Philadelphia economy is higher education which includes R&D activities in biopharmaceuticals and electronics. Continuing financial difficulties at US Airways, one of Philadelphia's largest employers (5,500 workers), will curtail economic growth in the area. Housing prices, which have appreciated at a rapid pace, remain relatively affordable relative to other large eastern metro areas. The insurance industry aides service sector growth in the city. Philadelphia's defense contractors (Boeing and Lockheed Martin) have benefited from increased procurement activities. Philadelphia's health care cluster provides stability for its economy and should aid future growth.



Leisure & Hospitality Services Employment Philadelphia vs. United States

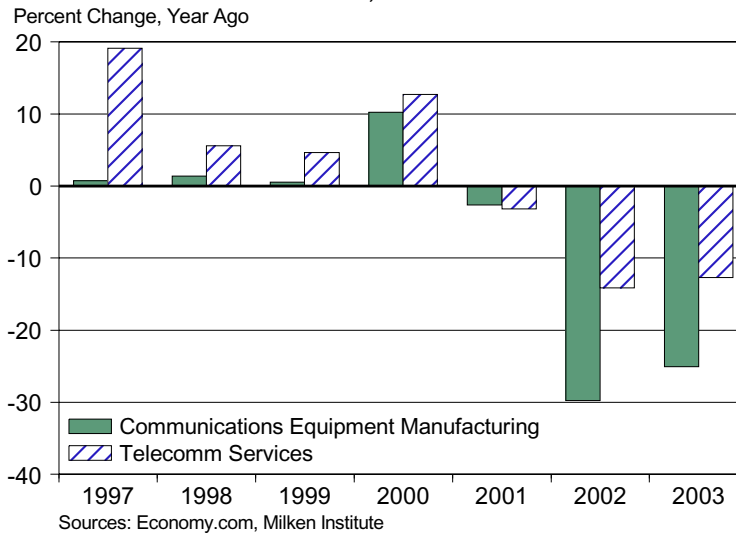


Houston ranked fourth among the 2004 10 largest metros. Its position as 104th on the Best Performing Cities index is down considerably from the city's 25th place in 2003. Downward revisions to job figures in 2002 and a decline in payrolls harmed its placement. Houston's economy is benefiting from rising crude oil prices even though energy exploration within Texas appears to be shifting to areas north of the city. Shell Oil Company and ExxonMobil Corporation combined employ over 35,000 people in the metro. Renewed confidence in corporate governance and energy industries is supporting growth gains in the area. Increasing international trade is leading to economic gains through the Port of Houston. The housing market is strong, illustrated by the 27.1 percent increase in housing permits in 2003.

Dallas is fifth among the 10 largest metros on our 2004 index. The Dallas metro slipped considerably in economic performance from 78th in 2003 to 114th on this year's best performing index. Extensive losses in Dallas' telecom industry over the past three years have put negative pressure on both wages and employment in the area. Weakness in manufacturing and business services is a drag on the city's economy. Dallas is challenged in its struggle to gain competitive advantage over its Houston and Austin neighbors. The defense industry is a potential source of economic gain for Dallas. Potentially positive news can be found in Texas Instrument's statement that it may accelerate scheduled construction of its new \$3 billion chip plant, possibly breaking ground before the end of 2004.

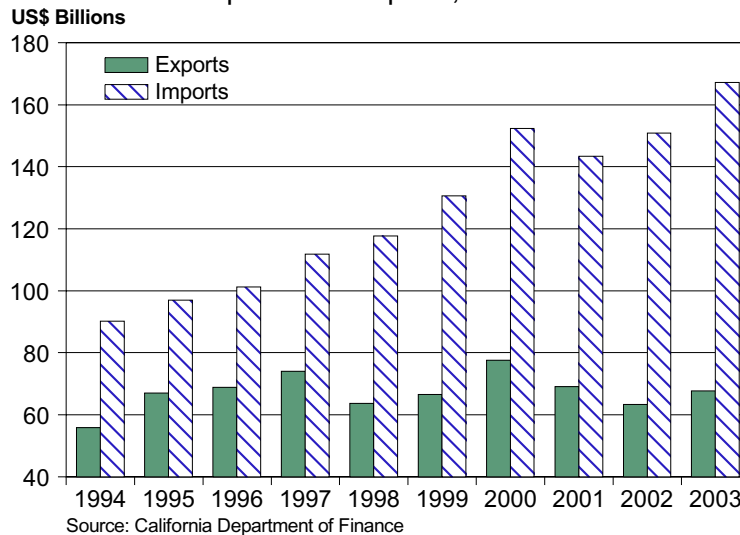


Telecomm - Services & Equip. Mfg. Employment Dallas, 1997-2003



Los Angeles ranked sixth among the 10 largest metros on the 2004 Best Performing Cities index. The Los Angeles economy, which experienced a severe contraction during the defense downsizing in 1990-1991, is now reaping gains from rising defense spending. The weaker U.S. dollar is fueling gains in the global entertainment industry and propelling economic growth at the world's third-largest port center (Port of Los Angeles combined with the Port of Long Beach). Small businesses generate tremendous growth in the city and help diversify its economic base. Health care services and many high-tier universities are important anchors for the regional economy. California's state budget woes may hamper growth in the metro. Leisure and hospitality is seeing renewed vigor. Arrivals at Los Angeles International Airport are at a record high, driving leisure and hospitality employment above year-ago levels by more than 4 percent.

