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The Cities Winning The Battle For Information Jobs 2014

In the town of Verona on the rural fringes of Madison, Wisc., there's a Google-like campus that houses one of the country's most rapidly growing tech companies, and one of the least well known. Founded in 1979, the medical software maker Epic has grown to employ 6,800 people, most of whom work at its 5.5 million-square-foot headquarters complex, which sprawls over 800 acres of what was farmland until the early 1990s.

Despite annual revenue estimated at \$1.5 billion, the company is congenitally publicity shy, a characteristic associated with its [founder and CEO, Judy Faulkner](#). Yet in its quiet, unassuming way, Epic is [emblematic](#) of the expansion of the information industry in the Madison area. Employment in the metropolitan area's information sector is up 28% since 2008, among the fastest growth in the country over that period. This has occurred despite the city's reputation for left-wing, often anti-business politics—a culture that its left-leaning mayor (and Epic booster), Paul Soglin, describes as “76 square miles surrounded by reality.”

To come up with our list of the cities with the fastest-growing information sectors, we zeroed in on the 55 metropolitan statistical areas that have at least 10,000 information jobs, which includes software, publishing, broadcasting and telecommunications services. We used the [same methodology](#) as for our overall ranking of the [Best Cities for Jobs](#): we ranked the MSAs based on job growth in the sector over the long-term (2002-13), mid-term (2008-13) and the last two years, as well as recent momentum.

Our top 10 is dominated by large metro areas renowned as tech hubs — Madison, at No. 5, is the smallest by far. In first place is Silicon Valley — San Jose-Sunnyvale-Santa Clara — followed by San Francisco-San Mateo-Redwood City, which together employ over 110,000 information workers. Both have been primary winners in the latest high-tech bubble. Since 2008 information employment is up 23% in San Jose and 27% in San Francisco.

They're followed by Boston-Cambridge-Quincy in third place, and Austin-Round Rock-San Marcos, Texas in fourth. The foundation built in previous tech booms — including venture capital, educational institutions, corporate headquarters, and skilled workers — has helped many of the strongest tech regions become even more so this go around.

But there are some surprising places on our list, including a few Sun Belt metro areas that were hard hit in the housing bust. Take Atlanta-Sandy Springs-Marietta, Ga., which ranks sixth on our list, with a 7.7% expansion in information employment since 2010. Less expensive than the West Coast hotbeds or Boston, Atlanta could be emerging as a player in the sector. Last year General Motors opened a software facility in suburban Roswell, with plans to create over 1,000 new jobs.

Phoenix-Mesa-Glendale, Ariz., ranks ninth with 11% growth in information employment since 2008. In 2013, the metro area added as many information jobs, roughly 2,000, as the Bay Area, according to an [Arizona State University study](#).

The Big Players

Historically, information jobs have clustered in the nation's largest metropolitan areas. Los Angeles still leads the nation with 201,000 information jobs, while New York is No. 2 with 182,000.

Yet the fortunes of the biggest players appear to be changing. New York ranks a respectable 13th on our list of the fastest-growing cities for information jobs, with a 7.7% expansion since 2008. This reflects not only the growth of the city's relatively small tech sector but also its robust film, television and media industries. Los Angeles-Long Beach-Santa Ana, however, has not fared nearly so well, ranking a middling 27th, on our list. This reflects, in part, [the erosion](#) of the region's once dominant entertainment industry. This is particularly true of feature films, where production has dropped 50% from 1996 levels. Since 2000, L.A. has lost 9,000 entertainment industry jobs, leaving it with 132,000.

With tech companies such as Apple and Google targeting content, and the massive shift of readers over to the web, the preeminence of New York and Los Angeles could continue to erode over time.

This shift can be seen in the growing forays of the Valley into film and television production through companies such as Netflix and Google's YouTube, as well as in the already longstanding decline of the music industry — undermined by both legal and illegal forms of music distribution online.

Information Jobs Set To Disperse

For New York, a more worrisome development is the massive decline of newspaper, magazine and book industry employment. At a time when Google alone [reaps more advertising revenues](#) than the entire newspaper business, it's not surprising that media growth is [shifting toward the Left Coast](#). Since 2001, the book publishing industry, dominated by New York, has contracted nationally by 17,000 jobs. Newspapers lost 190,000 positions and magazines 50,000 in that same span. But internet publishing, dominated by the Bay Area, expanded by 77,000 jobs during the same window.

In many ways, the recent tech boom, with its emphasis on social media, has been a blessing to high-cost areas such as Silicon Valley, San Francisco and even New York. Yet at the same time, as we have seen in our other jobs lists, the information sector is expanding most rapidly in some fairly unexpected places. Some of the fastest growers on a percentage basis are still minor players— Janesville, Wisc., Lansing, Mich., and Flint Mich. – and are tied largely to the up and downs of the manufacturing sector.

But some, like Madison, are heading toward critical mass. Provo-Orem, Utah, for example, with some 9,800 information jobs, did not make the 10,000 job cut for our list, but should soon given its 21% growth since 2008. Others are in regions just outside the main information hubs, including Santa Barbara-Santa Maria-Goleta, north of Los Angeles, and San Luis Obispo, south of San Jose, as well as Bridgeport-Stamford-Norwalk, north of New York, and Durham-Chapel Hill, N.C., just outside Raleigh-Cary. There has also been rapid information job growth in Huntsville, Ala., a tech center that built up around NASA, and Baton Rouge, La., which has benefited from growth in energy and manufacturing along the lower Mississippi.

Ultimately, price pressures, particularly on housing, are likely to feed growth in some of these emerging regions. In this way, what is happening in Madison foreshadows the growth of a whole series of new information hotbeds. These may not challenge Silicon Valley, New York or Hollywood in the near future, but they are likely to make their presence known as information jobs continue to spread to fast-growing and more affordable regions.