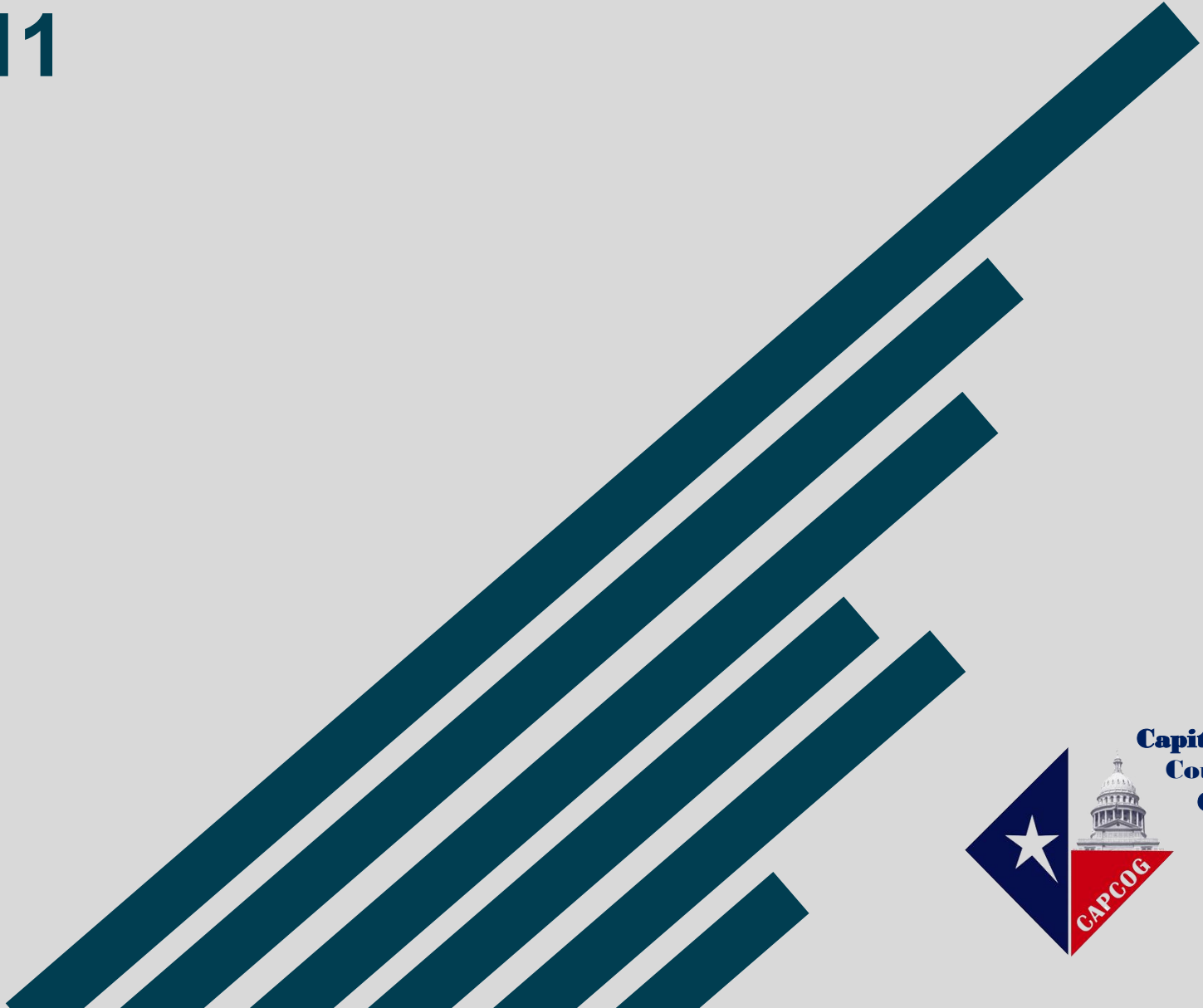
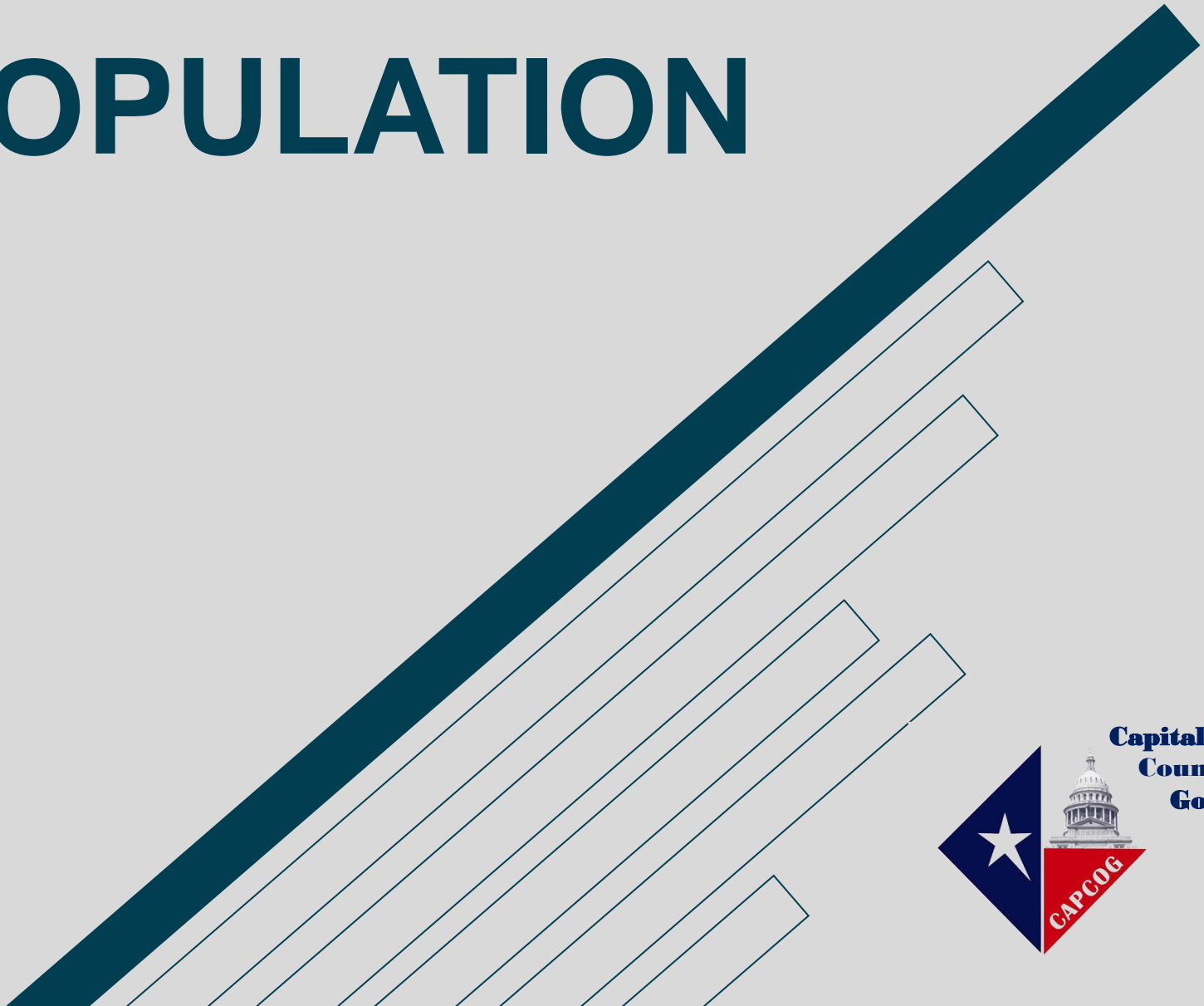