Trade Through Los Angeles-Long Beach Ports Exports and Imports, 1994 - 2003

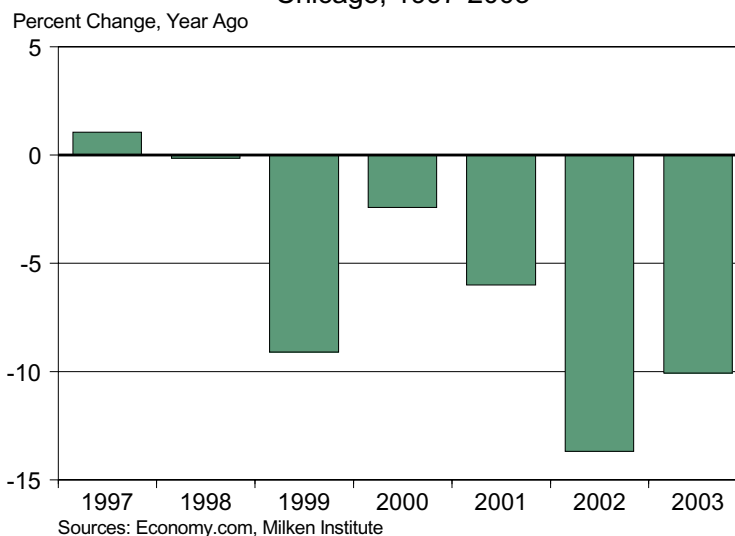




Boston remains ranked seventh among the 10 largest metro economies in 2004, although the city's ranking on the overall index slipped from 136 in 2003 to 144 in 2004. The life sciences cluster, which contributes more to the metro area's economy than any other metro in the nation, provides a tremendous boost to Boston's overall economy.¹⁹ The city is home to world-leading advanced educational institutions. Boston's success at raising venture capital also supports economic development, especially in entrepreneurial knowledge-based sectors. Consolidation in the financial services sector, especially Fleet's absorption into Bank of America, is causing job losses. Its large IT hardware and software sector was hammered during the downturn, but appears to be stabilizing.

Chicago is the eighth-ranking city among the 10 largest metros, although its position on the overall index fell from 148 in 2003 to 166 this year. Growth in the city is hampered by congestion at Chicago's O'Hare Airport, a problem that policy makers avoided addressing and as a consequence has been building for years. Airport infrastructure directly impacts metro companies such as United Parcel Service (19,063 workers), United Airlines (15,325 workers) and American Airlines (10,919 workers). The gaming industry is expanding in the city. Chicago has a well-educated labor force contributing to its high per-capita income. The lower U.S. dollar should aid its sizable electronic components and communications equipment sectors as exports recover.

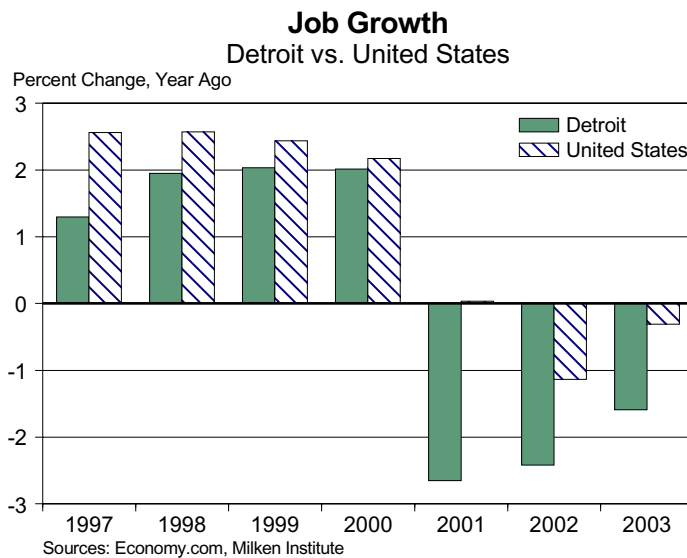
Electronics Comp. & Comm. Equip. Mfg Employment Chicago, 1997-2003



New York remained ninth in 2004 among the 10 largest metros and improved its ranking on the index slightly from last year. The metro's economy continues to demonstrate strength post 9/11 with gains in tourism-related enterprises, professional services and the information industry. The three largest employers in the city are New York Presbyterian Healthcare Network (29,721 workers), Citigroup (24,800 workers) and J.P. Morgan Chase & Company (23,400 workers). Despite renewed employment gains, the metro area's employment is 4 percent below its peak, reached at the end of 2000. Financial services firms are adding cautiously to their payrolls again after substantial cuts. Budget deficits pose a threat to long-term economic expansion.



The **Detroit** metro area ranked 10th among this year's 10 largest metros and remained in the same position as in 2003 and overall was 186th. Auto industry firms remain the metro's top three employers with a combined total of almost 148,000 workers. Gaming is an established part of Detroit's economy. The state of Michigan ranked 25th on this year's Milken Institute State Technology and Science Index and scored well on many input measures.²⁰ However, the state's ability to attract venture capital lags behind comparable states, posing a threat to its longer-term competitive advantage. Construction gains will be realized as the metro prepares for the 2006 Super Bowl. The metro must diversify its economy by growing professional, financial and business services.



