A STEP FORWARD

Social Enterprise Ecosystems in the U.S.

halcyon

Volume 3 | HalcyonHouse.org/SEER

NOUN:

SOCIAL ENTERPRISE

A venture applying business principles to achieve intentional social impact, measuring and transparently reporting outcomes towards both business and impact goals.

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WHO WE ARE

We believe that a better understanding of the social enterprise ecosystem is necessary to forge, grow, and sustain a world where we can solve society's toughest problems, collectively and creatively. Building on this spirit, we are thrilled to present this report.

The **Halcyon Incubator** is committed to solving 21st-century challenges throughout the nation and the world. By helping social entrepreneurs transform audacious ideas into scalable and sustainable ventures, the Halcyon Incubator acts as a catalyst for measurable social outcomes. It's perhaps the most immersive incubator in the world that focuses on both social impact and profit.

EXECUTIVE SUMMARY
A STEP FORWARD

Social enterprise is moving forward. Some of the top performing companies, like Beyond Meat and their record-breaking IPO this year, are social enterprises. Universities are rushing to add programs to support the growing wave of students demanding social entrepreneurship programming. Cities are rapidly expanding their support systems for founders.

This year's Social Enterprise Ecosystems Report examines the ecosystems that build, develop, and catalyze these ventures. We've surveyed **624 social enterprise actors** to understand what makes a great ecosystem. Our hope is that this report illuminates the opportunities and challenges in building a great ecosystem and serves as a tool for cities and regions across the country.

SOCIAL ENTERPRISE ECOSYSTEM FRAMEWORK
THE FOUR PILLARS

1. FUNDING
The fuel of the ecosystem: the capital that makes impact possible. Sources of capital include seed funding, grants, and philanthropic and venture capital (representing both public and private sources).

2. HUMAN CAPITAL
The engine of the ecosystem: the people who turn ideas into action. People who drive social enterprises as team members, mentors, employees, and advisors.

3. QUALITY OF LIFE
The fabric of the ecosystem: the unique characteristics of a region that help shape the experience of growing a business there. This includes everything from cost of living to civic engagement.

4. SUPPORT SYSTEMS
The glue of the ecosystem: the networks, organizations, and public entities that provide and connect entrepreneurs to the resources they need.

NEW THIS YEAR

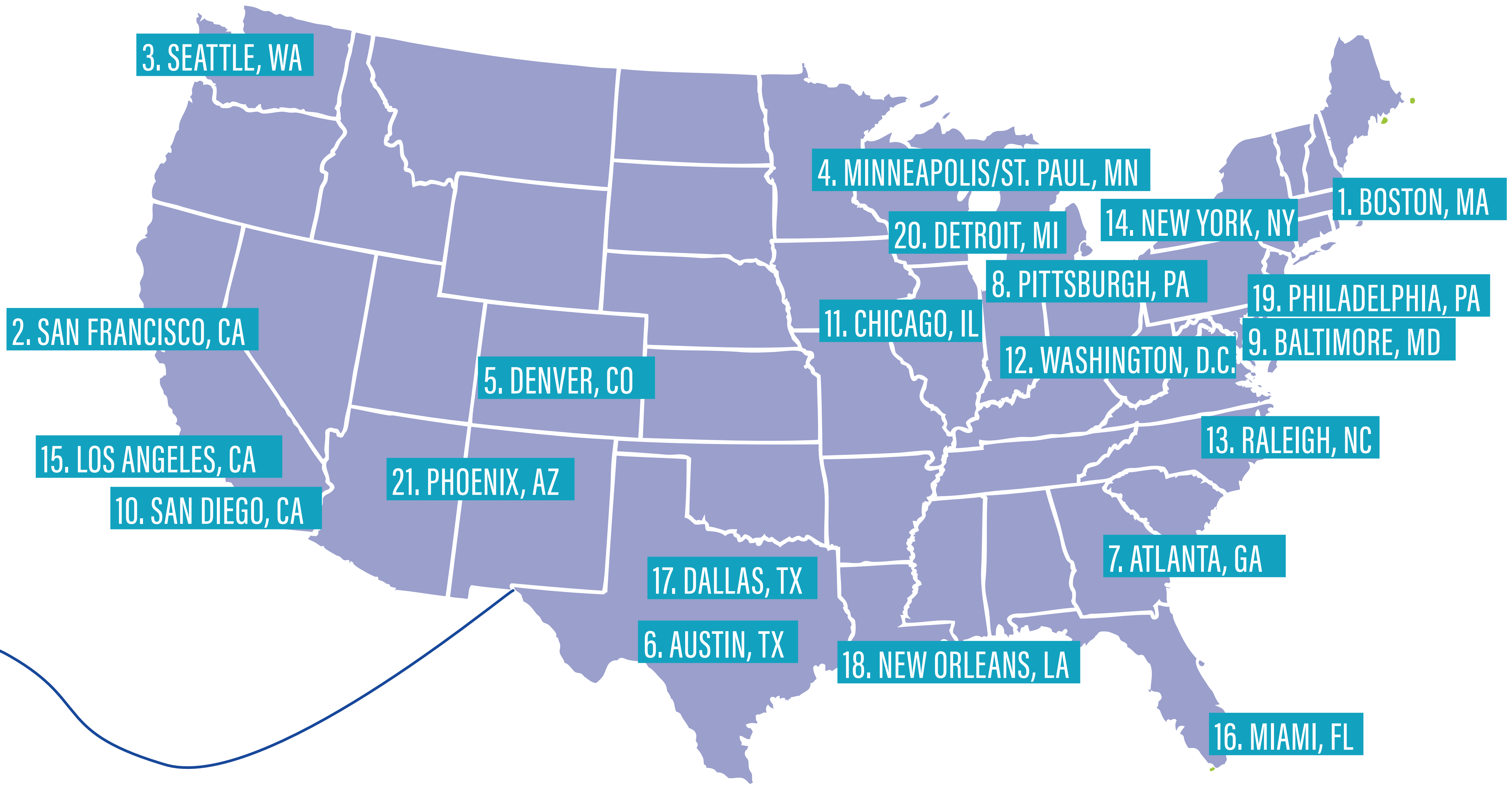
The Social Enterprise Ecosystem Report continues to provide unique insights into ecosystems across the United States. We have strengthened and refined the model used in previous iterations, resulting in the following changes:

1. **Updated rankings** of the best social enterprise ecosystems in the United States.
2. **A revised pillar framework**. As the landscape continues to shift, we've decided to remove the pillar on "Regulation & Receptivity," instead adding "Support Systems." We believe this new pillar is a clearer and more effective way to measure the ways cities support social entrepreneurs.
3. **Refined modeling**. We continue to expand the model we introduced in 2016 to better track and capture dynamic ecosystems across the United States. We standardized more variables across pillars; for example, we used American Community Survey data across the Human Capital and Quality of Life pillars.

OUR TOP 21 RESPONDING CITIES IN 2019

Don't see your city on the list? We'd love to get more responses from across the country.

E-mail us at halcyonincubator@halcyonhouse.org and we'll work on getting you the outreach materials to get responses from social entrepreneurs in your ecosystem.



2019 CITY RANKINGS

Using the four pillar framework, the **top 21 responding cities** are ranked based on the strength of their social enterprise ecosystems. Visit page 41 for a more detailed look at the data.

1. BOSTON
2. SAN FRANCISCO
3. SEATTLE (9) ↑
4. MINNEAPOLIS/ST. PAUL (8) ↑
5. DENVER (7) ↑
6. AUSTIN
7. ATLANTA (14) ↑
8. PITTSBURGH (19) ↑
9. BALTIMORE (15) ↑
10. SAN DIEGO (11) ↑
11. CHICAGO (5) ↓
12. WASHINGTON, DC (3) ↓
13. RALEIGH (17) ↑
14. NEW YORK (4) ↓
15. LOS ANGELES (10) ↓
16. MIAMI
17. DALLAS (13) ↓
18. NEW ORLEANS (21) ↑
19. PHILADELPHIA (12) ↓
20. DETROIT
21. PHOENIX (18) ↓

WHO CAN USE THIS STUDY

SOCIAL ENTREPRENEURS

Discover insights and learn more about what different ecosystems have to offer your social enterprise.

