



TECHNET
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TechNet and PPI: New “Next in Tech” Index Identifies Cities Across the Nation Fostering Startup Creation and Job Growth

*One million additional jobs per year can be created if
pro-startup and entrepreneurship policies put in place*

Washington, D.C. — TechNet, the national, bipartisan network of innovation economy CEOs and senior executives, and the Progressive Policy Institute (PPI) today unveiled groundbreaking research that shows that encouraging the creation of dynamic startups across the nation can create one million new jobs per year.

The study, conducted by Dr. Michael Mandel of the Progressive Policy Institute on behalf of TechNet, found growing evidence that dynamism is returning to our economy. Net establishment formation is accelerating to pre-recession levels, showing that new companies are being formed and existing enterprises are expanding. Additionally, 48% of net establishment formation is happening outside of the 35 largest metro areas, clearly indicating the dynamism is spreading.

To further examine this spread of dynamism and “Startup Economy” jobs throughout the nation, the study identifies 10 technology hubs and 25 “Next in Tech” cities with a thriving startup environment. At the top of the “Next in Tech” index are Washington, D.C., Atlanta, Denver, Salt Lake City, Portland, Dallas, Raleigh-Durham, Worcester, and Philadelphia.

“Startup culture, which began in the garages of Silicon Valley, has spread across the nation,” said Linda Moore, president and CEO of TechNet. **“From Provo to Portland and Nashville to New Orleans, entrepreneurs are launching new ventures in the hope that they can become the next big thing. Startups like these are the economic engine that drives job creation. In 2014, companies in their first five years of life created 2.2 million jobs, while firms older than five years created only 450,000 jobs. That’s**

remarkable, and it means that if we put the right policies in place to support startups, we can create one million new, good-paying jobs each year.”

“Policymakers on the national, state, and local level must pay close attention to startups — encouraging their formation and removing the obstacles to their growth,” said Dr. Mandel. “Put simply, this requires better regulatory policy, improved access to talent, and better access to markets and capital. Such startup friendly policies do not necessarily require large amounts of money. They do, however, require governments to do things differently than before. We need one million additional jobs annually from young firms. It won’t be easy — but it’s the only way that the U.S. can grow.”

“These long established industries that are transforming and becoming redefined by emerging technologies are not just based on the coasts, but are across America — in every city and corner of the country,” said Terry Howerton, co-founder and CEO of TechNexus Venture Collaborative. “The industry and domain expertise to apply new technology — and the jobs created by this disruption — are best suited for the communities where today’s startups and corporations exist, everywhere. That’s why smart public policy at the federal, state, and local levels is critical to keeping these new jobs distributed around the country.”

Metro Startup Economy Index

The Tech Hubs

Rank	Metro Area	Metro Startup Index Value
1	San Francisco	18.2
2	San Jose	14.0
3	Seattle	7.6
4	New York	7.4
5	Boston	6.4
6	Austin	5.3
7	Provo	3.6
8	San Diego	3.5
9	Chicago	3.5
10	Los Angeles	3.5

Metro Startup Economy Index
The Next in Tech

Rank	Metro Area	Metro Startup Index Value
11	Washington, D.C.	2.6
12	Atlanta	2.5
13	Denver	2.3
14	Salt Lake City	2.3
15	Portland	2.3
16	Dallas	2.1
17	Raleigh-Durham	2.0
18	Worcester	2.0
19	Philadelphia	2.0
20	Nashville	1.8
21	Phoenix	1.7
22	Houston	1.4
23	Cincinnati	1.4
24	Richmond	1.4
25	Charleston	1.4
26	Madison	1.3
27	Pittsburgh	1.3
28	Sacramento	1.3
29	Charlotte	1.3
30	Baltimore	1.2
31	Cleveland	1.2
32	New Orleans	1.2
33	Minneapolis	1.2
34	Miami	1.2
35	Detroit	1.2

Startup Agenda

The study concludes that the goal of startup policy should be to spur the creation of an additional one million jobs in young firms each year. This requires the adoption of a multi-pronged federal, state, and local “Startup Agenda” including:

- Improving access to capital through updated rules that make crowdsourcing easier and put in place tax incentives to encourage investment in local companies.
- Fostering access to talent by ensuring that computer science is taught in every school in America, developing worker retraining programs, and reforming high-skilled immigration policies that encourage entrepreneurship.
- Opening up access to markets through trade policies that encourage U.S. exports.
- Instituting a pro-innovation regulatory and fiscal policy and reducing the burden of regulation on small companies.

About TechNet

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet’s diverse membership includes dynamic startups to the most iconic companies on the planet and represents more than two million employees in the fields of information technology, e-commerce, advanced energy, biotechnology, venture capital, and finance. TechNet has offices in Washington, D.C., Silicon Valley, San Francisco, Sacramento, Austin, Boston, Seattle, Albany, and Tallahassee.

About PPI

The Progressive Policy Institute is a catalyst for policy innovation and political reform based in Washington, D.C. Its mission is to create radically pragmatic ideas for moving America beyond ideological and partisan deadlock. PPI is developing fresh proposals for stimulating U.S. economic innovation and growth; equipping all Americans with the skills and assets that social mobility in the knowledge economy requires; modernizing an overly bureaucratic and centralized public sector; and, defending liberal democracy in a dangerous world.

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