

# San Diego ranks #4 in U.S. Startup Activity in 2016

*“The five metro areas with the highest startup activity in the 2017 Startup Activity index were, in this order, the metropolitan areas centered on the cities of Miami, Austin, Los Angeles, San Diego, and Las Vegas”.*

2017 Kauffman Index of Startup Activity

The Ewing Marion Kauffman Foundation just released the latest report in their annual Kauffman Index of Entrepreneurship Series. According to the foundation, the index measures entrepreneurial output activity nationwide, such as new companies, business density and growth rates. Three studies, which present a more mature measure of startup activity in metropolitan areas, make up the Kauffman Index: the rate of new entrepreneurs, the opportunity share of new entrepreneurs and the startup density.

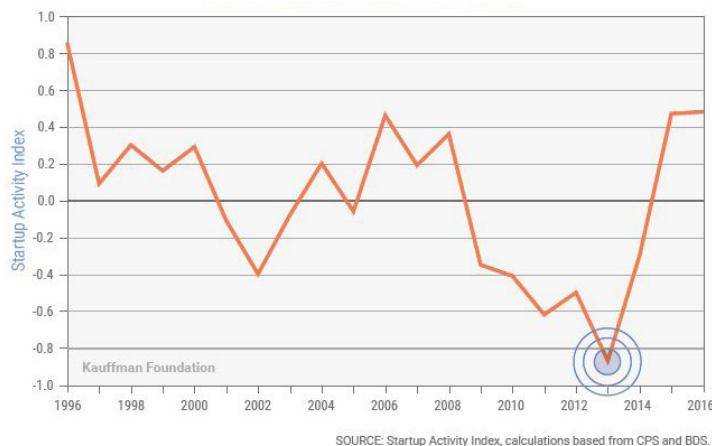
According to the index, San Diego climbed seven spots year-over-year and now ranks 4th in the United States in startup activity. Notable metropolitan areas San Diego outranked are Las Vegas (5th), New York/New Jersey (7th), Phoenix (8th), Dallas (12th), San Francisco (14th) and Boston (21st). Overall startup activity slightly increased in 2016, but slowed relative to the past 3 years of aggressive growth.

	Rate of Entrepreneurs	Opportunity Share	Startup Density
Definition	% of adult population starting new businesses each month	“Rate of entrepreneurs” not coming out of unemployment	# of startups per 1,000 employer businesses (1≤ employee)
San Diego Metro	Nearly half of a percent of the adult population in San Diego start business as main job monthly.	Approximately two out of every ten new entrepreneurs were previously unemployed.	San Diego is roughly 11% higher than San Francisco and 4% higher than Los Angeles.
San Diego Rank	4th (0.49%)	14th (82.54%)	6th (95.9)

Sources: Ewing Marion Kauffman Foundation . Link to full report: <http://www.kauffman.org/kauffman-index/reporting/startup-activity>

Figure 1: Startup Activity Index Timeline

U.S overall (1996-2016)



In 2013 the Startup Activity Index was at its lowest point in the last twenty years. Today it has gone up three years in a row, reaching close to the peak before the Great Recession drop.

Figure 2: Top 20 Metropolitan Rankings

Rank 2017	Index 2017	City (Main)	Metropolitan Area	Rank 2016	Change in Rank	Rate of New Entrepreneurs	Opportunity Share of New Entrepreneurs	Startup Density
1	4.47	Miami	Miami-Fort Lauderdale-Pompano Beach	2	1	0.56%	81.09%	107.8
2	3.95	Austin	Austin-Round Rock-San Marcos	1	-1	0.51%	84.73%	104.5
3	3.92	Los Angeles	Los Angeles-Long Beach-Santa Ana	3	0	0.56%	80.03%	92.3
4	3.19	San Diego	San Diego-Carlsbad-San Marcos	11	7	0.49%	82.54%	95.9
5	2.78	Las Vegas	Las Vegas-Paradise	5	0	0.42%	81.93%	120.7
6	1.95	San Antonio	San Antonio-New Braunfels	14	8	0.38%	89.97%	87.2
7	1.87	New York	New York-Northern New Jersey-Long Island	7	0	0.41%	84.43%	86.5
8	1.83	Phoenix	Phoenix-Mesa-Glendale	10	2	0.38%	87.15%	92.1
9	1.66	Houston	Houston-Sugar Land-Baytown	6	-3	0.40%	81.93%	92.6
10	1.59	Denver	Denver-Aurora-Broomfield	8	-2	0.39%	82.87%	92.3
11	1.55	Dallas	Dallas-Fort Worth-Arlington	12	1	0.37%	85.18%	94.2
12	1.44	Atlanta	Atlanta-Sandy Springs-Marietta	15	3	0.43%	75.49%	89.9
13	0.95	Riverside	Riverside-San Bernardino-Ontario	18	5	0.36%	80.93%	92.4
14	0.64	San Francisco	San Francisco-Oakland-Fremont	4	-10	0.37%	77.78%	86.5
15	0.56	Kansas City	Kansas City	19	4	0.37%	77.81%	83.6
16	0.13	San Jose	San Jose-Sunnyvale-Santa Clara	9	-7	0.26%	90.17%	86.9
17	0.06	Charlotte	Charlotte-Gastonia-Rock Hill	20	3	0.37%	71.21%	87.5
18	-0.03	Cincinnati	Cincinnati-Middletown	25	7	0.30%	89.73%	61.6
18	-0.03	Tampa	Tampa-St. Petersburg-Clearwater	17	-1	0.34%	74.69%	89.0
20	-0.21	Sacramento	Sacramento-Arden-Arcade-Roseville	27	7	0.31%	80.17%	81.0

Sources: Ewing Marion Kauffman Foundation, CBRE Research