INVESTORS

Learn more about the unique challenges and incredible potential of social entrepreneurs in your local impact investing ecosystem.

BUSINESS LEADERS

As profit and purpose become intertwined, find ways to engage with the up and coming startups that will define the impact economy.

POLICYMAKERS

Understand the conditions under which social entrepreneurs succeed and find recommendations for how to strengthen your local social enterprise ecosystem.

ECOSYSTEM BUILDERS

Gain insight into the strengths of your local social enterprise ecosystem and inspiration from the strengths of ecosystems in other cities.

MEASURING SOCIAL ENTERPRISE ECOSYSTEMS

This report includes a combination of quantitative and qualitative data sources used to calculate the 2019 city rankings and provide unique insights into who social entrepreneurs are and what they have experienced on their entrepreneurial journeys.

THE DATA SOURCES INCLUDE:

1. **Survey responses:** We surveyed 624 social entrepreneurs and ecosystem builders living in 41 cities and municipalities to learn more about their social enterprise ecosystems.
2. **Small groups:** We consulted with dozens of experts and thought leaders in the social enterprise space, who helped us design the survey questions and directed our city ranking study.
3. **Public data:** The 2019 rankings are based on publicly available data from a range of government, non-profit, and corporate sources.

HOW TO READ THIS REPORT

In this report are key findings and insights in each of the four pillars: funding, human capital, quality of life, and support systems. A few pointers for how to get the most out of each section:

- Each section begins with key correlations from survey data and highlighted relationships that show statistical significance.
- Survey data in each section is followed by a city ranking specific to one of the four pillars, based on our model of publicly available data.
- Finally, each section features expert insights and highlights from survey responses “in their words.”

KEY:

.05 .01 .001

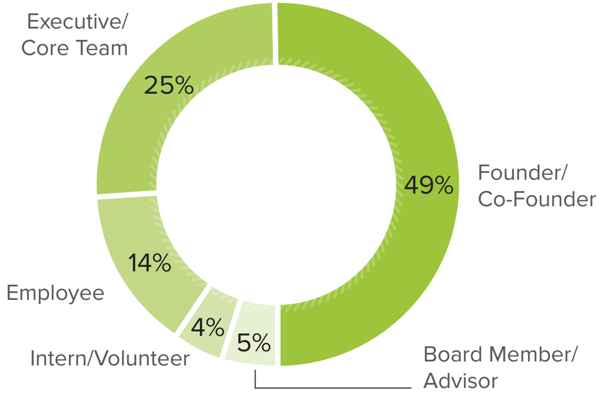
For all the wonks out there, this symbol means the relationship is statistically significant. The number on the inside specifies the p-value. We hope you enjoy nerding out over these findings as much as we have!

SOCIAL ENTREPRENEURS: WHO ARE THEY?

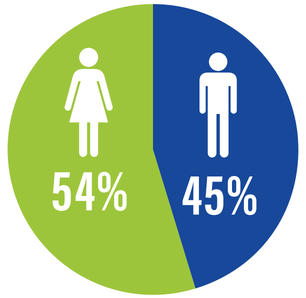
Before diving into this year's findings, a little bit about the survey respondents.

Of the 624 people working in social enterprises or the social enterprise ecosystem who responded to the survey, the majority are either founders or on the core executive team of a social enterprise. Demographically, respondents are generally representative of the adult population of the United States in terms of race and gender.

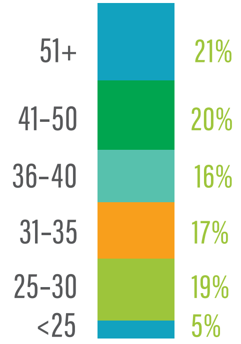
ORGANIZATIONAL ROLE*



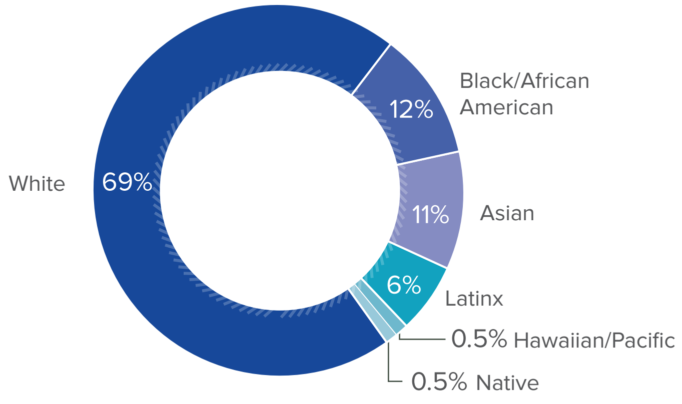
GENDER



AGE RANGES



RACE*



* Does not add up to 100 percent because some respondents marked "other" or chose not to disclose

SECTOR*	ALL ENTERPRISES	FOR-PROFIT	NON-PROFIT
Skill Development	16.9%	15.7%	19.3%
Education	14.0%	6.4%	20.2%
Tech & Information Communications Technology	10.9%	16.1%	2.58%
Economic & Community Development	10.3%	6.4%	15.5%
Financial Products/ Services	7.9%	11.1%	4.3%

For-profit enterprises were relatively evenly distributed across sectors, with tech (16 percent) most common among respondents. The most common sector among non-profit organizations was education (20 percent). .001

LEGAL STATUS	PERCENT
501(c)(3)	41.1%
LLC	21.3%
Other	16.4%
B-Corp	9%
C-Corp	7%
Unofficial	5%

*Only the top five most reported sectors

DATA INSIGHT

Research conducted by *The Chronicle of Philanthropy* and New York University shows women are still less likely to be in leadership positions in non-profit organizations, though a majority of non-profit organizations included in this survey are headed by women (52 percent). This suggests that women might be more likely to be in leadership positions in non-profits that are social enterprises compared to non-profits overall.

OVERVIEW

IN THEIR WORDS

WE ASKED:

What do you think other social enterprises can learn from your organization?

"How veteran entrepreneurs are helping to LEAD THE AMERICAN ECONOMY"

"SOCIAL ENTERPRISE CAN BE MAINSTREAM"

"CREATING CONNECTIONS BASED ON THE UNSEEN NEED. NOT SUBSCRIBING TO TRENDS THAT ARE EXCLUSIVE THEREFORE DISCONNECTING FROM THE GENERAL PUBLIC AS REPRESENTATIVES"

"[HOW TO] BUILD...A CONSCIOUS CORPORATE STRUCTURE"

"HOW TO MAKE A PROFIT WHILE SERVING THE COMMUNITY"

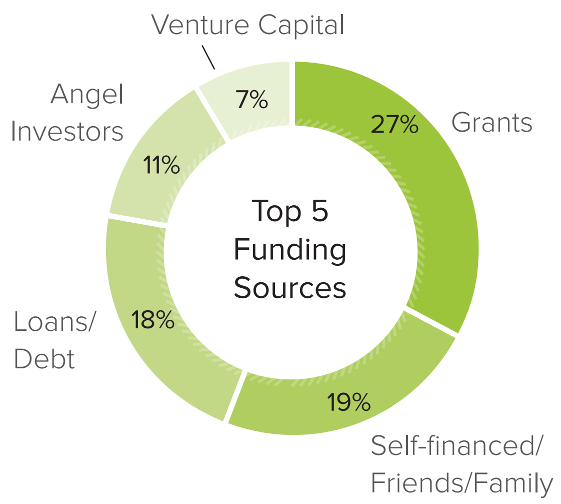
"THEY CAN LEARN ABOUT THE HUGE IMPACT A PERSON CAN MAKE BY STARTING WITH AN IDEA AND TURNING THAT INTO A FULL-BLOWN SOCIAL ENTERPRISE"

"Rethink the way we look at the traditional WAY OF LAUNCHING NEW DISRUPTIVE INNOVATIONS"

PILLARS
FUNDING

This section highlights key results from the survey data about how social enterprise ecosystems are shaping entrepreneurs' access to capital. As you read, you will see there is still work to be done to make access to capital a reality for all social entrepreneurs.