HAYS STATE OF THE COUNTY 2011

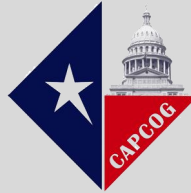


POPULATION

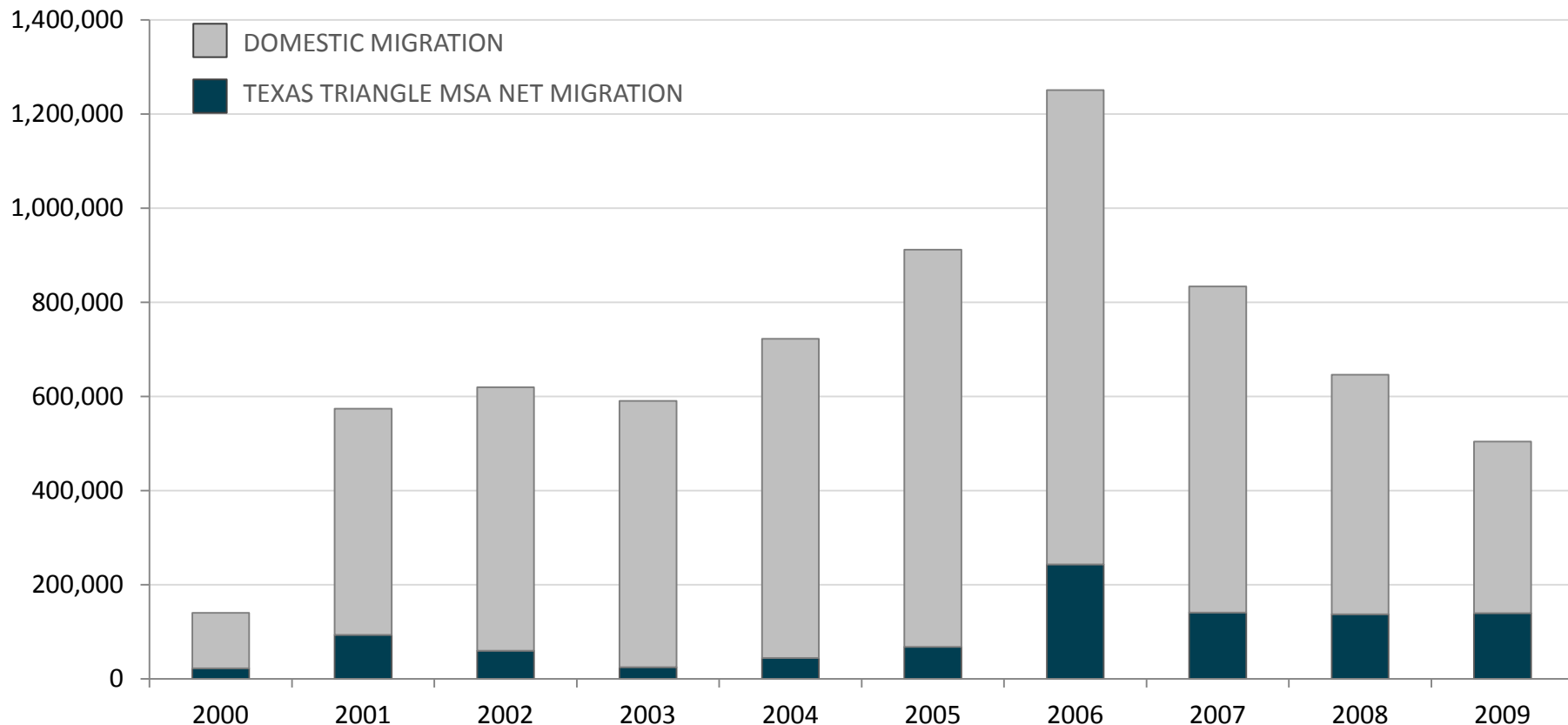


POPULATION – THE RISE OF TEXAS

During the past decade, the State of Texas has proved tremendously attractive to residents living outside the state. While migration in the U.S. has dropped significantly since the beginning of the recession, Texas continues to lure people from across the country. In 2009, nearly one in four people who moved did so to one of four metropolitan areas—Austin, Dallas, Houston, and San Antonio.



