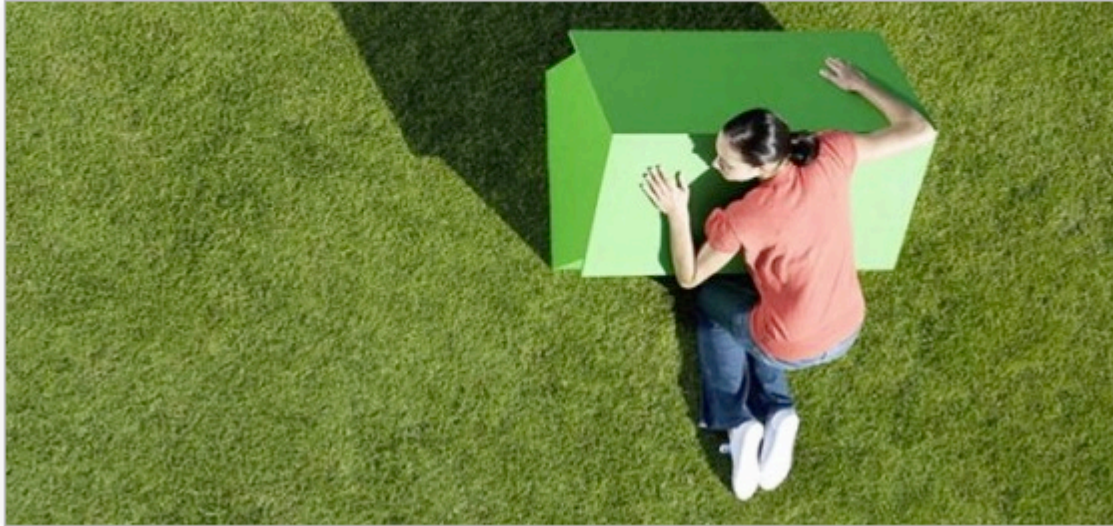


New study finds that startups perform better closer to home



July 16, 2012 3:01 PM

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Considering relocation? Think twice. A study published today reveals that founders perform better when they start companies in their home towns.

The study, conducted by Professors Olav Sorenson of the [Yale School of Management](#) and Michael Dahl of [Aalborg University](#), examined whether entrepreneurs fare better in familiar places near family and friends or in cities with more favorable economic conditions and thousands of startups, like San Francisco, London, or New York.

Sorenson and Dahl examined the success and failure rates of more than 10,000 startups. The results are somewhat surprising. Entrepreneurs starting companies in a place they have lived for at least six years had a nine percent lower failure rate and earned roughly \$8,000 more per year than relative newcomers.

In addition, every year a founder lived in the same region reduced the failure rate by an additional 2 percent.

“Ventures perform better — survive longer, generate greater annual profits and cash flows — when their founders locate them in their home regions where they have deep roots of family and friends,” said Sorenson in a statement.

No doubt, having deep roots in a town makes it easier to raise capital and recruit talent. It’s also become easier to connect with fellow entrepreneurs and potential advisors. Tech communities are sprouting in almost every metropolitan city, thanks to organizations like [Startup Weekend](#).

Still, if you’re a budding tech entrepreneur living in the boonies, I’d recommend boarding a plane to Silicon Valley. Pronto.

Image courtesy of [VisualPhotos](#)