Grants are the most common source of capital for the social entrepreneurs we surveyed. This held constant across all racial/ethnic groups and genders.



DATA INSIGHT

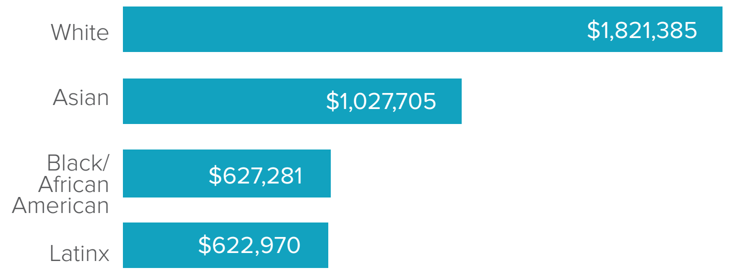
Raising capital from angel investors gets easier as entrepreneurs get older. While just under 12 percent of surveyed entrepreneurs reported raising capital from angel investors, the largest segment of entrepreneurs who were successful at attracting angel investors were over the age of 35 (43 percent). Just over a quarter of surveyed entrepreneurs who raised angel investor capital were 35 or under.

** Does not add up to 100 percent because some respondents marked "other" or chose not to disclose*

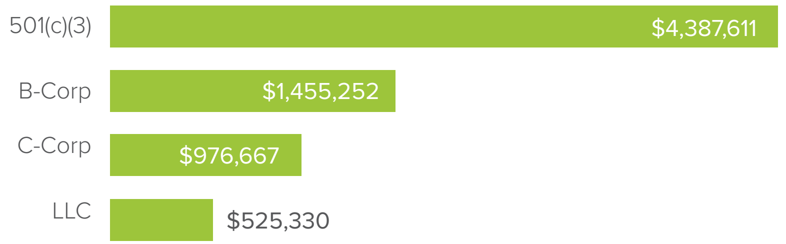
FUNDING
RAISING CAPITAL

RACE OF ORGANIZATION HEAD AND AVERAGE CAPITAL RAISED

Organizations headed by a white person raised almost three times the amount of capital as organizations headed by someone who is Black/African American or Latinx.

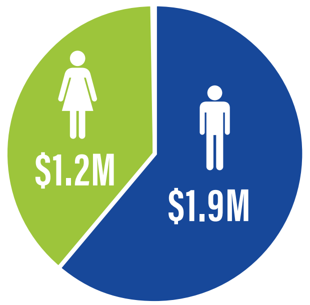


LEGAL STATUS AND AVERAGE CAPITAL RAISED



Among organizations with five or more staff members, organizations registered as 501(c)(3) non-profits raised the most capital, followed by B-Corps and C-Corps. While LLC's comprise a notable amount of survey respondents, they raised substantially less revenue than C-Corps, B-Corps, and non-profits. .001

GENDER OF ORGANIZATION HEAD AND AVERAGE CAPITAL RAISED



Among organizations with five or more staff members, organizations headed by men raised over 50 percent more capital than organizations headed by women. .001

WHAT CHANGED?

AGE	2019	2017
<25	$570,110	$243,333
25-30	$1,252,066	$966,429
31-35	$1,309,133	$1,392,442
36-40	$1,612,643	$2,155,263
41-50	$1,612,643	$1,729,412
50+	$2,196,306	$3,321,774

The distribution of average funds raised in 2019 is more even across age groups than in 2017. This means the age gap for raising capital is closing. While entrepreneurs over the age of 35 are still raising more capital, the average amount they raised decreased. At the same time, the average amount of capital raised by entrepreneurs under 25 doubled between 2017 and 2019. .05

FUNDING EXPERT INSIGHT

ALLISON BARMANN
Strategy and Learning Vice President, Bush Foundation

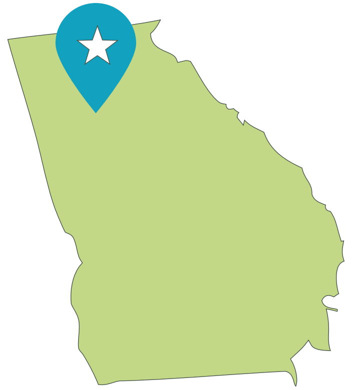
"Philanthropy can reduce barriers to funding by understanding that one size does not fit all. There are social entrepreneurs working on many different issues, at different stages, and with different business models. It's important for funders to offer different types of funding based on entrepreneurs' needs. At the Bush Foundation, we are currently funding through intermediaries that fund fellowships, grants, low-interest loans and equity investments."

FUNDING RANKINGS

CITY NAME	COMPOSITE RANK	COMPOSITE SCORE	PUBLIC SPENDING RANK	PRIVATE INVESTMENT RANK	CHARITABLE GIVING RANK
Boston	1	79.10	25.93	30.95	22.22
San Francisco	2	75.66	21.96	29.37	24.34
Atlanta	3	74.74	22.22	23.41	29.10
Seattle	4	72.88	18.25	29.76	24.87
Austin	5	66.93	22.49	28.57	15.87
New York	6	66.14	26.72	21.43	17.99
Los Angeles	7	62.04	20.90	21.03	20.11
San Diego	8	58.86	26.72	19.44	12.70
Baltimore	9	58.33	27.51	13.89	16.93
Denver	10	57.01	15.87	24.21	16.93
Chicago	11	52.91	17.46	15.87	19.58
Miami	12	49.07	9.52	13.10	26.46
Dallas	13	47.75	15.08	6.75	25.93
Pittsburgh	14	47.49	17.46	16.27	13.76
Minneapolis/St. Paul	15	41.93	11.90	16.27	13.76
Raleigh	16	40.08	13.76	9.92	16.40
New Orleans	17	37.57	16.40	3.17	17.99
Detroit	18	36.90	14.81	9.92	12.17
Washington, DC	19	36.51	12.96	16.67	6.88
Philadelphia	20	32.67	19.58	8.33	4.76
Phoenix	21	24.34	11.64	4.76	7.94

FUNDING DIFFERENCES BETWEEN CITIES

ON AVERAGE, ENTREPRENEURS IN ATLANTA REPORTED RAISING THE MOST MONEY IN THE PAST 12 MONTHS:

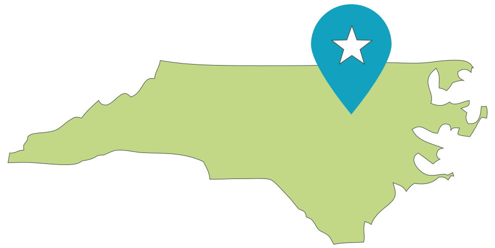


ATLANTA

Reported

$3,727,187*

ON AVERAGE, ENTREPRENEURS IN RALEIGH REPORTED RAISING THE LEAST MONEY IN THE PAST 12 MONTHS



RALEIGH

Reported

$406,736*

In Their Words:
"WE HAVE A UNIQUE ARRANGEMENT WITH CERTAIN IMPACT INVESTOR PLATFORMS, BUT IT'S NOT ENOUGH. WE NEED ACCESS TO GREATER VOLUMES OF IMPACT INVESTORS."

** Among cities with at least 10 responses*

PILLARS
HUMAN CAPITAL: DIVERSITY OF STAFF

In this section, we get a glimpse into the teams that power a social enterprise. We've found that representation matters. Diverse leaders hire a diverse staff, paving the way for other people from underrepresented populations in social enterprise.