U.S. INTERNAL MIGRATION PATTERNS (2000 – 2009)

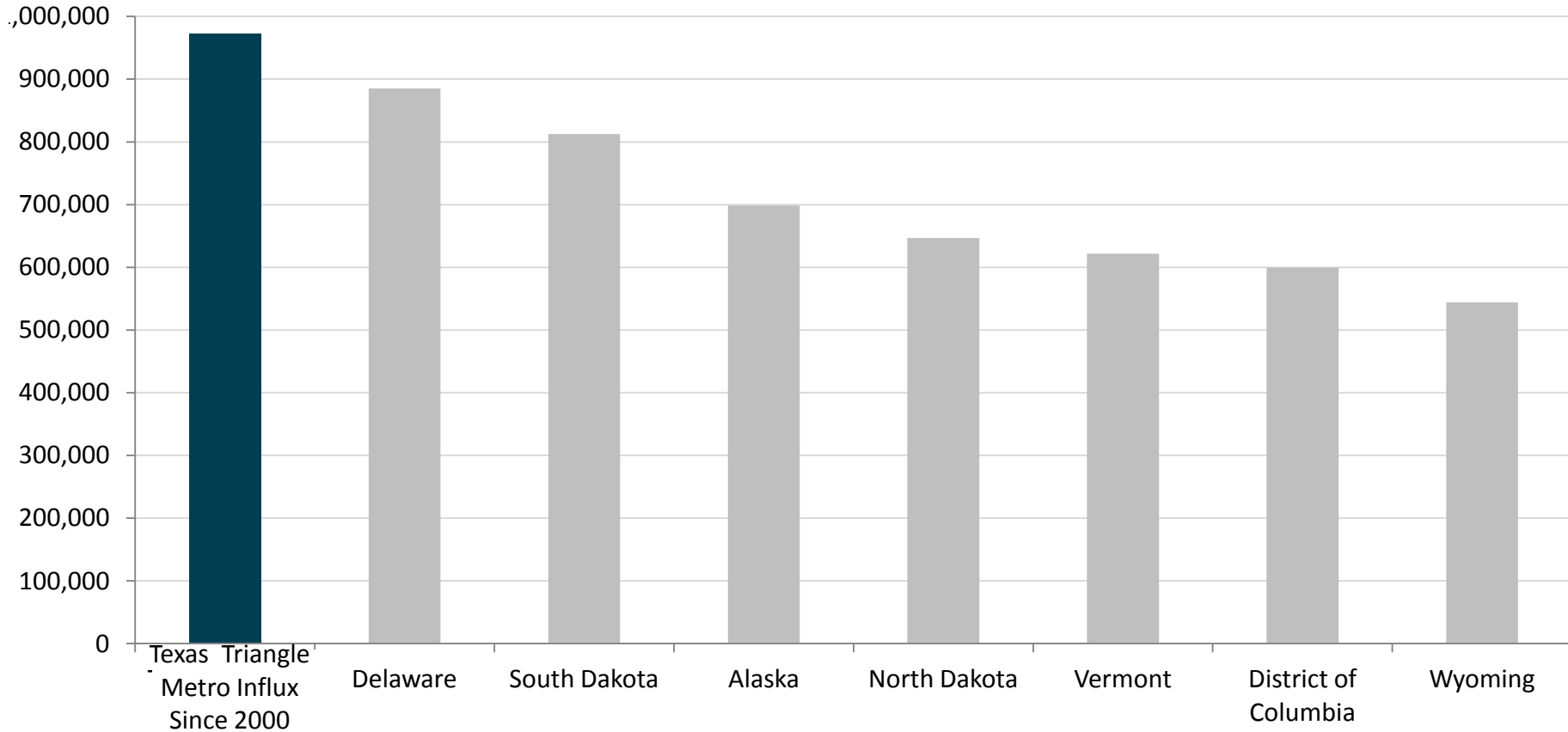


POPULATION – THE RISE OF TEXAS

Since 2000, more than 972,000 people have moved to the Texas Triangle's four major metropolitan areas—Austin, Dallas, Houston, and San Antonio. To put this number in perspective, the population of Delaware is just 885,000. In fact, the number of new residents that have moved to the Texas Triangle during the past decade is greater than the population of six states and the District of Columbia.