Top and Bottom Moving Metros

The table below lists the 15 metros that demonstrated the largest gains in economic performance since the 2003 Best Performing Cities index. **Bloomington, Indiana** climbed the most in the nation. It rose 163 places from 292 in 2003 to 129 on this year's index. Its rise was largely related to increases in government employment, particularly at Indiana University, the top employer in the metro with almost 7,000 workers. **Glens Falls, New York** was the number three climbing metro on our index, showing gains from a healthy tourism industry. The metro that demonstrated the fourth largest climb in index position (136 spots) was **Spokane, Washington** with most industries in the metro adding jobs at a slow, but steady pace. Common to all three cities were upward employment revisions, the presence of a college and service-dominated economies.



2004 Milken Institute Best Performing Cities

Fastest Climbing Metros, 318 Total Metros

Metro	2004 Rank	2003 Rank	Spots Climbed
Bloomington IN	129	292	163
Honolulu HI	82	234	152
Glens Falls NY	120	272	152
Spokane WA	73	220	147
Daytona Beach FL	6	142	136
Trenton NJ	40	152	112
Pensacola FL	72	180	108
Anniston AL	179	284	105
St. Cloud MN	96	196	100
Medford-Ashland OR	27	125	98
Abilene TX	145	243	98
Newark NJ	59	154	95
Terre Haute IN	171	265	94
South Bend IN	147	240	93
Eau Claire WI	85	174	89

Source: Milken Institute

The table below shows two Oklahoma state metros in the top five on our Fastest Falling Metros index. **Tulsa, Oklahoma** had the dubious distinction of recording the largest tumble (down 207 spots) from last year. The state of Oklahoma is also home to **Enid**, the fifth most declining metro. **Brazoria, Texas** dropped from 73rd last year down to 260 due to pervasive joblessness and an accompanying rise in bankruptcy filings. A new liquefied natural gas terminal is a sign of hope for the metro. **Lafayette, Indiana** slipped 167 spots to this year's 267th place. Purdue University is, by far, the Lafayette metro's largest employer with 12,250 workers. Lafayette ranked third among the fastest falling metros.

2004 Milken Institute Best Performing Cities

Fastest Falling Metros, 318 Total Metros

Metro	2004 Rank	2003 Rank	Spots Down
Tulsa OK	300	92	208
Brazoria TX	277	73	204
Lafayette IN	264	100	164
Enid OK	297	158	139
Houston TX	164	34	130
Albany-Schenectady-Troy NY	175	49	126
Lexington KY	225	99	126
Pueblo CO	308	182	126
Monroe LA	218	95	123
Lawrence KS	177	56	121
Yuba City CA	165	45	120
Wilmington NC	181	61	120
Canton-Massillon OH	314	198	116
Kalamazoo-Battle Creek MI	272	157	115
Fort Worth-Arlington TX	153	40	113

Source: Milken Institute



Best Performing Cities: Small Cities List

Among America's small cities, the table below shows that **Missoula, Montana** topped the 2004 Best Performing Small Metros index. Tourism, largely centered around nearby Bitterroot National Forest, is a major contributor to Missoula's economic growth. Its low business costs (including energy, taxes, labor and especially office rents) combined with a very high-skilled workforce and college-town lifestyle attract businesses to the area. The health services industry is one of the largest employers in the metro.

2004 Rank	Rank Year Ago	Metro	Index
1	N/A	Missoula, MT	100.00
2	3	Las Cruces, NM	104.96
3	5	Santa Fe, NM	173.76
4	29	Dover, DE	202.84
5	23	Casper, WY	216.31

Source: Milken Institute

Two small cities in New Mexico — **Las Cruces** and **Santa Fe** — demonstrate the second and third highest performance respectively, on our listing of best performing small cities. Both metros also ranked within the top five on the 2003 listing. The growing retiree population in these metros fueled economic expansion. The Las Cruces economy is susceptible to budget cutbacks as well as lower income growth due to its dependence upon government funding. Security difficulties at the Los Alamos National Laboratory, Santa Fe's largest employer, threaten continued growth in this area.

Fourth of this year's top five Best Performing Small Cities is **Dover, Delaware**, up from 29th in 2003. Economic gains are being realized in Dover's trade and transportation industries as a result of the opening of a Wal-Mart distribution center in the metro. It is anticipated that the Dover Air Force Base, the metro's largest employer with almost 4,600 workers, will survive the 2005 round of base closings.

Casper, Wyoming is the final and fifth 2004 best performing small city. Government employment, which is the highest in 20 years, accounts for the largest concentration of high-wage growth in the metro. The Wyoming Medical Center is the area's largest employer with almost 1,200 workers. Continued economic expansion in the transportation industry, particularly at Casper's Natrona Airport, is anticipated even with rising fuel costs. The booming energy sector is a key driver of economic growth in the Casper metro.



2004 Best Performing Cities
Largest 200 Cities List

Table with 18 columns: 2003-2004 Rank, City, 5-yr Job Growth, 1-yr Job Growth, 5-yr Wages & Salaries, 1-yr Wages & Salaries, Job Growth, 5-yr Relative FT GDP, 1-yr Relative FT GDP, High-Tech, # of FT GDP, MSA Population, Overall Rank. Lists 180 cities including Fort Myers, Las Vegas, Phoenix, etc.



