

Austin Ranked No. 1 by Kiplinger

Many rankings of cities seem poorly researched and insufficiently comprehensive to be credible. This is not the case with the well respected Kiplinger Personal Financial magazine that did in-depth research and site visits to find the Best City in the US. In their most recently study, Austin ranks as the number-one Best city for the Next Decade. In a nutshell, they found Austin is a hotbed for small business and music. In their research, they focused on places that specialize in out-of-the-box thinking. They were looking for new ideas that generate new businesses and places where innovation really works well.

They identified innovation as having three elements: 1) smart people, 2) great ideas and 3) collaboration. It was the third element of collaboration that “really supercharges a city’s economic engine.” They also noted “when governments, universities and business communities work together, the economic vitality is impressive.” What a great description of Austin!

Here’s another comment from the report that fits Austin well: “And it’s no coincidence that economic vitality and livability go hand in hand. Creativity in music, arts and culture, plus neighborhoods and recreational facilities that rank high for “coolness,” attract like-minded professionals who go on to cultivate a region’s business scene. All of which make our 2010 Best Cities not just great places to live but also great places to start a business or find a job.” This is also a great description of Austin. 50,000 new residents every year seems to also support this view.

The section on Austin states: “Austin is arguably the country’s best crucible for small business, offering a dozen community programs that form a neural network of business brainpower to help entrepreneurs. Now overlay that net with a dozen venture-capital funds and 20 or so business associations, plus incubators, educational opportunities and networking events. Mix all these elements in what many call a classless society, where hippie communalism coexists with no-nonsense capitalism, and you’ve got a breeding ground for start-ups.

Don’t discount the *fun factor*: In the self-proclaimed live-music capital of the world, music and business creativity riff off one another. The city’s famous South by Southwest festival, where concerts, independent film screenings and emerging technology overlap, is a prime example.”

Here’s the link to the longer article on Austin which is also printed below.

<http://www.kiplinger.com/magazine/archives/best-cities-2010-austin-texas.html>

Also, here’s a link to a nice 2 minute video tour of Austin.

<http://www.kiplinger.com/video/index.html?bcpid=35148674001&bclid=1571610693&bctid=87688564001>

By Bob Frick

From *Kiplinger's Personal Finance* magazine, July 2010

Everything may be bigger in Texas, but Austin's genius is nurturing the power of small. Just ask Rob Neville, who wants to develop his biotech firm, Savara Pharmaceuticals, into a major player in the field of inhaled-drug therapy. The firm started in Kansas, but Neville transplanted it to Austin because the city is arguably the country's best crucible for small business.

Neville, a native of South Africa, has rooted his company in a city with, he says, "a huge angel-financing network, billionaires who will freely offer you advice," plus a culture that "attracts the best and brightest, who will work for less just to be in Austin." Savara is based in the city's renowned Austin Technology Incubator. Austin Technology is a joint project of the University of Texas, which is a research powerhouse, the city of Austin and the business community -- just one example of the collaboration that characterizes the city.

Neville isn't himself a scientist. "Many people could have done a life-sciences company better than me," he admits. But he has faith in Austin. His first company, software firm Evity, blossomed in Austin; Neville sold it to BMC Software for \$100 million in 2000.

And the Austin magic isn't limited to high-tech businesses. Blair Smith is co-owner of Dirty Dog, a dog-grooming business (you can wash your own pet or let the pros do the job). When Smith needed capital, she found it through Meet the Lender, a community program that allows business owners to participate free of charge. "We're such a weird business that traditional banks don't get us," says Smith.

Meet the Lender is but one of a dozen Austin programs that form a neural network of business brainpower to help entrepreneurs. Now overlay that net with a dozen venture-capital funds and 20 or so business associations (Refresh Austin and Bootstrap Austin, to name just two), plus incubators, educational opportunities and networking events. Mix all these elements in what many call a classless society, where hippie communalism coexists with no-nonsense capitalism, and you've got a breeding ground for start-ups. "People act in a loose confederation with each other," says Bijoy Goswami, who heads Bootstrap Austin.

No wonder Austin topped Portfolio.com's small-business-vitality charts in 2010. Between 2004 and 2009, when employment nationwide dropped a bit, Austin's employment increased by almost 16%. Plus, the number of small businesses jumped by 6% between 2006 and 2007 -- far more than in any other market, according to Portfolio.com.

And don't discount the fun factor, especially when it comes to music. As the self-proclaimed live-music capital of the world, Austin has 200 venues, ranging from rowdy college rock bars to sophisticated jazz clubs to blues joints with sticky floors and waitresses who call you darlin'.

Music and business creativity riff off one another. The city's famous South by Southwest festival, where concerts, independent film screenings and emerging technology overlap, is a prime example. And performers infuse local businesses with bright ideas inspired by their music. Alex Victoria is a director of software engineering at HomeAway, an online business that

matches owners of vacation homes with renters. But on nights and weekends, you can find him practicing and performing in a punk-rock band, The MidgetMen. Especially in Internet businesses, says Victoria, “you’re moving fast, taking lots of things and mashing them together - - a lot like musicians playing off each other.”

As important as music is to Austin, the area’s atmosphere -- its lakes and parks, plus its unique and funky businesses -- also defines the vibe. The epicenter of “Keep Austin Weird,” a slogan adopted to promote small, local businesses, is South Congress Avenue. If you don’t enjoy SoCo spots -- such as the massive Allens Boots shop, Lucy in Disguise With Diamonds costume store or breaded, deep-fried avocado served from the Mighty Cone taco truck -- you can always live in nearby Round Rock, which is more strait-laced. But that wouldn’t be weird, now would it?