

STORIES OF THE CITY

KNOXVILLE, TENN.

It offers college sports, the Smoky Mountains and an entrepreneurial spirit.

Knoxville has managed to avoid the sharpest impact of the Great Recession, thanks to economic drivers such as the Tennessee Valley Authority (the nation's largest public utility), the University of Tennessee and Oak Ridge National Laboratory. Those employers are providing jobs and helping tech-savvy, postdoctoral entrepreneurs create small businesses in all areas of energy, from nuclear to re-

newable, as well as materials engineering and supercomputer technology. Protein Discovery, for example, has applied research from the Oak Ridge labs and the University of Tennessee to products that analyze protein samples. **WHY IT'S AFFORDABLE.** Low taxes, low energy and utility rates, affordable housing, and the free downtown trolley help make Knoxville inexpensive. **WHY IT'S FUN.** An abundance of free, eclectic, family-friendly entertainment, plus the arts scene and sporting events, make this Smoky Mountain city an entertainment destination. Live music includes the spring concert series Sun-

POPULATION: MSA: 680,629 CITY: 183,032
UNEMPLOYMENT RATE† 7.7%
INCOME GROWTH‡ 5.4%
COST-OF-LIVING INDEX‡ 89.7
MEDIAN HOUSEHOLD INCOME‡ \$45,727
WORKFORCE IN CREATIVE CLASS 31.1%

down in the City and Knoxville Opera's Rossini festival in April. An initiative to revitalize the downtown started eight years ago. That has enticed suburbanites to move back to the city, where they live a few blocks from the Tennessee Theatre, home to Broadway productions and concerts by the Knoxville Symphony Orchestra. **MARCA A. WOJNO**

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LEXINGTON, KY.

This small, progressive city values its rolling landscape and rich past.

Steeped in history, tinged with bourbon and surrounded by the horse farms that define its identity, this northern Kentucky city could have ridden into the 21st century on the strength of its past or sold off its heritage, lot by lot and farm by

farm, for the sake of development. Instead, Lexington has worked hard, and sometimes contentiously, to protect its green pastures, brick-and-limestone buildings and small-town feel while cultivating a burgeoning downtown and an economy

that includes health care, high-tech and higher education along with horses. The University of Kentucky, the city's largest employer, recently completed a major addition to its hospital. Other major employers include Lexmark and Toyota. Lexington's diversified economy allows it to survive bad times and surge ahead in good.

POPULATION: MSA: 455,593 CITY: 287,537
UNEMPLOYMENT RATE† 7.8%
INCOME GROWTH‡ 5.3%
COST-OF-LIVING INDEX‡ 89.1
MEDIAN HOUSEHOLD INCOME‡ \$48,158
WORKFORCE IN CREATIVE CLASS 32.4%

WHY IT'S AFFORDABLE. For \$165,000, on average, you can get a three-bedroom brick house in Bluegrass

Country. Old-home aficionados can sometimes pick up a stately Victorian in one of Lexington's historic neighborhoods for as little as \$225,000. Don't like old? Sleek lofts start at about \$160,000. **WHY IT'S FUN.** Let's see: the biannual horse races at Keeneland, biking on the Legacy Trail, and a sui generis downtown that includes Spalding's



Bakery, Buster's Billiards & Backroom, and Miss Priss (purveyor of prom dresses that make every girl a prom queen). Above all, there's the glorious bluegrass landscape. **JANE BENNETT CLARK**

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LITTLE ROCK, ARK.

The Clinton Library and big corporate projects bolster a strong economy.

Reving Little Rock's job market is a diverse economy, including a 500-employee Caterpillar factory in North Little Rock, the headquarters of IT company Acxiom, and world-class medical centers. The completion of the Clinton Presidential Library in 2004 sparked a downtown renaissance. The city was cushioned from the recession somewhat by more than \$1 billion in

new corporate investments in 2007 and 2008, during which unemployment remained just below 8%. **WHY IT'S AFFORDABLE.** You can find value right outside your door. The Arkansas River cuts through the region, and the river is lined with miles of bike and running paths that are connected by the 4,226-foot-long Big Dam Bridge, built for bikers and pedestrians. Hunting, fishing and hiking are short drives away. Survive the sizzling summer heat and you'll be rewarded with mild winters. **WHY IT'S FUN.** There's a trendy arts scene, and downtown has many options for

POPULATION: MSA: 666,248 CITY: 188,593
UNEMPLOYMENT RATE† 7.0%
INCOME GROWTH‡ 5.2%
COST-OF-LIVING INDEX‡ 94.1
MEDIAN HOUSEHOLD INCOME‡ \$46,120
WORKFORCE IN CREATIVE CLASS 32.2%

fine dining and local music. Small-town amenities abound, such as a minor-league baseball team, the Arkansas Travelers (tickets cost \$6). Plans for future growth include the completion of another pedestrian bridge that will create a 14-mile loop, bringing the river trail full-circle. **JOHN MILEY**