2004 Best Performing Cities

Largest 200 Cities List

2003 Rank	2004 Rank	City	State	5-yr Job Growth 2003 Value Rank	1-yr Job Growth 2003 Value Rank	5-yr Wages & Salaries 2003 Value Rank	1-yr Wages & Salaries 2003 Value Rank	5-yr Relative HI GDP 2003 Value Rank	1-yr Relative HI GDP 2003 Value Rank	High-Tech 2003 Value Rank	# of HI GDP 2003 Value Rank	MSA Population (in Thousands)	Overhead Rank
79	79	Fort Pierce-St. Lucie	FL	104.42	101.10	103.14	101.33	67.31	96.93	1.41	178	348.57	378.97
80	80	Lincoln NE	NE	103.57	99.44	101.75	102.35	85.54	95.83	1.23	173	261.00	381.49
81	81	Eugene-Springfield	OR	103.65	100.61	103.84	100.44	105.13	108.41	1.44	25	68	383.20
82	82	Minneapolis-St. Paul/MN-WI	MN	100.66	100.38	103.02	100.44	105.13	108.41	0.92	67	15	384.56
83	83	Chattanooga TN-GA	TN	102.31	100.72	99.74	100.88	103.32	106.32	0.47	165	3	385.50
84	84	Philadelphia PA-NJ	PA	100.46	100.25	99.34	101.12	106.32	106.32	1.08	48	24	387.10
85	85	Orlando-Midland TX	FL	95.46	101.81	91.94	100.86	102.83	102.83	0.77	82	6	388.64
86	86	San Antonio TX	TX	101.74	101.81	103.77	100.86	102.83	102.83	0.77	82	6	388.64
87	87	Colorado Springs CO	CO	102.85	99.35	105.05	101.41	108.17	97.10	2.30	9	52	395.66
88	88	Atlantic-Cape May NJ	NJ	101.86	100.88	91.60	101.37	73.96	96.94	0.38	183	2	395.66
89	89	Harrisburg-Lebanon-Carlisle PA	PA	99.61	100.47	95.42	101.50	83.51	98.86	0.77	83	7	406.15
90	90	Bakersfield CA	CA	108.78	101.16	98.30	100.11	77.56	98.96	0.45	169	1	406.15
91	91	Baton Rouge LA	LA	101.58	101.65	97.07	101.19	61.47	98.53	0.51	151	3	408.93
92	92	Ashville NC	NC	98.18	100.95	93.28	101.19	86.68	101.23	1.07	49	6	410.27
93	93	Albany-Florence-Easton PA	PA	95.88	100.31	97.25	100.18	86.68	101.23	0.85	73	10	411.76
94	94	Seattle-Bellevue-Everett WA	WA	95.88	99.31	103.77	98.05	79.9	98.61	2.50	5	17	411.76
95	95	San Francisco-Oakland-San Francisco CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
96	96	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
97	97	San Diego CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
98	98	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
99	99	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
100	100	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
101	101	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
102	102	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
103	103	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
104	104	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
105	105	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
106	106	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
107	107	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
108	108	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
109	109	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
110	110	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
111	111	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
112	112	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
113	113	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
114	114	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
115	115	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
116	116	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
117	117	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
118	118	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
119	119	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
120	120	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
121	121	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
122	122	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
123	123	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
124	124	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
125	125	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
126	126	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
127	127	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
128	128	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
129	129	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
130	130	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
131	131	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
132	132	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
133	133	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
134	134	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
135	135	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
136	136	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
137	137	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
138	138	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
139	139	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
140	140	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
141	141	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
142	142	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
143	143	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
144	144	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
145	145	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
146	146	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
147	147	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
148	148	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
149	149	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
150	150	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
151	151	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
152	152	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
153	153	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
154	154	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
155	155	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
156	156	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
157	157	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
158	158	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
159	159	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
160	160	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
161	161	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
162	162	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
163	163	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
164	164	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
165	165	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
166	166	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
167	167	San Jose CA	CA	103.18	100.85	103.77	100.18	86.68	101.23	0.85	73	10	411.76
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2004 Best Performing Cities
Largest 200 Cities List