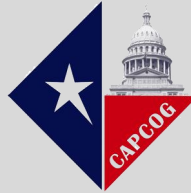


TEXAS MIGRATION SINCE 2000 COMPARED TO STATE POPULATIONS

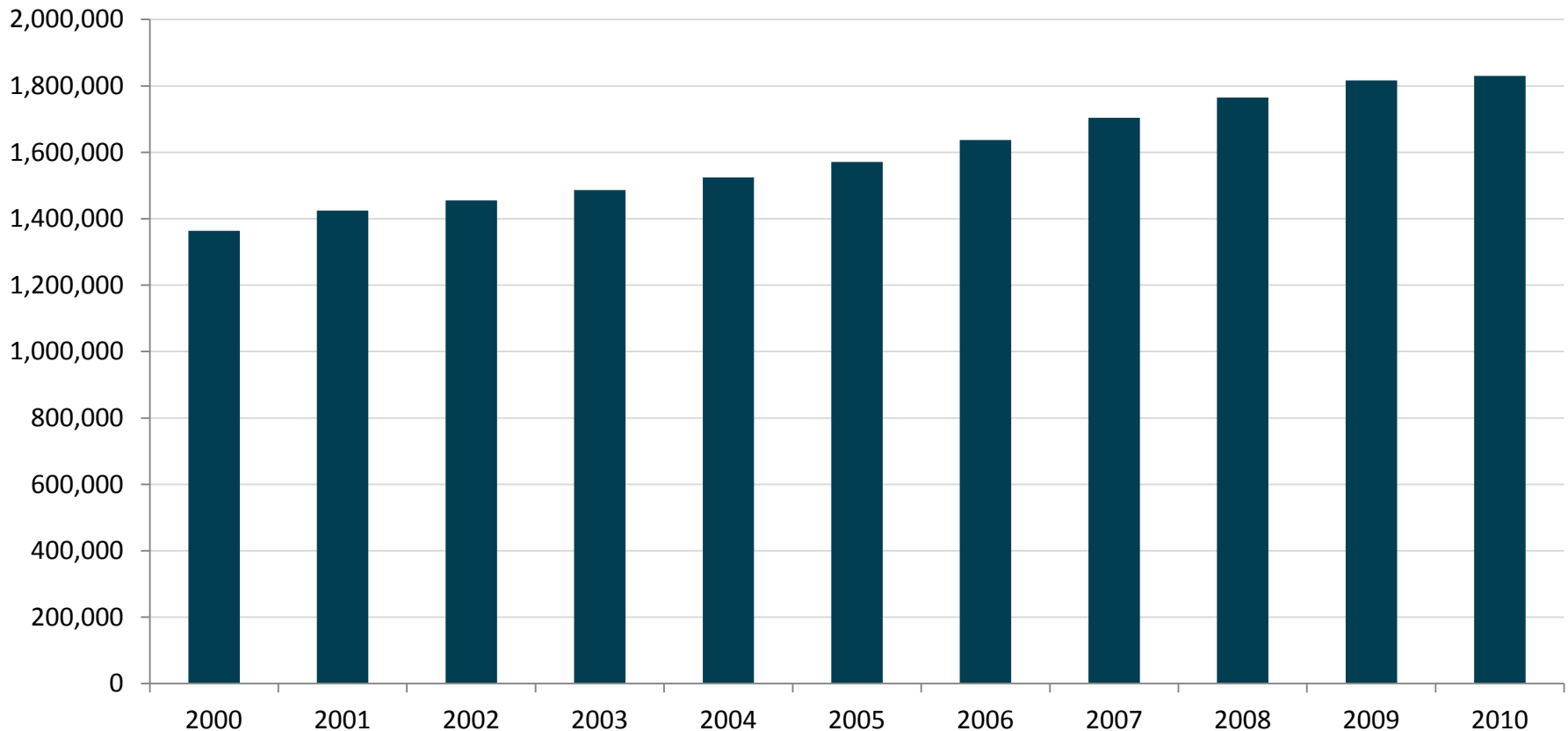


POPULATION – CAPCOG REGION GROWTH

The CAPCOG region has experienced significant growth during the past decade. Since 2000, the population of the 10-County CAPCOG region has jumped from 1.36 million to 1.83 million—an increase of more than 34 percent. During this same period, the population of the U.S. increased just 9.7 percent and the population of Texas increased 20.6 percent.