More organizations led by women (42 percent) reported their teams are majority people of color compared to organizations led by men (31 percent).* .05

ORGANIZATIONS LED BY MEN
62%

ORGANIZATIONS LED BY WOMEN
81%

While 62 percent of surveyed organizations headed by a man reported at least 50 percent of their staff are women, 81 percent of surveyed organizations headed by a woman reported at least 50 percent of their staff are women.* .01

*For the purposes of this analysis, we only included organizations with five or more staff members

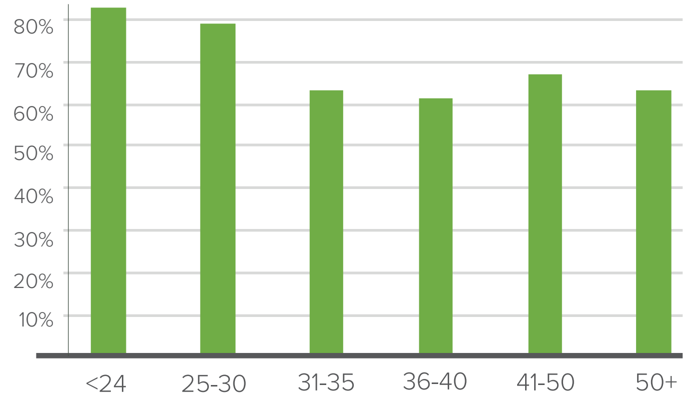
HUMAN CAPITAL
EDUCATION LEVELS OF STAFF

TEAMS OF MAJORITY PEOPLE WHO HAVE A BACHELOR'S DEGREE
66%

TEAMS OF MAJORITY PEOPLE WHO HAVE AN ADVANCED DEGREE
37%

66 percent of survey respondents reported their teams are comprised of a majority of people who have a bachelor's degree while 37 percent of respondents reported a majority of their staff have an advanced degree.*

MAJORITY OF STAFF HOLD A BACHELOR'S DEGREE



*Among organizations with five or more staff members

Entrepreneurs 30 years old and younger are more likely to work at organizations where the majority of their team have a bachelor's degree.* .05

HUMAN CAPITAL
EXPERT INSIGHT

SHELLY BELL
Founder & CEO,
Black Girl Ventures

"Diverse teams bring diverse thought. I'm looking forward to the day when diversity turns into an investment strategy and not buzzword. Diverse teams, diverse perspectives are the foundation of innovation."

HUMAN CAPITAL
IN THEIR WORDS

Entrepreneurs share what they've learned and the challenges they face in terms of human capital.

"I AM HAVING DIFFICULTY... FINDING PEOPLE WHO ARE ATTRACTED TO THE **CAUSE OF CONNECTING INDIVIDUALS** TO COMMUNITIES"

"HOW TO BUILD AN ORGANIZATION WHERE THE **EMPLOYEES** FEEL THAT THEY **BELONG**"

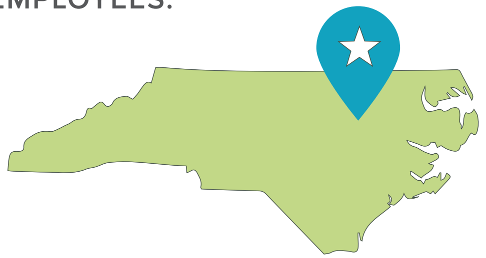
"I WORK A FULL-TIME JOB AND MANAGE THE ORGANIZATION. **IT IS LIKE HAVING TWO FULL TIME JOBS**"

HUMAN CAPITAL
RANKINGS

CITY NAME	COMPOSITE RANK	COMPOSITE SCORE	UNIVERSITY PRESENCE RANK	TALENT RANK	CIVIC ENGAGEMENT RANK
Denver	1	70.63	16.14	28.57	25.93
Washington, DC	2	68.12	11.24	32.54	24.34
Boston	3	67.72	22.75	27.78	17.20
Minneapolis/St. Paul	4	66.93	14.55	27.78	24.60
San Francisco	5	66.01	17.86	25.40	22.75
Atlanta	6	65.48	27.91	16.67	20.90
Seattle	7	64.68	11.51	23.02	30.16
Raleigh	8	62.70	22.22	27.78	12.70
Austin	9	62.43	16.93	26.98	18.52
Baltimore	10	61.51	19.84	19.84	21.83
Pittsburgh	11	61.51	27.91	8.20	25.40
Chicago	12	51.06	19.58	16.67	14.81
Dallas	13	47.75	18.39	16.67	12.70
San Diego	14	46.56	11.64	14.29	20.63
Miami	15	45.37	27.38	5.82	12.17
Philadelphia	16	41.80	14.81	12.70	14.29
New Orleans	17	38.62	23.02	3.44	12.17
New York	18	31.22	11.90	15.08	4.23
Los Angeles	19	30.03	12.83	9.52	7.67
Detroit	20	28.97	7.28	3.97	17.72
Phoenix	21	21.96	10.98	2.38	8.60

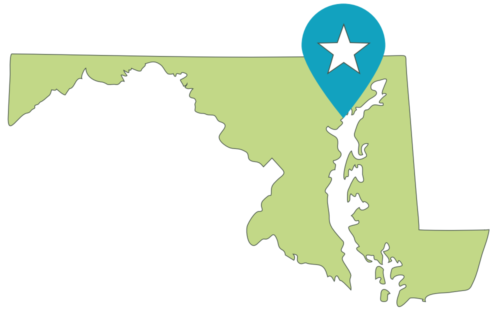
HUMAN CAPITAL
DIFFERENCES BETWEEN CITIES

ENTREPRENEURS IN RALEIGH REPORTED THE HIGHEST LEVELS OF SATISFACTION FOR FINDING QUALIFIED EMPLOYEES:



RALEIGH
Reported
4.8/5*

ENTREPRENEURS IN BALTIMORE REPORTED THE LOWEST LEVELS OF SATISFACTION FOR FINDING QUALIFIED EMPLOYEES:



BALTIMORE
Reported
3.8/5*

Among cities with at least 10 responses

PILLARS
QUALITY OF LIFE

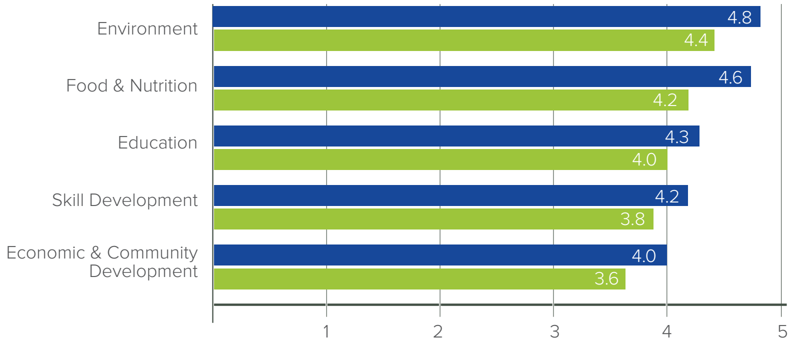
Quality of life can be the difference between whether a founder chooses to start their venture in their current city, move to a new city to start their venture, or even start their venture at all.

While respondents reported they were generally satisfied with their quality of life, there are several areas of improvement for cities to continue supporting social enterprises in their region. This especially true when it comes to ensuring people from all backgrounds feel included in the local social enterprise ecosystem.

MEASURE	QUALITY OF LIFE	DIVERSITY OF SOCIAL ENTERPRISE	INCLUSIVENESS OF SOCIAL ENTERPRISE	COST OF WORK SPACE	ACCESS TO FINANCE
% Very satisfied	59%	28%	27%	24%	9%

HOW SATISFIED ARE YOU WITH...

your quality of life?
the diversity of social enterprise in your city?



