



Special Report

Best Places For Business And Careers

Edited by Kurt Badenhausen 05.04.06, 6:00 PM ET

IN THIS YEAR'S RANKING of Best Places for Business and Careers, perennial top 10 metros like Atlanta, Austin and Washington, D.C.-

Northern Virginia fell from the highest perch, hurt by slowing income growth. Newcomers that cracked the top tier include Houston, riding high on oil profits, and Phoenix, lifted by a housing and population boom. Overall, half of the top ten places are new this year. [More...](#)



The Very Best For Business

Best Metros

1. [Albuquerque NM](#)
 2. [Raleigh NC](#)
 3. [Houston TX](#)
 4. [Boise ID](#)
 5. [Knoxville TN](#)
 6. [Phoenix AZ](#)
 7. [Nashville TN](#)
 8. [Durham NC](#)
 9. [Fayetteville AR](#)
 10. [Indianapolis IN](#)
- [Complete List](#)

Sort Best Metros By:

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[Job Growth](#) | [Educational Attainment](#) | [Population](#)

Sort Best Smaller Metros By:

[Rank](#) | [Metro Area](#) | [Cost Of Doing Business](#)
[Job Growth](#) | [Educational Attainment](#) | [Population](#)

The Best



BUSINESS COSTS

LIVING COSTS

EDUCATION

CRIME RATES

JOB GROWTH

INCOME GROWTH

Map



The Worst



BUSINESS COSTS

LIVING COSTS

EDUCATION

CRIME RATES

JOB GROWTH

INCOME GROWTH

Best Smaller Metros

1. [Sioux Falls SD](#)
 2. [Las Cruces NM](#)
 3. [Fargo ND](#)
 4. [Bismarck ND](#)
 5. [Morgantown WV](#)
 6. [Rapid City SD](#)
 7. [Rochester MN](#)
 8. [St. George UT](#)
 9. [Johnson City TN](#)
 10. [Logan UT](#)
- [Complete List](#)

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By Mark Tatge

Albuquerque has turned business-friendly—attracting new enterprises and creating highly skilled and well-paid manufacturing jobs.

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By Christopher Steiner

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Stuck in the Slammer

By Miriam Gottfried

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Best Places For Business And Careers

The Top Ten Metros

Kurt Badenhausen, 05.04.06, 6:00 PM ET

"In a progressive country," Benjamin Disraeli once said, "change is constant."

And how.

In this year's ranking of the best places for business and careers, perennial top-ten metros like Atlanta, Austin and Northern Virginia-Washington, D.C., fell from the highest perch, hurt by slowing income growth. Newcomers that cracked the top tier include Houston, riding high on oil profits, and Phoenix, lifted by a housing and population boom. Overall, half of the top ten places are new this year.

[Click here to see the top ten U.S. metros for business and careers.](#)

We expanded this year's list to include the 200 largest metro areas, up from 150, thanks to Uncle Sam's reconfiguration of metropolitan statistical areas--which split regions like Raleigh-Durham into two. Both areas made our top ten thanks to low business costs, a highly educated workforce and strong migration trends. To be considered a metro area, the Office of Management and Budget (OMB) requires at least one urbanized area of 50,000 people.

Our list offers a wide range of choices for someone looking to start a business or relocate for a new job. The places in the top 20 are scattered across the country, and no state holds more than two spots.

Two states that did not fair so well in the rankings are California and Florida. Despite having a combined 38 metro areas as defined by the OMB, neither state has an area in the top quartile.

The highest-ranking metro in these sunshine-filled states is the Santa Ana-Anaheim-Irvine area in California, which placed 58th thanks to low crime and a very educated labor force.

The problem is runaway business costs. Business costs in every metro area in Florida are higher than the national average. In California, the situation is even worse. Of the 25 most expensive places to locate a business in the U.S., 20 are in California, thanks to high taxes and worker's compensation costs. (No one in the Golden State is getting a break on labor or office space costs either.)

One bright spot: The country's most expensive spot does not fall under Gov. Arnold Schwarzenegger's domain. That would be Boston, where business costs are 40% above the national average.

A tip of the hat to West Chester, Pa., research firm [Moody's Economy.com](#), which provided data for the rankings. Its business cost index weighs labor, energy, tax and office space costs.

Our top-ranked metro, Albuquerque, N.M., has the lowest business costs in the country, 24% below the national average. New Mexico's capital also benefited from an educated population and rising household incomes.

To calculate living expenses, Economy.com considered housing, transportation, food and other household expenses. In the rankings, we also examined job and income growth, as well as migration trends over the last five years. Bertrand Sperling, a consultant in Portland, Ore., analyzed crime data for us and developed an arts and leisure index that tracks things like museums, theaters, golf courses and sports teams. He also gauged the education of the workforce and assessed the presence of top colleges in the area.

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