POPULATION OF 10-COUNTY CAPCOG REGION

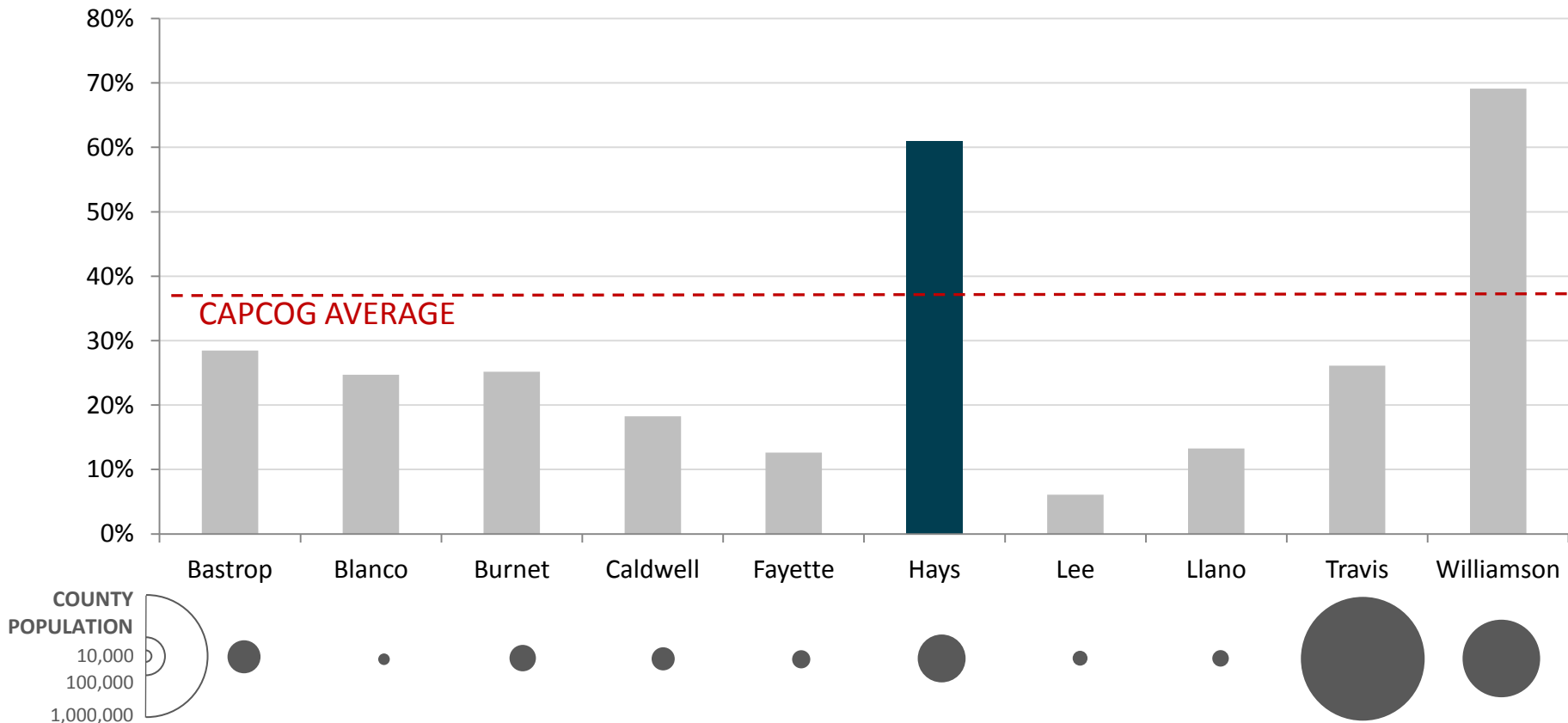


POPULATION – CAPCOG REGION GROWTH

Within the CAPCOG region, Hays County experienced the second-fastest rate of growth during the past decade. Since 2000, the population of Hays County has increased by 61 percent. Only Williamson County, with population increases approaching 70 percent, experienced greater levels of growth. The population of Travis County, the traditional engine of growth within the region, increased by just 26 percent during the past decade (although the County added the greatest number of new residents).



POULATION GROWTH OF 10-COUNTY CAPCOG REGION (2001 TO 2010)



POPULATION - COMPONENTS OF POPULATION CHANGE

The spectacular growth of the CAPCOG region is largely due to massive levels of migration. In the U.S., for example, new migrants to the country account for little more than a third of all population growth. Instead, most population gains are attributable to natural increases (births minus deaths). Within the CAPCOG region, however, migration is responsible for two-thirds of all population growth. Within Hays County, migration now accounts for more than 80 percent of all population gains.



POPULATION GROWTH : MIGRATION VS. NATURAL INCREASE (2000 – 2009)

U.S.

MIGRATION 36.1%

NATURAL INCREASE 63.9%

CAPCOG

MIGRATION 66.5%

NATURAL INCREASE 33.5%

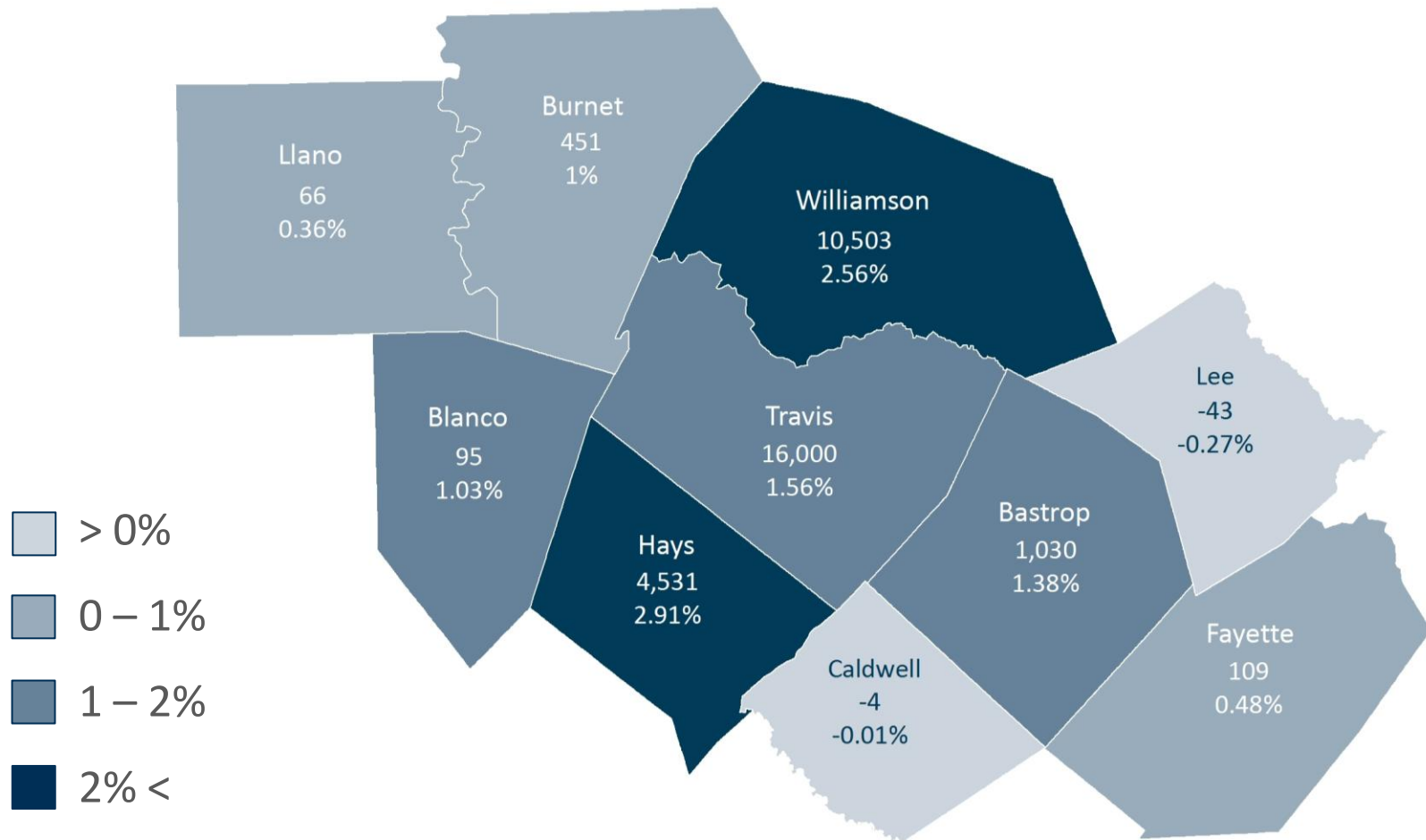
HAYS COUNTY

MIGRATION 81.2%

NATURAL
INCREASE
18.2%

POPULATION – NET MIGRATION (2008 – 2009)

Approximately 4,500 new migrants moved to Hays County between 2008 and 2009, representing nearly three percent of the total population. As a proportion of population, no other county in the CAPCOG region experienced a greater level of growth due to migration (although Williamson and Travis County witnessed greater numbers of total migrants).