While entrepreneurs across sectors reported generally high levels of satisfaction with quality of life, entrepreneurs in the environment sector reported the highest levels of satisfaction. Entrepreneurs in the economic and community development sector reported the lowest levels of satisfaction.*

Entrepreneurs reported being less satisfied with diversity of social enterprise in their city than with overall quality of life. *

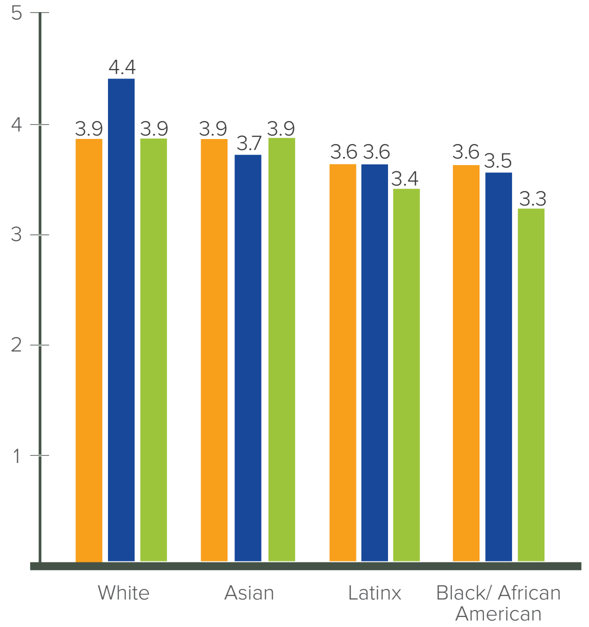
Scale: 1 = strongly disagree | 5 = strongly agree

** Among sectors that had at least 10 responses*

QUALITY OF LIFE
DIFFERENCES AMONG RACIAL/ETHNIC GROUPS

HOW SATISFIED ARE YOU WITH...

inclusiveness of social enterprise in your city?
your quality of life?
diversity of social enterprise in your city?



Scale: 1 = strongly disagree | 5 = strongly agree

** Among sectors that had at least 10 responses*

White entrepreneurs and Asian entrepreneurs are the most satisfied with the inclusiveness of social enterprises in their cities. Latinx and Black/African American entrepreneurs are notably less satisfied.*

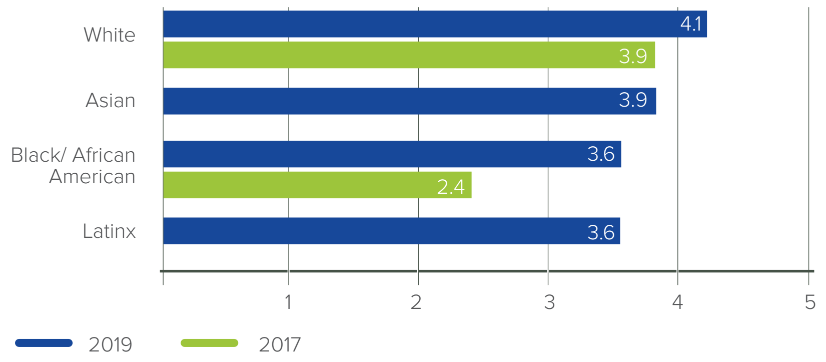
White entrepreneurs are noticeably more satisfied with their quality of life compared to entrepreneurs of color. This may simply reflect larger social and structural issues of equity and inclusion. However, it is important for ecosystem builders, funders, and other stakeholders to ask ourselves how we can challenge this in our local social enterprise ecosystems.*

Entrepreneurs of all races/ethnic groups reported the lowest levels of satisfaction with the diversity of social enterprise in their cities. Latinx and Black/African American social entrepreneurs reported the lowest levels of satisfaction with the diversity of their city's social enterprises.

QUALITY OF LIFE
WHAT CHANGED?

With the advantage of three years of survey data, this year we decided to look at what elements of quality of life in these ecosystems have changed, and how. The most notable change is among Black/African American respondents' levels of satisfaction with the inclusiveness of the social enterprise ecosystem in their cities.

LEVEL OF SATISFACTION WITH INCLUSIVENESS



Scale: 1 = strongly disagree | 5 = strongly agree

From the 2017 survey to the 2019 survey, Black/African American social entrepreneurs reported a marked increase in the inclusiveness of social enterprise in their cities. This spurs optimism that social enterprise ecosystems across the country are becoming more inclusive, diverse, and accessible.

QUALITY OF LIFE
EXPERT INSIGHT

SYDNEY GRAY
Senior Director of Impact and Operations, Propeller

"Connections made via networking are critical indicators of success for new businesses - and mid-size cities provide a better opportunity for entrepreneurs to network into rooms that matter for the growth of your business. Those initial introductions are crucial, and much more accessible for entrepreneurs in emerging ecosystems."

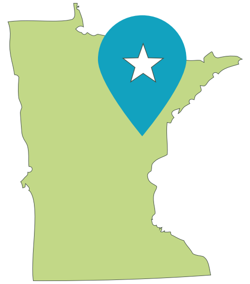
INTRO
OVERVIEW
PILLARS
ABOUT
APPENDIX

QUALITY OF LIFE
RANKINGS

CITY NAME	COMPOSITE RANK	COMPOSITE SCORE	ECONOMIC & SOCIAL MOBILITY RANK	AFFORDABILITY RANK	HEALTH RANK	TRANSPORTATION RANK
Minneapolis/St. Paul	1	77.58	20.63	20.24	18.25	18.45
Seattle	2	67.26	23.81	7.14	21.43	14.88
Pittsburgh	3	61.11	10.32	25.00	12.70	13.10
San Francisco	4	60.96	17.06	1.19	23.81	18.90
Denver	5	59.28	18.25	10.71	15.87	14.43
Boston	6	58.73	15.48	7.74	17.06	18.45
Raleigh	7	57.04	19.44	19.05	12.30	6.25
San Diego	8	51.69	19.44	4.17	18.25	9.82
Phoenix	9	50.89	14.48	19.05	8.73	8.63
Chicago	10	49.40	6.35	14.29	12.10	16.67
Philadelphia	11	49.31	7.14	14.88	10.32	16.96
Detroit	12	48.91	7.94	23.81	6.75	10.42
Washington, DC	13	48.71	17.86	2.38	13.89	14.58
Austin	14	48.02	12.70	14.88	12.70	7.74
Baltimore	15	46.53	14.29	10.71	8.73	12.80
New York	16	46.08	4.37	4.76	19.84	17.11
Dallas	17	44.94	11.71	20.83	4.37	8.04
New Orleans	18	44.84	3.97	22.02	5.16	13.69
Los Angeles	19	44.64	13.10	5.95	14.29	11.31
Miami	20	44.35	7.14	11.90	9.52	15.77
Atlanta	21	39.43	9.52	14.29	8.93	6.70

QUALITY OF LIFE
DIFFERENCES BETWEEN CITIES

ENTREPRENEURS IN MINNEAPOLIS/ST.PAUL REPORTED THE HIGHEST LEVELS OF SATISFACTION WITH QUALITY OF LIFE:



MINNEAPOLIS/ST. PAUL
Reported highest

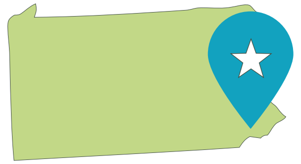
4.6/5*

ENTREPRENEURS IN LA REPORTED THE LOWEST LEVELS OF SATISFACTION WITH QUALITY OF LIFE:

L.A.
Reported lowest

3.8/5*

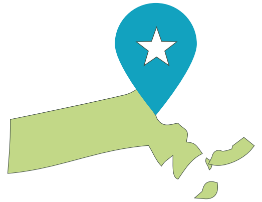
ENTREPRENEURS IN PHILADELPHIA REPORTED THE HIGHEST LEVELS OF SATISFACTION WITH THE INCLUSIVENESS OF THEIR CITY'S SOCIAL ENTERPRISE ECOSYSTEM:



PHILADELPHIA
Reported highest

4.1/5*

ENTREPRENEURS IN BOSTON REPORTED THE LOWEST LEVELS OF SATISFACTION WITH THE INCLUSIVENESS OF THEIR CITY'S SOCIAL ENTERPRISE ECOSYSTEM:



BOSTON
Reported lowest

3.2/5*

Scale: 1 = strongly disagree | 5 = strongly agree

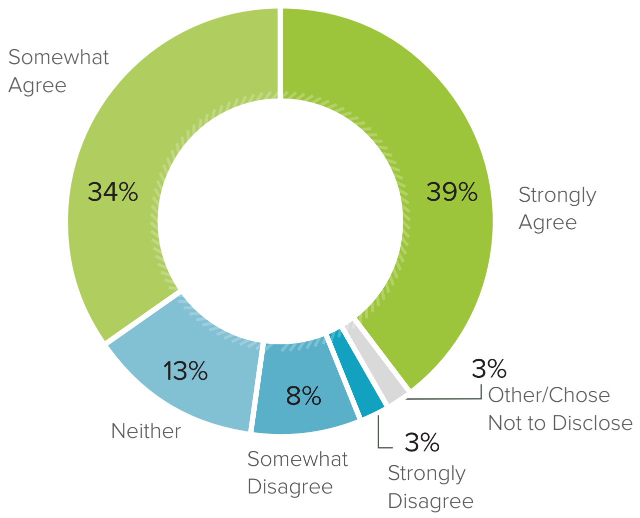
** Among cities with at least 10 responses*

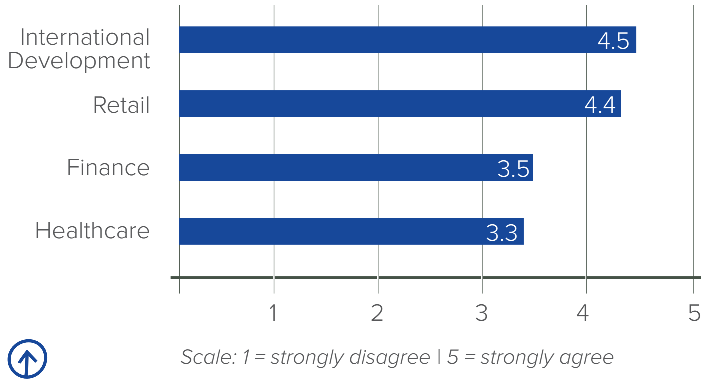
PILLARS
SUPPORT SYSTEMS

Respondents generally viewed their cities as supportive of social enterprise, especially when it comes to having policies that provide business support and promote a culture of entrepreneurship.

MY CITY OR STATE GOVERNMENT HAS POLICIES...

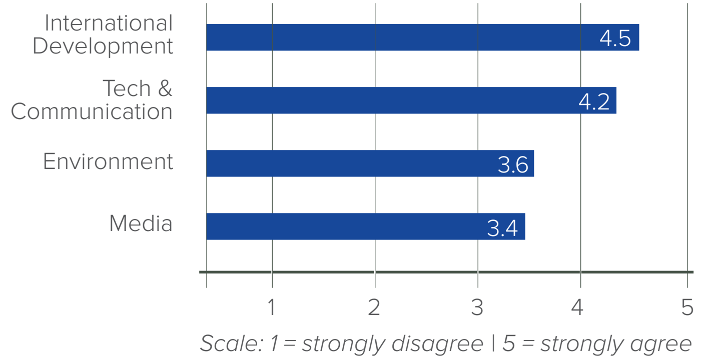
...THAT PROMOTE A CULTURE OF ENTREPRENEURSHIP



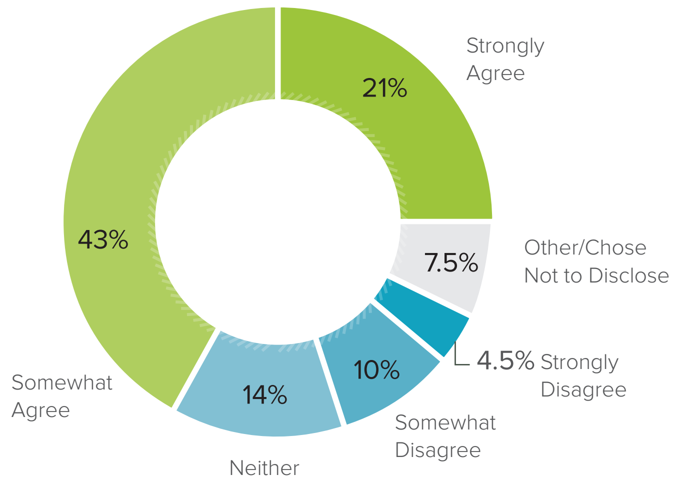


Survey respondents generally agreed that their city has policies that promote a culture of entrepreneurship. However there is a difference in how much entrepreneurs agree their city has policies that promote a culture of entrepreneurship based on what sector they work in. Entrepreneurs working in the international development and retail sectors were most likely to agree while entrepreneurs working in finance and healthcare were the least likely to agree.

...THAT PROVIDE BUSINESS SUPPORT



While the majority of survey respondents reported their government has polices that provide business support, there is variation in how much respondents agree based on what sector they work in. Respondents working in international development and tech & information communication technology were most likely to agree while respondents working in the environment and media sectors were the least likely to agree.*



The majority of survey respondents reported their city and state governments have created policy environments that are friendly and supportive of entrepreneurs and their businesses.*

*Among cities with at least 10 respondents

SUPPORT SYSTEMS
EXPERT INSIGHT

MARK NEWBERG
President,
Stockbridge Advisors

Project Fellow: Opportunity Zones, Beeck Center for Social Innovation + Impact, Georgetown University

"There are many (and varied) roles for state and local government in supporting social entrepreneurs and promoting a culture of entrepreneurship. It could be support for high-performing accelerator programs, partnerships with varying types of capital providers to ensure that the landscape of funding is filled in, low-cost office space in municipal or state-owned buildings, local purchasing programs, or any number of other initiatives. But all of this comes back to a question of why. And the simplest why is this: At its core, the role of governments is to deliver positive impact in the communities they serve. Support for social entrepreneurship is a way to help achieve that goal."

SUPPORT SYSTEMS
IN THEIR WORDS

"A STRONG BUSINESS IS FOUNDED ON **STRONG RELATIONSHIPS** WITH COMMUNITY MEMBERS.... **BUILDING PARTNERSHIPS** AND TRUST IS ONLY GOOD"

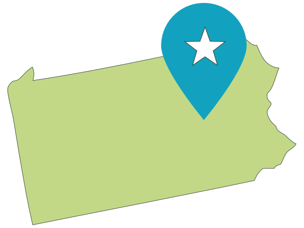
"PERHAPS IF WE WERE MORE **PLUGGED IN** WITH REGIONAL **OPPORTUNITIES,** WE WOULD BE ABLE TO GAIN **MORE CLIENTS**"

SUPPORT SYSTEMS
RANKINGS

CITY NAME	COMPOSITE RANK	COMPOSITE SCORE	ENTREPRENEURIAL ACTIVITY RANK	POLICY & REGULATIONS RANK	INTERMEDIARIES & NETWORKS RANK	ARTS & CULTURE RANK
Boston	1	69.07	17.86	15.79	14.88	20.54
San Francisco	2	68.74	23.53	13.10	18.24	13.87
Austin	3	65.63	16.47	21.03	17.41	10.71
Minneapolis/St. Paul	4	62.32	18.25	15.79	11.61	16.67
Denver	5	59.29	12.50	16.43	12.20	18.15
Pittsburgh	6	58.72	11.90	16.90	17.41	12.50
New York	7	58.39	12.50	11.67	11.31	22.92
New Orleans	8	57.61	10.32	19.76	9.52	18.01
Chicago	9	56.53	6.75	14.37	16.67	18.75
Los Angeles	10	55.29	17.18	18.49	14.67	4.94
Seattle	11	55.28	16.87	11.03	12.20	15.18
Washington, DC	12	55.08	5.95	15.79	11.61	21.73
San Diego	13	54.14	19.96	10.40	15.86	7.92
Atlanta	14	53.28	13.89	12.46	18.30	8.63
Miami	15	52.72	14.68	16.90	15.77	5.36
Dallas	16	50.49	14.48	12.94	14.14	8.93
Baltimore	17	50.04	7.74	18.49	8.63	15.18
Raleigh	18	43.91	10.32	12.46	14.88	6.25
Philadelphia	19	43.09	7.14	14.37	8.78	12.80
Detroit	20	40.31	8.33	15.16	5.21	11.61
Phoenix	21	30.74	8.73	12.94	5.95	3.13