2003 Rank	2004 Rank	City	State	5-yr Job Growth 2003-2003	5-yr Job Growth 2002-2003	5-yr Wages & Salaries Growth 1997-2002	5-yr Wages & Salaries Growth 2001-2002	Job Growth (Apr 03 - Apr 04)	5-yr Relative HT GDP Growth 1998-2003	1-yr Relative HT GDP Growth 2002-2003	High-Tech GDP LQ	# of HT GDP LQs Over 1 2003 Value	MSA Population (in thousands)	Overall Rank
180	153	Akron	OH	95.99	96.39	104.56	99.06	-3.04%	75.82	98.06	0.46	2	414.45	651.07
93	154	Salinas	CA	96.86	96.86	104.56	99.06	-3.04%	75.82	98.06	0.46	2	414.45	651.07
167	156	Fort Smith	AR-OK	99.25	100.18	92.38	101.08	0.20%	84.50	83.26	0.46	1	212.88	564.42
160	157	Fayetteville	NC	96.81	96.49	90.62	98.06	-0.13%	77.38	98.69	0.35	1	303.95	566.77
160	158	Lynchburg	VA	96.50	97.11	102.97	98.06	-3.19%	140.42	101.20	2.02	5	217.33	566.67
144	158	Santa Cruz	Watonville CA	97.04	97.11	93.67	100.63	-0.38%	88.46	98.85	0.56	10	251.59	567.40
126	159	Charleston	WV	95.69	96.36	96.82	100.23	0.61%	77.95	96.37	0.91	6	365.31	570.05
135	160	Reading	PA	96.77	96.77	96.82	100.23	0.61%	77.95	96.37	0.91	6	365.31	570.05
56	162	Encinitas	CA	99.20	99.20	92.51	100.23	-0.38%	81.74	99.45	0.54	3	283.15	585.52
155	163	Milwaukee	Waukesha WI	95.19	95.19	92.51	100.23	-0.38%	81.74	99.45	0.54	3	283.15	585.52
182	164	Lansing	East Lansing MI	99.70	99.70	95.54	100.83	-0.05%	67.04	95.25	0.59	12	1514.31	590.00
158	165	Greensboro	Winston-Salem--High Point NC	94.73	94.73	93.91	100.11	-1.12%	88.93	97.38	0.54	11	455.84	590.46
163	167	New Orleans	LA	96.01	96.26	96.31	100.11	-0.72%	85.22	100.61	0.72	9	1285.44	591.43
125	168	Utica	Rome NY	95.53	95.53	91.46	101.25	-0.08%	67.98	96.46	0.45	10	1338.66	598.48
125	168	Utica	Rome NY	95.53	95.53	91.46	101.25	-0.08%	67.98	96.46	0.45	10	1338.66	598.48
115	169	New York	Buffalo-Chester	96.52	96.52	90.05	97.63	-0.08%	82.96	94.36	0.82	7	846.93	600.87
115	170	Kalamazoo	MI	95.62	95.62	87.65	101.48	-1.09%	71.09	89.72	1.03	6	459.17	603.92
152	171	Huntington	Ashland WV-KY-OH	95.99	96.4	89.30	101.93	-0.41%	60	92.69	1.26	0	313.66	607.56
143	172	Blount-Guilford	Pascagoula MS	90.64	90.64	89.30	101.93	-0.41%	60	92.69	1.26	0	313.66	607.56
161	173	Buffalo-Niagara	Falls NY	96.96	96.96	96.76	101.93	-0.41%	60	92.69	1.26	0	313.66	607.56
132	174	Greenville-Spartanburg-Anderson	SC	95.43	95.43	88.17	99.47	-0.39%	75.04	96.42	0.76	8	1159.44	613.91
199	175	Youngstown	Warren OH	90.17	90.17	81.80	99.47	-0.06%	63.62	98.75	0.44	172	584.97	619.03
192	176	Binghamton	NY	95.68	95.68	88.65	96.06	0.18%	71.65	101.58	1.29	3	251.11	620.76
144	177	Wichita	KS	96.27	96.27	86.25	96.27	-0.89%	65.04	99.57	0.49	0	461.62	621.24
143	178	Columbus	GA	96.57	96.57	87.31	100.01	-0.89%	65.04	99.57	0.49	0	461.62	621.24
189	179	Erie	PA	96.03	96.03	89.43	100.01	-0.89%	65.04	99.57	0.49	0	461.62	621.24
168	180	Beaumont-Port Arthur	TX	94.44	94.44	87.52	99.44	-0.45%	89.34	97.39	0.53	4	279.97	627.24
166	181	Roanoke	VA	96.17	96.17	84.05	99.44	-0.45%	89.34	97.39	0.53	4	279.97	627.24
173	182	Rochester	NY	96.01	96.01	85.29	99.44	-0.28%	76.78	92.27	0.56	135	382.63	629.04
177	184	Yakima	WA	97.15	97.15	84.30	99.44	-0.02%	140	92.57	1.31	31	1101.22	634.99
N/A	183	Springfield	MA	94.48	94.48	84.30	99.44	-0.02%	140	92.57	1.31	31	1101.22	634.99
176	185	Dayton	OH	96.35	96.35	82.82	100.37	-0.84%	78.98	96.76	0.50	158	616.29	635.06
194	187	Cleveland-Lorain-Elvira	OH	94.30	94.30	82.05	99.62	-1.35%	63	97.93	0.94	62	4461.65	646.43
194	187	Cleveland-Lorain-Elvira	OH	94.30	94.30	82.05	99.62	-1.35%	63	97.93	0.94	62	4461.65	646.43
188	188	Dayton	Springfield OH	92.31	92.31	86.34	99.45	-0.07%	144	98.10	0.58	130	2242.63	652.33
73	189	Tulsa	OK	94.35	94.35	90.19	99.78	-1.20%	188	96.10	0.81	78	947.03	661.81
185	190	Peoria-Pekin	IL	93.31	93.31	86.34	99.45	-1.20%	188	96.10	0.81	78	947.03	661.81
191	191	Fort Wayne	IN	92.97	92.97	86.34	99.45	-1.20%	188	96.10	0.81	78	947.03	661.81
191	191	Fort Wayne	IN	92.97	92.97	86.34	99.45	-1.20%	188	96.10	0.81	78	947.03	661.81
171	192	Wichita	KS	95.03	95.03	90.14	101.09	-0.87%	78.72	96.60	0.67	107	423.38	664.05
204	193	Peoria	IL	93.31	93.31	86.34	99.45	-1.20%	188	96.10	0.81	78	947.03	664.05
200	194	Fort Wayne	IN	94.21	94.21	84.30	99.45	-0.72%	157	93.39	0.82	199	640.81	671.74
193	195	Toledo	OH	93.89	93.89	89.41	99.41	-2.95%	103	90.36	0.47	166	619.68	709.67
149	196	Clinton-Massillon	OH	93.43	93.43	90.02	99.94	-0.95%	192	100.54	0.33	189	407.12	724.64
187	197	Hickory-Morgantown-Lenoir	NC	90.57	90.57	89.46	97.85	-2.26%	184	97.89	0.63	118	350.14	726.24
196	199	Saginaw-Bay City-Midland	MI	88.49	88.49	76.38	96.70	-0.94%	180	95.48	0.76	89	442.25	736.03
197	200	Rosford	IL	92.36	92.36	86.78	96.31	-2.97%	198	96.87	1.26	170	403.27	741.48
						85.17	96.31	-0.94%	181	92.81	0.49	164	383.65	756.53



