

The Best Cities for Jobs

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- [The Best Big Cities for Jobs](#)

These may be far from the best of times, but they are no longer the worst. Last year's annual "Best Cities for Jobs" list was by far the most dismal since we began compiling our rankings almost five years ago. Between 2009 and 2010, only 13 of 397 metropolitan areas experienced any growth at all. For this year's list, which measured job growth in the period between January 2010 and January 2011, most of the best-performing areas experienced actual employment increases -- even if they were modest.

For Forbes' list of the best cities for jobs, we ranked all 398 current metropolitan statistical areas, based on employment data from the Bureau of Labor Statistics reported from November 1999 to January 2011. Rankings are based on recent growth trends, mid-term growth and long-term growth and momentum. We also broke down rankings by size -- small, medium and large -- since regional economies differ markedly due to their scale.

Reflecting the importance of the war effort in stimulating local economies, command of this year's best place for jobs was handed to the Army from the Marines. Killeen-Temple-Fort Hood, Texas, shot up to No. 1 from No. 4, while Jacksonville, N.C., last year's first-place winner and home to Camp Lejeune, dropped to 19th place.

Once again the best places for jobs tended to be smaller communities where incremental improvements can have a relatively large impact. Eighteen of the top 20 cities on our list were either small (under 150,000 nonfarm jobs) or mid-sized areas (less than 450,000 jobs).

But no place displayed more vibrancy than Texas. The Lone Star State dominated the three size categories, with the No. 1 mid-sized city, El Paso (No. 3 overall, up 22 places from last year) and No. 1 large metropolitan area **Austin** (No. 6 overall), joining Killeen-Temple-Fort Hood (the No. 1 small city) atop their respective lists.

Texas also produced three other of the top 10 smallest regions, including energy-dominated No. 4 Midland, which gained 41 places overall, and No. 10 Odessa, whose economy jumped a remarkable 57 places. It also added two other mid-size cities to its belt: No. 2 Corpus Christi and No. 4 McAllen-Edinburgh-Mission.

Whatever they are drinking in Texas, other states may want to imbibe. California -- which boasted zero regions in the top 150 -- is a prime example. Indeed, a group of California officials, led by Lt. Gov. Gavin Newsom, [recently trekked to the Lone Star State](#) to learn possible lessons about what drives job creation.

Gov. Jerry Brown and others in California's hierarchy may not be ready to listen, despite the fact that the city Brown formerly ran, Oakland, ranked absolute *last*, No. 65, among the big metros in our survey, two places behind perennial also-ran No. 63 Detroit-Livonia-Dearborn, Mich.

One lesson that green-centric California may have trouble learning is that, however attractive the long-term promise of alternative energy, fossil fuels pay the bills and create strong economies, at least for now. Even outside of Texas, oil capitals did well across the board, not surprising given the surging price of gas. Our No. 2 small metro, Bismarck, N.D., which also No. 2 overall, is the emerging capital of the expanding Dakota energy belt. Also faring well are Alaska's two oil-fire cities, Fairbanks (No. 10 on our small list) and Anchorage (No. 3 on the medium-sized list).

There were some intriguing surprises as well. Most welcome are signs of revival from New Orleans-Metairie, La., which moved up a stunning 46 places to capture the No. 2 slot among our large metros. The region lost 11% of its population and nearly 16% of its jobs during the last decade. But now the Big Easy seems to be finding its place again among America's great cities. Jobs, up 3.5% since 2006, have been created by rebuilding, a resurgence of tourism and a growing immigrant population -- the region's [Hispanic population](#) grew by 35,000 over the past decade.

There were other inspirational improvements this year. Sparked by a revival in manufacturing, a host of former sad sacks in parts of the Midwest are showing signs of definite improvement. Niles-Benton Harbor, Mich., a long-time denizen at the bottom of our list, shot up a remarkable 242 places this year to a respectable No. 121. Another old industrial city, Kokomo, Ind., ascended 177 places to No. 215, while Holland-Grand Haven, Mich., improved by 172 places to No. 221 and Grand Rapids, Mich., rose 167 places to No. 183. Milwaukee, a long-time loser among our largest metros, moved up by a healthy 163 places overall to a better-than-average No. 143.

