THE TOP U.S. STARTUP CITIES FOR 2016

Concentration of Startup Activity

- **Top 50 cities:**
  - 73% of dollars invested
  - 70% of new deals
  - 69% of VC-backed startups

- **The next 50 cities:**
  - 9% of dollars invested
  - 11% of new deals
  - 11% of VC-backed startups

- **The rest of the country:**
  - 18% of dollars invested
  - 19% of new deals
  - 20% of VC-backed startups

Dollars Invested in U.S. Startups by Region

- **West Coast states:** 41%
- **Northeast states:** 24%
- **Midwest, Sunbelt, and Rocky Mountain states:** 7%

San Francisco Bay Area

- **33% VC**: The Bay Area has one-third of the venture capital invested in the country
- **Palo Alto**: Has 4 startups per 1,000 people
- **Highest spillover effect**: Strongest contender with 16 cities on the top 50 list

Common Attributes of Top 50 Cities

- High concentration of universities and corporations
- Walkable
- Innovation districts

Performance Trends Among Top 50 Cities

- **Tier 1**: Highly Successful
  - 407 new deals
  - 3,354 VC-backed startups
  - 7 cities
  - $14.4b invested
  - 1. San Francisco
  - 2. New York City
  - 3. Boston
  - 4. Cambridge
  - 5. Palo Alto
  - 6. Austin
  - 7. Seattle

- **Tier 2**: Reached Critical Mass
  - 275 new deals
  - 2,790 VC-backed startups
  - 29 cities
  - $7.7b invested

- **Tier 3**: Some Startup Activity
  - 43 new deals
  - 493 VC-backed startups
  - 14 cities
  - $2b invested

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