SUPPORT SYSTEMS
DIFFERENCES BETWEEN CITIES

ENTREPRENEURS IN PHILADELPHIA REPORTED THE HIGHEST LEVELS OF SATISFACTION WITH THEIR ABILITY TO COLLABORATE WITH OTHER ORGANIZATIONS:

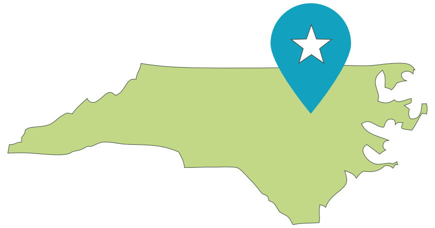


PHILADELPHIA
Reported highest
4.2/5*

ENTREPRENEURS IN ATLANTA REPORTED THE LOWEST LEVELS OF SATISFACTION WITH THEIR ABILITY TO COLLABORATE WITH OTHER ORGANIZATIONS:

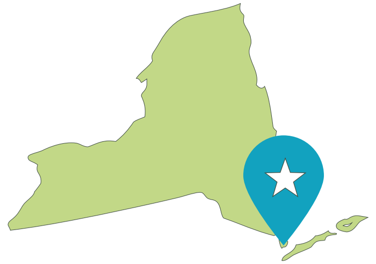
ATLANTA
Reported lowest
3.6/5*

ENTREPRENEURS IN RALEIGH WERE THE MOST LIKELY TO REPORT THEIR CITY GOVERNMENT HAS POLICIES THAT BUILD A LEGAL AND REGULATORY FRAMEWORK FOR SOCIAL ENTERPRISE:



RALEIGH
Reported
4.3/5*

ENTREPRENEURS IN NEW YORK WERE LEAST LIKELY TO REPORT THEIR CITY GOVERNMENT HAS POLICIES THAT BUILD A LEGAL AND REGULATORY FRAMEWORK FOR SOCIAL ENTERPRISE:



NEW YORK
Reported
3.2/5*

Scale: 1 = strongly disagree | 5 = strongly agree

METHODOLOGY
OUR APPROACH TO RANKING

The results presented in this report are based on a survey of 624 people currently working in social enterprises or the social enterprise ecosystem, the majority of whom are founders or executive team members. Public data were used to contextualize those responses as part of local ecosystems, with those cities defined by the Metropolitan Statistical Area classification from the federal Office of Management and Budget. This year's report combines insights from experts in finance, philanthropy, entrepreneurial ecosystems, and government, with comparisons between our 2017 findings and 2019 data to offer a glimpse of how far social enterprise ecosystems have come, and where they might be going.

Publicly available data from a range of national and local sources were used to calculate this year's rankings. As much as possible, the variables used to measure each pillar were informed by research, and multiple indicators within each pillar were used to reflect the depth and complexity of the pillar. Once all the data were assembled, the rankings were calculated by weighting each pillar equally (25 percent), and each variable equally within each pillar. Those calculations provided a total weighted score that was then used to rank the twenty-one cities.

To follow industry standards and calculate the city rankings more exactly, the team calculated many variables as per capita (per 100,000 residents) ratios. Per capita calculations are based on the number of residents in each Metropolitan Statistical Area, an Office of Management and Budget definition that includes major cities and surrounding areas that have strong economic ties. It was decided using MSA population size would be the most accurate because the data captured by many variables stretch beyond city bounds. For example, many universities are technical in suburbs or neighboring towns of major cities, but provide significant resources to the neighboring cities (such as research partnerships and recent graduates). The only exception to this is the variable that calculates the number of exits in each city; this variable only includes companies based within city limits that exited.

METHODOLOGY
COMPLETE CITY RANKINGS

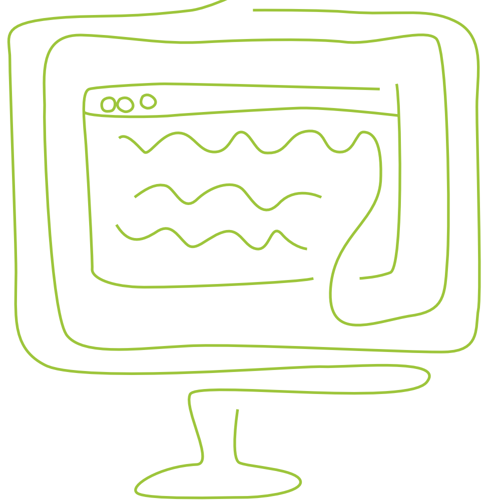
CITY NAME	2019 RANK	TOTAL WEIGHTED SCORE	FUNDING	QUALITY OF LIFE	SUPPORT SYSTEMS	HUMAN CAPITAL
Boston	1	68.66	19.78	14.68	17.27	16.93
San Francisco	2	67.84	18.92	15.24	17.19	16.50
Seattle	3	65.03	18.22	16.82	13.82	16.17
Minneapolis/St. Paul	4	62.19	10.48	19.39	15.58	16.73
Denver	5	61.55	14.25	14.82	14.82	17.66
Austin	6	60.75	16.73	12.00	16.41	15.61
Atlanta	7	58.23	18.68	9.86	13.32	16.37
Pittsburgh	8	57.21	11.87	15.28	14.68	15.38
Baltimore	9	54.10	14.58	11.63	12.51	15.38
San Diego	10	52.81	14.72	12.92	13.53	11.64
Chicago	11	52.48	13.23	12.35	14.13	12.76
Washington, DC	12	52.10	9.13	12.18	13.77	17.03
Raleigh	13	50.93	10.02	14.26	10.98	15.67
New York	14	50.46	16.53	11.52	14.60	7.80
Los Angeles	15	48.00	15.51	11.16	13.82	7.51
Miami	16	47.88	12.27	11.09	13.18	11.34
Dallas	17	47.73	11.94	11.24	12.62	11.94
New Orleans	18	44.66	9.39	11.21	14.40	9.66
Philadelphia	19	41.72	8.17	12.33	10.77	10.45
Detroit	20	38.77	9.23	12.23	10.08	7.24
Phoenix	21	31.98	6.08	12.72	7.69	5.49

INTRO
OVERVIEW
PILLARS
ABOUT
APPENDIX

NEXT STEPS
JOIN THE CONVERSATION

We want to hear from you!

- Visit www.halcyonhouse.org/SEER to explore your city!
- While you're on the website, sign up to participate in the next survey. You may even see yourself quotes in the next report!
- Start a conversation! We love hearing from our readers. Contact halcyoninquiry@halcyonhouse.org to tell us how you used the report in your ecosystem.
- Have questions? Contact one of the authors of the report, who will be happy to answer your most detailed questions about the data: m.goff@halcyonhouse.org



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ACKNOWLEDGEMENTS

- Halcyon is grateful to the 624 survey respondents who took the time to share their personal experiences with us for this report.
- As an incentive for survey respondents, SOCAP graciously provided a scholarship to the SOCAP 2019 conference.
- We are also grateful to the individuals who generously shared their time and insight by participating in our small group discussions, and the experts who prepared expert insights for inclusion in this report.
- Finally, thank you to Sage Communications for producing the design of this report and its accompanying website.