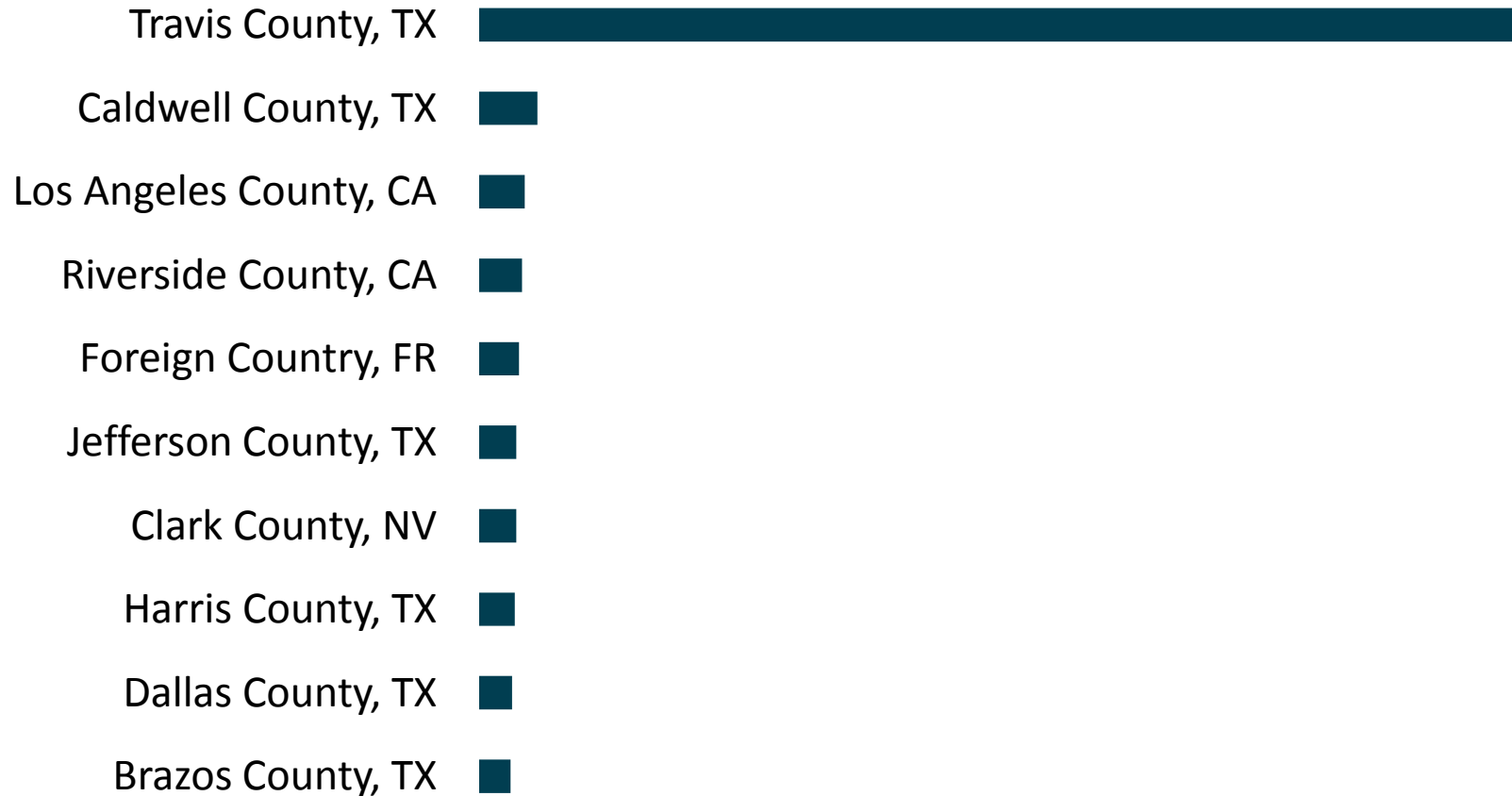


POPULATION – HAYS COUNTY IN-MIGRATION PATTERNS

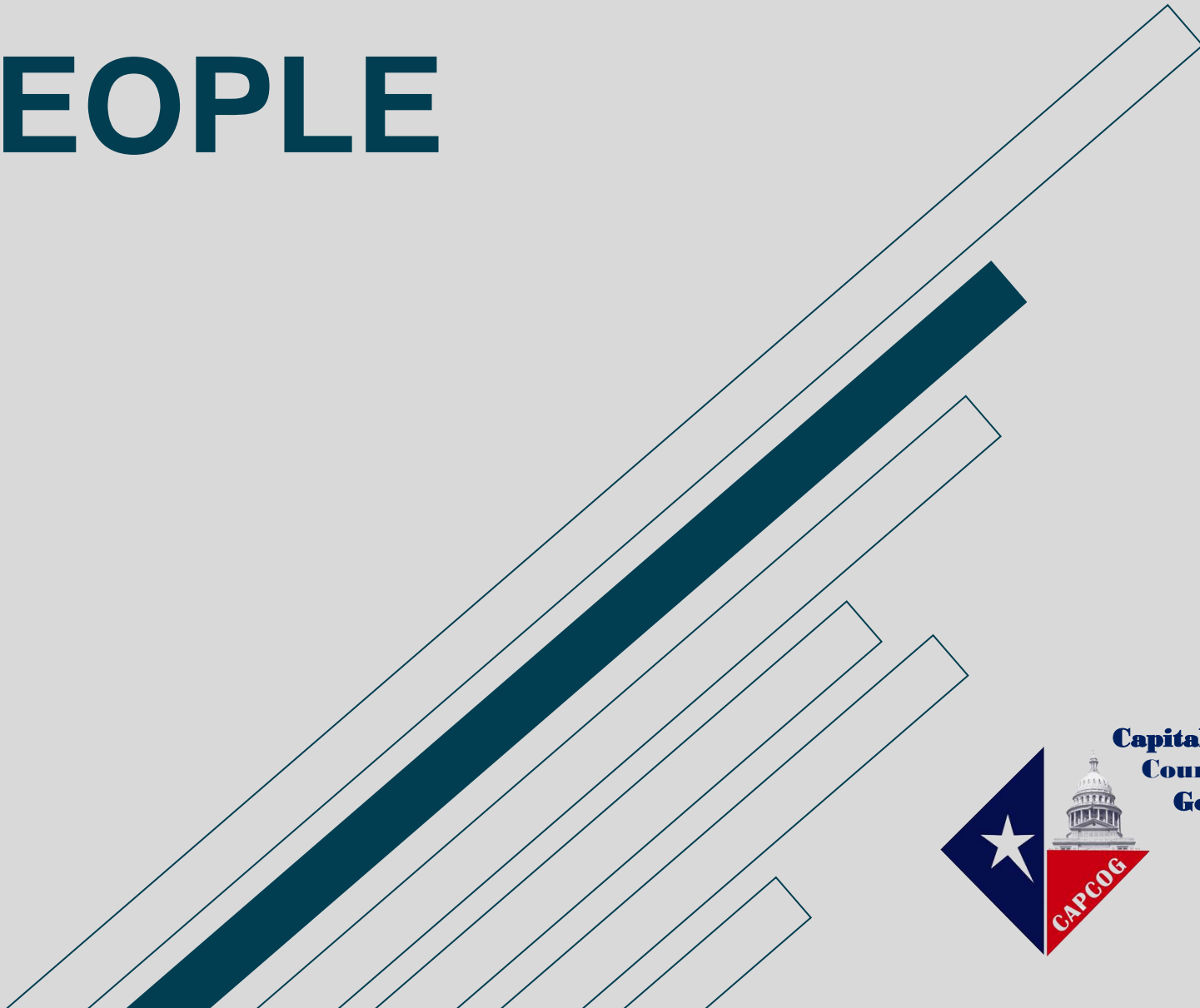
Within the region, Travis County serves as a giant funnel for migrants. Each year, thousands of people move to Travis County from major metropolitan areas throughout the country. In turn, many of these people later move to surrounding counties. Hays County