2004 Best Performing Cities Small 118 Cities List

2003-2004 Rank	2003-2004 City	5-yr Job Growth 1998-2003	1-yr Job Growth 2002-2003	5-yr Wages & Salaries Growth 1997-2002	1-yr Wages & Salaries Growth 2001-2002	Job Growth (Apr 03 - Apr 04)	5-yr Relative HIT GDP Growth 1998-2003	1-yr Relative HIT GDP Growth 2002-2003	High-Tech GDP LQ	# of HIT GDP LQs Over 1	MSA Population 2003 (in Thousands)	Overall Index
N/A	1	Missoula MT	102.89	106.40	2.45%	16.77	102.18	0.67	37	7	98.62	100.00
N/A	2	Missoula MT	114.35	108.85	2.85%	17.27	102.18	0.67	37	7	98.62	100.00
N/A	3	Santa Fe NM	105.57	104.18	1.66%	16.77	102.18	0.67	37	7	98.62	100.00
29	4	Dover DE	103.14	105.93	2.73%	83.54	110.58	0.73	33	6	155.23	173.76
23	5	Casper WY	102.22	108.77	3.24%	131.77	110.58	0.44	75	3	134.39	202.84
6	6	Flagstaff AZ	103.54	106.69	2.29%	103.86	96.67	0.37	88	2	68.21	216.31
N/A	7	Yuma AZ	107.63	103.77	3.22%	193.80	97.57	0.46	73	2	171.13	221.99
N/A	8	Billings MT	101.19	103.90	2.44%	133.52	102.84	0.58	49	5	127.34	241.13
N/A	9	Billings MT	101.19	103.90	2.44%	133.52	102.84	0.58	49	5	127.34	241.13
11	10	Sioux Falls SD	101.22	108.71	1.29%	84.15	100.63	0.54	57	4	183.92	245.39
11	11	Sioux Falls SD	101.22	108.71	1.29%	84.15	100.63	0.54	57	4	183.92	245.39
31	12	Medford-Ashland OR	100.58	101.45	2.13%	112.46	103.96	0.37	100	10	184.02	268.09
16*	13	lowa City IA	102.21	106.77	5.17%	131.21	102.74	1.00	10	3	190.08	283.69
16*	14	Houma LA	102.58	104.97	4.24%	111.45	96.53	0.99	18	13	115.55	297.87
15	15	Cheyenne WY	101.07	104.29	0.73%	112.81	104.40	0.46	72	1	115.55	297.87
15	16	Cheyenne WY	101.07	104.29	0.73%	112.81	104.40	0.46	72	1	115.55	297.87
17	17	Louisville KY	103.64	102.34	0.85%	107.27	94.89	0.74	31	6	84.08	315.60
17	18	Louisville KY	103.64	102.34	0.85%	107.27	94.89	0.74	31	6	84.08	315.60
N/A	18	Wausau WI	105.58	103.58	1.05%	107.27	94.89	0.44	77	6	108.12	338.30
7	19	Rapid City SD	110.55	110.07	1.81%	79.35	96.64	0.26	109	0	114	342.55
19	20	Bismarck ND	103.89	102.38	-0.09%	92.97	101.25	0.54	56	2	91.88	343.26
19	21	Bismarck ND	103.89	102.38	-0.09%	92.97	101.25	0.54	56	2	91.88	343.26
20	22	Rock Hill SC	104.51	102.38	-0.19%	87.40	96.90	0.62	42	3	96.83	348.84
20	23	Rock Hill SC	104.51	102.38	-0.19%	87.40	96.90	0.62	42	3	96.83	348.84
21	24	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	25	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	26	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	27	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	28	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	29	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	30	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	31	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	32	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	33	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	34	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	35	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	36	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	37	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	38	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	39	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	40	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	41	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	42	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	43	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	44	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	45	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	46	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	47	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	48	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	49	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	50	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	51	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	52	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	53	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	54	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	55	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	56	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	57	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	58	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	59	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	60	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	61	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	62	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	63	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	64	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	65	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	66	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	67	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	68	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	69	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	70	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	71	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	72	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	73	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	74	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	75	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	76	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	77	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	78	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	79	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	80	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	81	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	82	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	83	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	84	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	85	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	86	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	87	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21	88	York PA	101.52	101.38	0.34%	57.90	95.29	1.04	17	3	54	362.41
21												