The Northeast Corridor has also made strong progress. Here the likely explanation can be found in the [fruits of Obamanomics](#). The stimulus has been particularly good for the vibrant economies surrounding the ever-expanding federal leviathan. Among the large metros, Washington-Arlington-Alexandria, Va., did best of all the cities outside the South, repeating its No. 6 ranking among large metro areas. Right behind, at No. 7 on the large city list, sits the primarily suburban Northern Virginia metro area, while Bethesda-Rockville-Frederick, Md., ranks 12th.

The other big East Coast winners are the financial and university-oriented economies, which have reaped huge benefits from the TARP bailout and the Obama administration's college-centric stimulus plan. After the Texas cities and the imperial center, most of the best performing big metros are located in financial and university centers, including No. 9 New York City, No. 10 Philadelphia, No. 11 Pittsburgh, No. 13 Boston and No. 15 Raleigh-Cary, N.C.

So who's losing? Outside of Oakland and the big Southern California metros -- including No. 60 Los Angeles, No. 59 Sacramento, No. 58 Riverside-San Bernardino and No. 50 Santa Ana-Anaheim-Irvine -- the bottom tier consisted of a motley crew of mid-South cities like Memphis (No. 64 on the big city list) and still-struggling, former big Sunbelt boomtowns Las Vegas (No. 62), West Palm Beach-Boynton Beach-Boca Raton, Fla. (No. 56), Ft. Lauderdale-Pompano Beach-Boynton Beach, Fla. (No. 54), Phoenix-Mesa-Glendale, Ariz. (No. 53), Atlanta-Sandy Springs-Marietta, Ga. (No. 52) and Tampa-St. Petersburg-Clearwater, Fla. (No. 51).

For the most part, these areas rose with the housing bubble and will not fully recover until the economy diversifies beyond real estate speculation. Already some of the bubble victims are showing signs of life, including No. 155 Merced, Calif., up 134 places, and No. 167 Orlando, Fla., which rode a revived interest in tourism to jump 89 places since last year.

While energy, America's three wars, the recovering financial markets and real estate problems have played the lead role in setting the stage for the best places to do business, the Intermountain West has

shown resilience with Salt Lake City, at No. 20 among large cities; Provo-Orem, Utah, Ogden-Clearfield, Utah, and Boulder, Colo., at Nos. 10, 25 and 26, respectively, among mid-sized cities; and Logan, Utah, and Fort Collins, Colo., at Nos. 9 and 38 among small cities.

As America struggles with a weak economic recovery, opportunities abound across the geography of the states -- even in places where it seems bleakest like California, Nevada and Florida. If old industrial areas can stage the glimmers of a comeback, along with over-taxed and over-regulated Gotham, and greater New Orleans can rise from the near dead, these areas, with generally newer infrastructure and attractive climates, might be next to experience a resurgence of their own.



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No. 1: Austin-Round Rock-San Marcos, Texas

2010 rank: 1
Overall rank (for big, mid-sized and small cities): 6
Nonfarm employment change: 1.5%



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No. 2: New Orleans-Metairie-Kenner, La.

2010 rank: 46
Overall rank (for big, mid-sized and small cities): 7
Nonfarm employment change: 0.8%



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No. 3: Houston-Sugar Land-Baytown, Texas

2010 rank: 3
Overall rank (for big, mid-sized and small cities): 14
Nonfarm employment change: 1.9%



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No. 4: San Antonio-New Braunfels, Texas

2010 rank: 2
Overall rank (for big, mid-sized and small cities): 17
Nonfarm employment change: 0.8%



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No. 5: Dallas-Plano-Irving, Texas

2010 rank: 5
Overall rank (for big, mid-sized and small cities): 18
Nonfarm employment change: 2.3%

Courtesy of JB Goodwin