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Why Boulder Is America's Best Town for Startups

The Colorado hotspot is the top U.S. destination for new tech companies largely because of a bottom-up revolution led by entrepreneurs

By [Vivek Wadhwa](#)

On a recent morning, a half-dozen young software engineers hunched over laptops at The Cup, a café on bustling Pearl Street in downtown Boulder. They were holding an informal meeting about a social networking app they're developing and seemed to be on a first-name basis with the parade of techies walking through the door.

An influx of entrepreneurs like these has changed the face of this Colorado city of 98,000, making it a destination for Internet startups. With the University of Colorado as an anchor and a backyard full of mountains as lifestyle bait, Boulder now has the highest concentration of software engineers per capita in the nation. It's second only to Silicon Valley in percentage of workers employed in tech, according to the American Electronics Assn. Best-selling author and urban development expert Richard Florida says it has the greatest concentration of the "creative class"—scientists, artists, engineers, and the like—in the U.S.

The university and prestigious research labs such as the National Center for Atmospheric Research and the National Institute of Standards & Technology have long attracted well-educated folks to Boulder. In the 1970s, Celestial Seasonings and StorageTek helped foster a robust natural foods industry and a thriving tech community. Over the years, software, data services, and biotech blossomed as employees of those companies branched out to pursue other interests. The combination of entrepreneurship, engineering talent, and a counterculture vibe gave rise to many pre-bubble Net startups.

BOOT CAMP

By the mid-1990s, Boulder had a growing software industry. Entrepreneurs and venture capitalists like Foundry Group's Brad Feld moved to the area and helped launch new businesses. The pioneers soon attracted experienced managers to Boulder to run their companies. Once these people settled there, they never left.

Fast-forward to 2006. Feld, serial entrepreneur David Cohen, and a few others created TechStars, a business boot camp for startups. The idea was to create 10 Internet companies a year by putting them through a 90-day intensive program that would prepare them for seed funding. The founders viewed it as both a training ground and a way to recruit talent from around the country. They enlisted local Internet and software entrepreneurs as mentors to help the newcomers hone their ideas. Soon, events popular with the startup community such as a monthly New Tech Meetup were standing room only. Today, Boulder is considered one of the top places in the country to create an Internet startup. Google ([GOOG](#)), Microsoft ([MSFT](#)), AOL ([AOL](#)), and Oracle ([ORCL](#)) have made acquisitions here in recent years and have growing outposts in town.

When I ask longtime players about local government, they shrug. When I ask them about state government, the common refrain is that the best thing it can do is invest in education and otherwise stay out of the way. The lesson here is that it doesn't take billions in government spending to create a thriving industry cluster. Instead,

with a little luck and lots of hard work by residents, local economies can be shaped from the bottom up.

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