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Study: Austin best market for young adults

Austin Business Journal - by [G. Scott Thomas](#) Contributing Writer

The Southwest has become the new frontier for young Americans — the region where men and women in their 20s and 30s have the best chance of establishing themselves in a recessionary economy.

Five Southwestern metropolitan areas, led by No. 1 Austin, rank among the nation's eight best places for young adults, according to a new [Portfolio.com/bizjournals](#) study.

[Explore an interactive map of the largest U.S. metropolitan areas and how they stack up as best places for young adults.](#)

Two qualities help Austin stand out:

- **Two-thirds of the nation's major markets have fewer jobs now than five years ago, but Austin added 99,200 jobs during that span. Its annual employment-growth rate of 2.8 percent is the fastest in America.**

- **Austin has the strongest concentration of young people among the 67 metros. Twenty-eight percent of its residents are between the ages of 18 and 34. The median for the study group is 23.1 percent.**

Washington, Raleigh and Boston are the three runners-up in the study's rankings of the best places for young adults. They're followed by four Southwestern metros — Houston, Oklahoma City, Dallas-Fort Worth and Tulsa — that occupy fifth through eighth places.

Portfolio.com/bizjournals analyzed the 67 U.S. metros with populations above 750,000, searching for qualities that would appeal to workers in their 20s and early 30s. The **study's 10-part formula** gave the highest marks to places with strong growth rates, moderate costs of living and substantial pools of young adults who are college-educated and employed.

Quick look at the top 10 metros for young adults:

- 1. Austin: The Texas capital's two dominant qualities were noted above. But its attractiveness to young adults is broadly based. Austin ranks among the 10 leading markets in five of the 10 categories that were analyzed.**

2. Washington: Educated young adults flock to Washington, where 35.8 percent of all 18-to-34-year-olds hold bachelor's degrees. The study group's median is 23.2 percent. Per capita income (\$56,510) is well above average.

3. Raleigh: This is the fastest-growing major metro in the nation. The population of the Raleigh area is increasing by 3.9 percent a year. That's more than triple the pace for the typical market, 1.2 percent.

4. Boston: Elite universities such as **Harvard** and **MIT** give Boston its intellectual cachet. The local share of young adults with college degrees (37.6 percent) is the highest in the country.

5. Houston: Employment opportunities abound in Houston. Its job-growth rate (1.7 percent a year) ranks among the five best in the nation, as does its annual upswing in per capita income (6.6 percent).

6. Oklahoma City: The unemployment rate for young adults is lower here than anywhere but Salt Lake City and Tulsa. Oklahoma City also enjoys the nation's third-best pace for annual income growth, a rapid 7.2 percent.

7. Dallas-Fort Worth: The recession caused some backsliding in 2009, but Dallas-Fort Worth still has 206,000 more jobs than it did five years ago. Local population is zipping higher by 2.4 percent a year.

8. Tulsa: Here's an area that's a true bargain. Median rent is \$508 a month in Tulsa, the third-lowest figure in the study group. Compare that to such budget-breakers as San Jose (median rent of \$1,334) or Honolulu (\$1,227).

9. Seattle: This high-tech metro offers a wide range of good-paying jobs. Seattle ranks among the 10 markets with the largest per capita incomes (\$50,471) and smallest unemployment rates for young adults.

10. Baton Rouge, La.: Louisiana is on its way back from the wrath of Hurricane Katrina, and this is one of its success stories. Baton Rouge boasts a high concentration of young adults (26.1 percent) and a strong rate of income growth.

The least desirable market for young adults, according to the Portfolio.com/bizjournals study, is Detroit, which shares the pain of the major automotive corporations based there.

Detroit is saddled with the nation's worst unemployment rate for young adults, the slowest rate of income growth, and the biggest decline in overall employment. A total of 343,700 jobs have disappeared from the Detroit area during the past five years.

Two Midwestern industrial markets and two Sunbelt metros round out the bottom five. These areas may differ in geography, but they share a lack of attractiveness to young adults: Cleveland (66th place); Dayton, Ohio (65th); Tampa-St. Petersburg (64th); and California's Riverside-San Bernardino area (63rd).

Courtesy of JB Goodwin