2004 Best Performing Cities
Small 118 Cities List

2003 Rank	2004 Rank	City	State	S&P 500 Growth 1998-2003	S&P 500 Growth 2002-2003	S&P 500 Growth 1997-2002	S&P 500 Growth 2001-2002	Job Growth (Apr 03 - Apr 04)	S&P Relative HT GDP Growth 1998-2003	S&P Relative HT GDP Growth 2002-2003	High-Tech GDP LO	# of HT GDP LO's Over 1	MSA Population 2003 (in Thousands)	Overall Index	
74	79	Benton Harbor	MI	92.96	105	85.88	111	0.87%	60.14	99	0.59	46	162.77	706.38	
130*	80	Cedar Rapids	IA	97.29	72	101.97	87	-1.19%	63.34	90	1.40	7	196.20	709.22	
N/A	81	Pittsfield	MA	98.06	68	91.79	85	-0.72%	49.00	35	0.55	54	133.31	720.57	
55	82	Waterloo-Cedar Falls	IA	95.76	87	90.68	91	0.86%	87.59	110	0.42	74	128.42	722.70	
121*	83	Springfield	MS	96.82	66	95.49	89	-0.27%	87.71	105	0.37	79	102.32	723.84	
122*	84	Springfield	IL	97.65	99	95.49	87	-0.27%	87.71	105	0.79	23	204.47	729.08	
26	85	Lafayette	IN	97.25	73	91.80	84	-0.31%	87.71	101	1.23	10	188.80	734.75	
N/A	86	Corvallis	OR	86.66	118	86.14	109	-0.19%	103.82	22	3.49	1	79.33	736.17	
63	87	Cumberland	MD-WV	97.89	70	91.04	89	-0.65%	65.47	86	0.31	103	100.82	736.88	
165*	88	Racine	WI	93.89	97	86.46	108	0.00%	45.01	115	0.52	63	192.28	746.81	
73	89	Parkersburg-Marietta	WV-OH	97.48	71	87.09	106	0.14%	60.50	95	0.39	84	149.84	758.87	
91	90	Jacksonville	FL	96.81	98	92.70	89	-0.49%	74.29	74	0.37	87	162.32	759.53	
95	91	Jacksonville	NC	96.81	98	92.70	89	-0.49%	74.29	74	0.37	87	162.32	759.53	
49	92	Owensboro	KY	96.38	104	94.23	74	0.70%	48.36	112	0.24	113	92.54	771.52	
76	93	Wheeling	WV-OH	96.83	90	93.81	82	-1.65%	58.65	100	0.30	106	188.80	783.69	
58	94	Pine Bluff	AR	95.45	79	91.16	87	2.25%	18	88.29	115	0.26	110	82.89	791.49
58	95	Lake Charles	LA	94.73	94	89.33	89	0.35%	76.69	64	0.35	92	193.89	802.13	
84	96	Joplin	MO	96.13	83	94.24	65	-0.13%	41.78	116	0.32	101	162.45	804.26	
91	97	Gadsden	AL	90.55	116	84.64	114	-0.13%	84.14	45	0.61	43	103.04	807.09	
10	98	Grand Junction	CO	97.45	69	93.85	76	-0.22%	88.20	111	0.25	105	104.44	814.89	
66	99	Grand Junction	CO	97.45	69	93.85	76	-0.22%	88.20	111	0.25	105	104.44	814.89	
79	100	Kankakee	IL	95.93	107	94.23	67	-0.37%	89.20	93	0.74	35	147.90	814.89	
60	101	Topeka	KS	96.19	84	90.71	88	0.23%	58.00	101	0.54	59	105.63	817.02	
80	102	Sharon	PA	97.73	113	92.04	82	-0.69%	98.23	24	0.95	23	170.90	822.70	
72	103	Steubenville-Weirton	OH-WV	96.58	108	92.86	75	-1.00%	83.27	47	0.29	108	119.90	824.82	
47	104	Enid	OK	100.19	61	90.24	83	-1.98%	71.82	38	0.15	118	162.45	831.21	
92	105	Jamestown-Bellefleur	WI	98.95	103	90.29	92	0.09%	61.45	93	0.31	104	57.11	833.33	
96	106	Jamestown	NC	97.95	102	96.49	107	-0.15%	71.82	38	0.15	118	162.45	847.52	
96	107	Rockwell	NC	97.95	102	96.49	107	-0.15%	71.82	38	0.15	118	162.45	847.52	
56	108	Sumter	SC	99.18	93	85.85	112	0.40%	76.37	66	0.25	111	101.30	855.32	
N/A	109	Rocky Mount	NC	99.95	70	89.65	97	-0.36%	63.79	89	0.47	70	105.96	866.67	
94	110	Decatur	IL	91.67	110	90.21	94	-1.23%	60.31	97	1.47	6	144.63	868.79	
85	111	Danville	VA	90.57	115	87.33	104	0.00%	79.53	53	0.65	40	111.18	870.92	
61	112	Sioux City	IA-NE	95.86	85	85.57	113	1.11%	65.75	85	0.20	114	108.63	891.49	
8	113	Paoli	OH	90.94	114	90.17	95	-0.64%	86.64	39	0.40	83	123.71	897.16	
87	114	Elmwood	OH	95.70	105	87.95	102	-0.83%	41.45	117	0.44	85	142.56	898.92	
88	115	Elmira	NY	92.33	108	87.95	102	-1.88%	41.45	117	0.66	45	90.41	907.52	
95	116	Muncie	IN	98.13	94	86.12	110	-2.18%	48.50	111	0.96	22	142.56	907.52	
N/A	117	Muncie	IN	91.07	112	82.08	117	-1.24%	76.89	63	0.33	97	117.49	949.65	
N/A	118	Jamestown	NY	98.03	100	84.02	115	-1.29%	60.36	96	0.47	71	137.65	1004.26	
67	118	Florence	AL	88.33	117	78.54	118	-1.87%	77.98	59	0.29	107	141.50	1014.89	

