

MEMORANDUM



TO: VICTOR CARDENAS, INTERIM CITY MANAGER
FROM: JOSH BUSCHER, MULTIMEDIA PRODUCTION SPECIALIST
SUBJECT: BEST SMALL CITIES FOR SMALL BUSINESSES 2023 REPORT
DATE: MAY 3, 2023

Mayor and Council –

FYI, a nice designation to receive.

- Victor

Last week Novi was named the **#9 Best Small City to Start a Small Business in the country** in a report from VerizonSpecials.com. The following is a list of the criteria used to generate our ranking.

- **Population:** According to the US Census, a city's population must fall between 50,000 to 75,000 people to be considered a "small city."
- **Percent of Residents with at Least a Bachelor's Degree (15%):** Percentage of the population over 25 years old who have received a bachelor's degree or higher from an accredited university or college. This information came from the 2021 American Community Survey 5-Year Estimate.
- **Travel Time to Work/Commute (15%):** According to the 2021 American Community Survey 5-Year Estimate, this includes the average total travel time it takes working individuals 16 years and older (who do not work at home) to reach work from their residences every day.
- **Income Per Capita (15%):** Based on data from the 2021 American Community Survey 5-Year Estimate, they used a per median capita income to measure labor costs. In the case of small businesses, the lower the per capita income, the better (the lower the score, the lower the operating costs).
- **Broadband Access Score (10%):** Information was taken from the 2021 American Community Survey. They looked at the percentage of homes in a city with access to broadband internet as a proxy for good internet coverage.
 - **NOVI scored the highest of any city in the ranking, with 98% of homes having access to broadband.**
- **Loans Per Business (20%):** They gathered data from the SBA Paycheck Protection Program to find this out. From there, they determined the average loan amount by state.
- **Tax Score (25%):** Lower taxes typically provide a better environment to establish a new business. To determine each city's tax score, they pulled information from the 2022 State Business Tax Climate.

Novi scored 68 out of a possible 100. Cheyenne, WY lead the way at #1 with a score of 86. There were no other cities in Michigan on the list in the top 50. It's always gratifying to see our city leading the way with a positive image of our lifestyle and business viability. That is what makes Novi so attractive as a place to live and work.

Please join us in celebrating this feat and be proud of the continual work we do as a city to provide opportunities for small businesses to thrive in our city. Novi is a great place to live the American Dream and start your own small business. You can view the report in the link below.

<https://www.verizonspecials.com/resources/the-best-small-cities-to-start-a-small-business/>

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Novi, MI

98% of homes in Novi have broadband access, the highest percentage in our ranking.