is one of the primary recipients of this second-wave migration dynamic. Between 2007 and 2008, the overwhelming share of migrants to Hays County were from Travis County. A smaller number of migrants moved from other parts of Texas and California.



ORIGIN OF IN-MIGRANTS TO HAYS COUNTY (2007-2008)

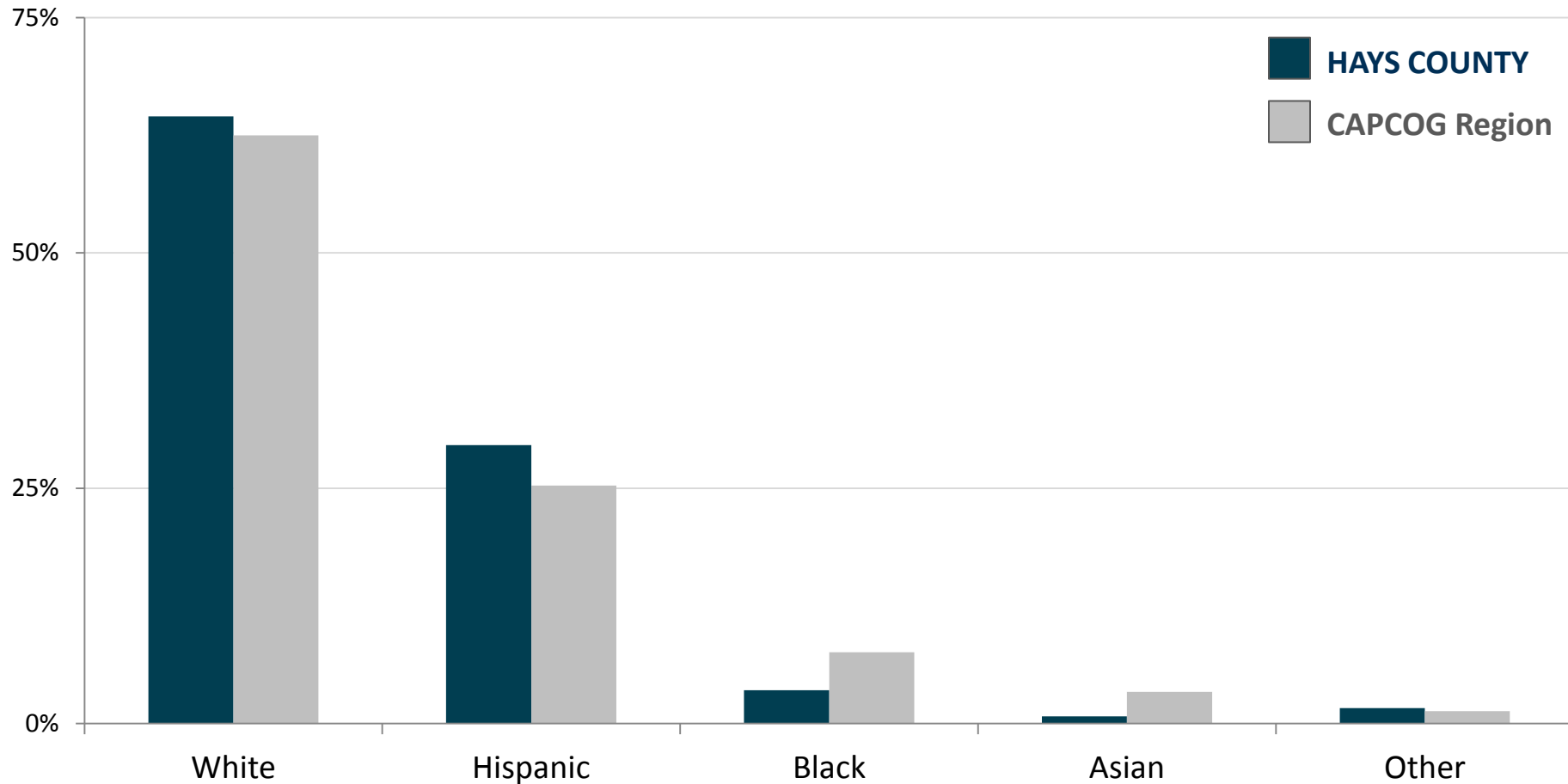
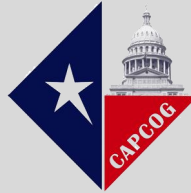