*Indicates this city's position on the 200 largest metros list in 2003.



¹ An interesting book on this topic is *Running on Empty: How the Democratic and Republican Parties are Bankrupting Our Future and What Americans Can Do About It*, Peter G. Peterson, 2004.

² Gray, H. Peter. 2004. *The Exhaustion of the Dollar: Its Implications for Global Prosperity*.

³ DeVol, et. al., *America's Biotech and Life Science Clusters*, Milken Institute, 2004.

⁴ The latest 12-month job performance calculates the percentage change from the same month one year previous, e.g. the percentage change in jobs from April 2003 to April 2004. The 12-month percentage change is a measure of recent momentum and captures which metropolitan areas are improving their performance in recent months. The annual growth rate measures the percentage change from calendar year 2002 to 2003. Whereas the annual growth rate does not indicate whether high growth was achieved or diminished in the first part or latter half of the year, the 12-month growth rate captures that aspect.

⁵ An industry's location quotient (LQ) measures the level of employment concentration relative to the industry average across the U.S. in a given location, in this case, a city. A city with an employment LQ higher than 1.0 in a high-tech industry has a denser concentration of that industry than the nation, on average. It is an indication of how successful a city is in being home to an above-average mass of high-tech industries. Cities that exceed the national average in high-tech industry LQs, have an edge attracting and retaining high-tech firms due to their dense employment bases and other positive agglomeration factors.

⁶ Gray, H. Peter and Lorna H. Wallace. 1996. *New Jersey in a Globalizing Economy*, CIBER Working paper Series No.96.003, Newark: Rutgers University. September.

⁷ The Milken Institute produces an annual Milken Institute Capital Access Index (CAI) publication that scores the ability of entrepreneurs to gain access to financial capital in countries around the world. The CAI is an excellent source to ascertain a global perspective on the importance of capital access. See: www.milkeninstitute.org, MI Indexes (<http://www.milkeninstitute.org/research/research.taf?cat=indexes>).

⁸ The term "entrepreneur" includes innovators, managers and owners in need of capital to start a new enterprise, expand a promising line of business, finance ownership change, or restructure a large multinational enterprise.

⁹ Milken Institute 2004 *State Technology and Science Index – Enduring Lessons for the Intangible Economy* for a comprehensive ranking of the technology and science assets of the 50 U.S. states that can be leveraged to promote economic development. Additional recent Milken Institute research reports of interest at the state level include *Arkansas's Position in the Knowledge-Based Economy and California's Position in Technology and Science*.

¹⁰ North American Free Trade Agreement (NAFTA), European Union (EU) and World Trade Organization (WTO).

¹¹ *The Center*. 2003. "The Top American Research Universities," The Lombardi Program, November.

¹² Please visit our web-site at www.milkeninstitute.org

¹³ DeVol, et.al., 2004. *Biopharmaceutical Industry Contributions to State and U.S. Economies*, Santa Monica: Milken Institute, especially the 'Innovation Pipeline' section which discusses the direct positive correlation between the location of leading research universities and biopharmaceutical employment.

¹⁴ A detailed analysis of *Arkansas' Position in the Knowledge-based Economy* is the Milken Institute 2004 report by this name.

¹⁵ DeVol, et.al., 2004. *Biopharmaceutical Industry Contributions to State and U.S. Economies*, Santa Monica: Milken Institute.

¹⁶ Zachary, G. Pascal. 2004. "Technology is Destiny," *The Milken Institute Review*, Third Quarter, pp. 5-11.

¹⁷ DeVol, et.al. 2004. *America's Biotech and Life Science Clusters*, Santa Monica: Milken Institute.

¹⁸ DeVol, Ross. 2000. *Blueprint for a High Tech Cluster: The Case of the Microsystems Industry in the Southwest*, Milken Institute Policy Brief.

¹⁹ DeVol, et.al. 2003. *The Economic Contributions of Health Care to New England*, Santa Monica: Milken Institute.

²⁰ Milken Institute 2004 *State Technology and Science Index – Enduring Lessons for the Intangible Economy* for a comprehensive ranking of the technology and science assets of the 50 states within the U.S. that can be leveraged to promote economic development.



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