REPORT CO-AUTHORS

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Nicole Weissman

SPONSORS AND PARTNERS

SOURCES

FUNDING PILLAR

	VARIABLE	DESCRIPTION	DATA SOURCE
Public Spending	Federal spending in each city	Total amount of federal awards and contracts in Fiscal Year 2019	USA Funding
	Total amount of federal SBIR awards by state percentage of population size of city in state	Amount of money awarded in Federal Small Business Innovation Research grants per city based on how much of the city's population accounts for the overall state population	SBIR.gov
	Number SBIR state contacts	Number of entities in each state that have a relationship with the U.S. Small Business Administration office that grants SBIR funds	SBIR.gov
	Federal R&D spending per capita	Total amount of government funding for research and development (R&D) per 100,000 residents of each MSA from 1998-2015	Cluster Mapping
Private Investment	Venture Capital	Number of venture capital firms per 100,000 residents of each city	Crunchbase
	Angel Funding	Number of angel investing groups per 100,000 residents of each city	Crunchbase
	Amount of Venture Capital per $10,000 of GDP	Total amount of venture capital investment per 10,000 of each MSA's Gross Domestic Product from 2015-2018	Crunchbase
	Amount of Angel Funding per $10,000 of GDP	Total amount of angel funding investment per 10,000 of each MSA's Gross Domestic Product from 2015-2018	Crunchbase
Charitable Giving	Number of 501 (c)3 organizations per capita	Number of registered 501 (c)3 non-profit organizations per 100,000 residents of each MSA	ProPublica Non-profit Explorer
	Number of non-profits that received grants	Number of registered non-profits that received private or public grants per 100,000 residents of each MSA	Grantmakers.io
	Average giving per itemizer	Average amount individual taxpayer's in each MSA deducted for charitable giving	Chronicle of Philanthropy

HUMAN CAPITAL PILLAR

	VARIABLE	DESCRIPTION	DATA SOURCE
University Presence	Number of Universities per capita	The number of 4-year universities in each MSA per 100,000 residents	National Center for Education Statistics
	Number of R1 Universities	The number of universities classified as top-tier research institutions in each MSA per 100,000 residents	Carnegie Classification of Institutions of Higher Education
	Quality of Universities	Quality of universities in each MSA based national rank	U.S. News & World Report Rank
	Number Community/ technical colleges per capita	Number of 2-year community and technical colleges in each city per 100,00 residents	National Center for Education Statistics
Talent	Educational Attainment	Percent of MSA residents who have a bachelor's degree	American Community Survey
	Percent labor force participation (16+)	Percent of MSA residents of working age who are currently working	American Community Survey
Civic Engagement	City Election Voter Turnout	Percent of eligible voters who voted in the most recent city election	Who Votes for Mayor?
	State Election Voter Turnout	Percent of eligible voters who participated in the most recent national electoin	United States Election Project
	Volunteering rate	Percent of residents who volunteer	NationalService.org
	Number 501 (c)4 organizations (social and recreational clubs) per capita	Number of social and recreational clubs per 100,000 residents of each MSA	ProPublica Non-profit Explorer

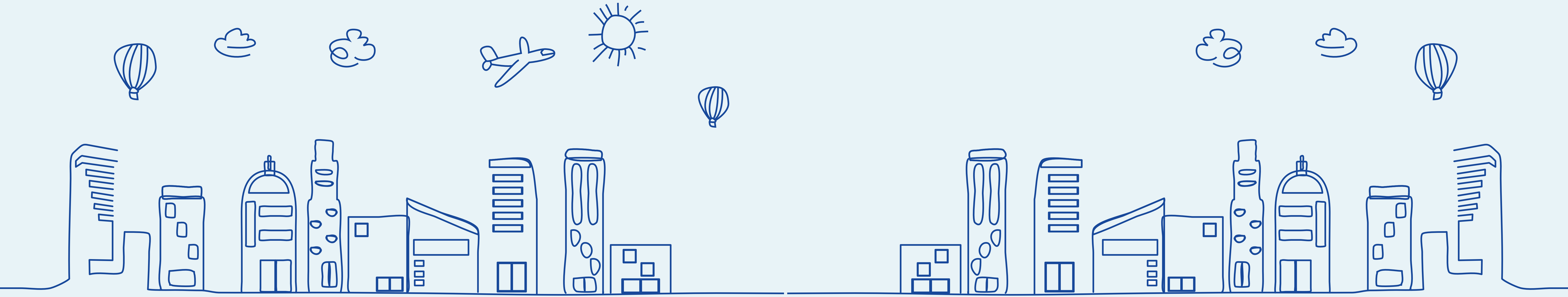
SOURCES

QUALITY OF LIFE PILLAR

	VARIABLE	DESCRIPTION	DATA SOURCE
Economic and Social Mobility	GINI Index	Standard measure of income distribution across income percentiles in each MSA. A higher index menas greater income ineqaulity	American Community Survey
	Weighted Dissimilarity Index	Standard measure for residential racial segregation in each city, weighted by the percentage of residents in each city identified as non-white. The higher the score, the more racially segregated	Census Scope
	Percent of population with computer and internet in home	Percent of residents in each MSA that have a computer and internet installed in their homes	American Community Survey
Affordability, Cost of Living	Living Wage Index	Calculates the hourly wage required for individuals to meet minimum standards of living in each MSA	Living Wage Calculator (MIT)
	Median gross rent	Median monthly rent in each city, including estimated cost of utilities and fuels	American Community Survey
Health	Percent of population with Health Insurance	Percentage of residents in each MSA who have public or private health insurance coverage	American Community Survey
	Life Expectancy	Average life expectancy of residents in each MSA	CountyHealthRates.org
	Healthiest Cities Index	Ranking of metrics in key areas: food, fitness, and greenspace	Wallet Hub
Transportation	Percent pop with Commute <30 min	Percentage of residents who have a commute that is under 30 minutes in each MSA	American Community Survey
	Walkscore	Measurement of average walking distance to amentities and friendliness of roads in each MSA	Walkscore.com
	Bikescore	Measurement of average biking distance to amentities and friendliness of roads in each MSA	Walkscore.com
	All transit performance score	Measures connectivity, access to jobs, and frequency of service	AllTransit.com

SUPPORT SYSTEMS PILLAR

	VARIABLE	DESCRIPTION	DATA SOURCE
Policy and Regulations	State has B-corp legislation	Presence of state B-Corp legislation	Social Enterprise Law Tracker
	State has any one of L3C, SPC, or BLLC legislation	Presence of sate L3c, SPC, or BLLC legislation	Social Enterprise Law Tracker
	Small Business Friendliness	Ranking of ability to start, operate, and grow a business in each MSA	Thumbtack
Intermediaries and Networks	Number of incubators and accelerators in MSA	Number of startup incubators and acclerators in each MSA	Crunchbase
	Number of industry associations per capita	Number of industry associations in each MSA per 100,000 residents	Propublica Non-profit Explorer
	Number of Fortune 1000 firms per capita	Number of Fortunae 1000 firms with a headquarters office per 100,000 in each MSA	US Cluster Mapping
	Number of foundations	Number of foundations per 100,000 in each MSA	Foundation Center
Entrepreneurial Activity	Survival Rate	Percent of startups that remain in operation for their first year in each MSA	Kauffman Indicators of Entrepreneurship
	Rate of New Entrepreneurs	Percent of adult population that became entrepreneurs in a given month in each MSA	Kauffman Indicators of Entrepreneurship
	Number of exits last five years per capita	Number of companies that exited in the last five years per 100,00 residents in each MSA	Crunchbase
Arts and Culture	Cultural Participation	Percent of adult population participating in arts and culture activities	American Art Index Report
	Cultural Programming	Total arts expenditures per 100,000 residents in each MSA	American Art Index Report
	Number of Libraries per capita	Number of libraries in each MSA per 25,000 residents	Institute of Museum and Library Services



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