PEOPLE



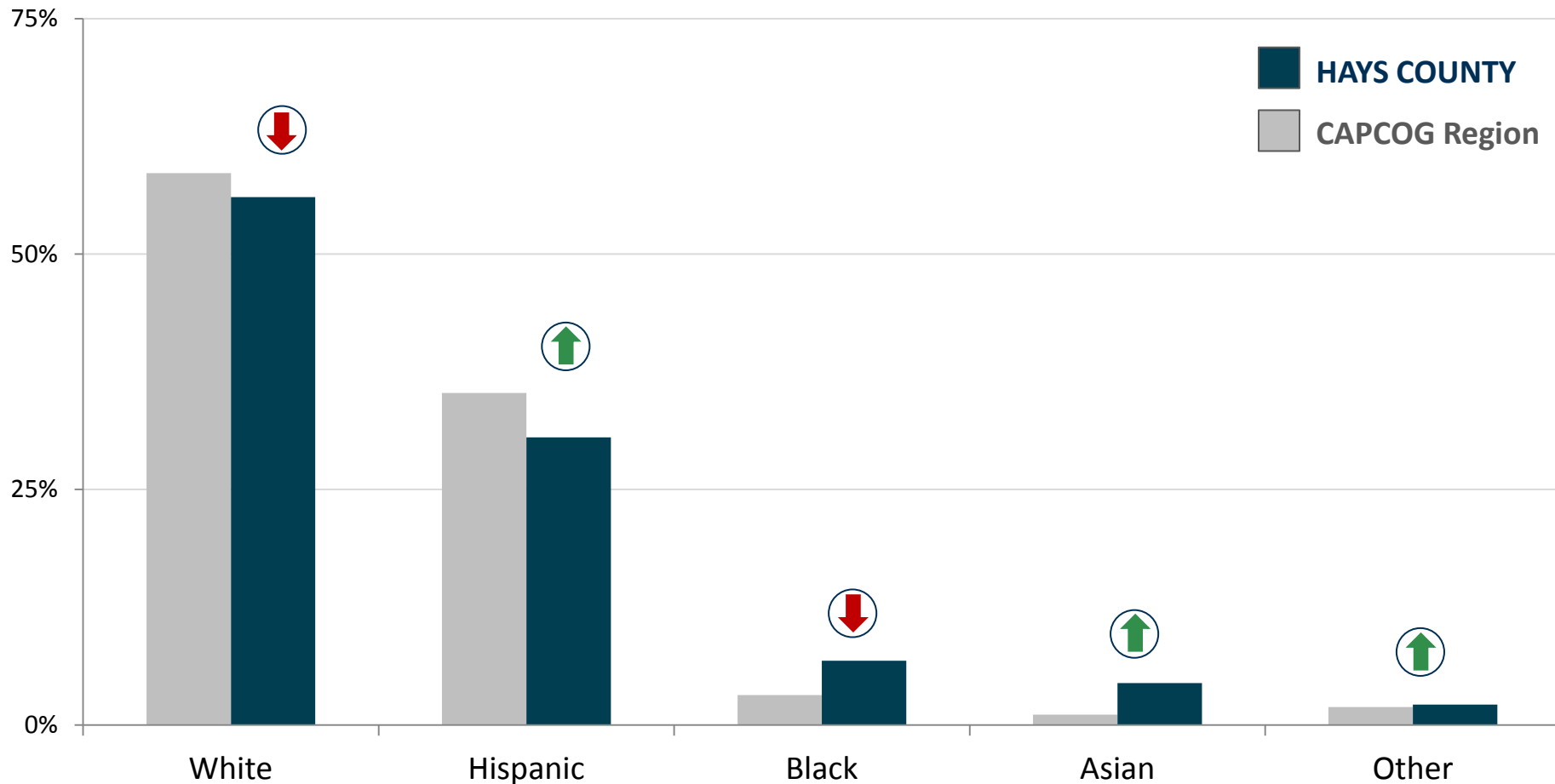
PEOPLE - RACIAL & ETHNIC COMPOSITION - 2000

The racial and ethnic composition of Hays County largely mirrors broader regional trends. In 2000, White residents represented the largest racial/ethnic group in Hays County, comprising 64.5 percent of the total population. Hispanic residents, at 29.6 percent of the population (approximately four percentage points higher than the CAPCOG average), were the second-largest racial/ethnic group. At 3.5 percent (less than half of the regional average), Black residents were the third-largest racial/ethnic group.



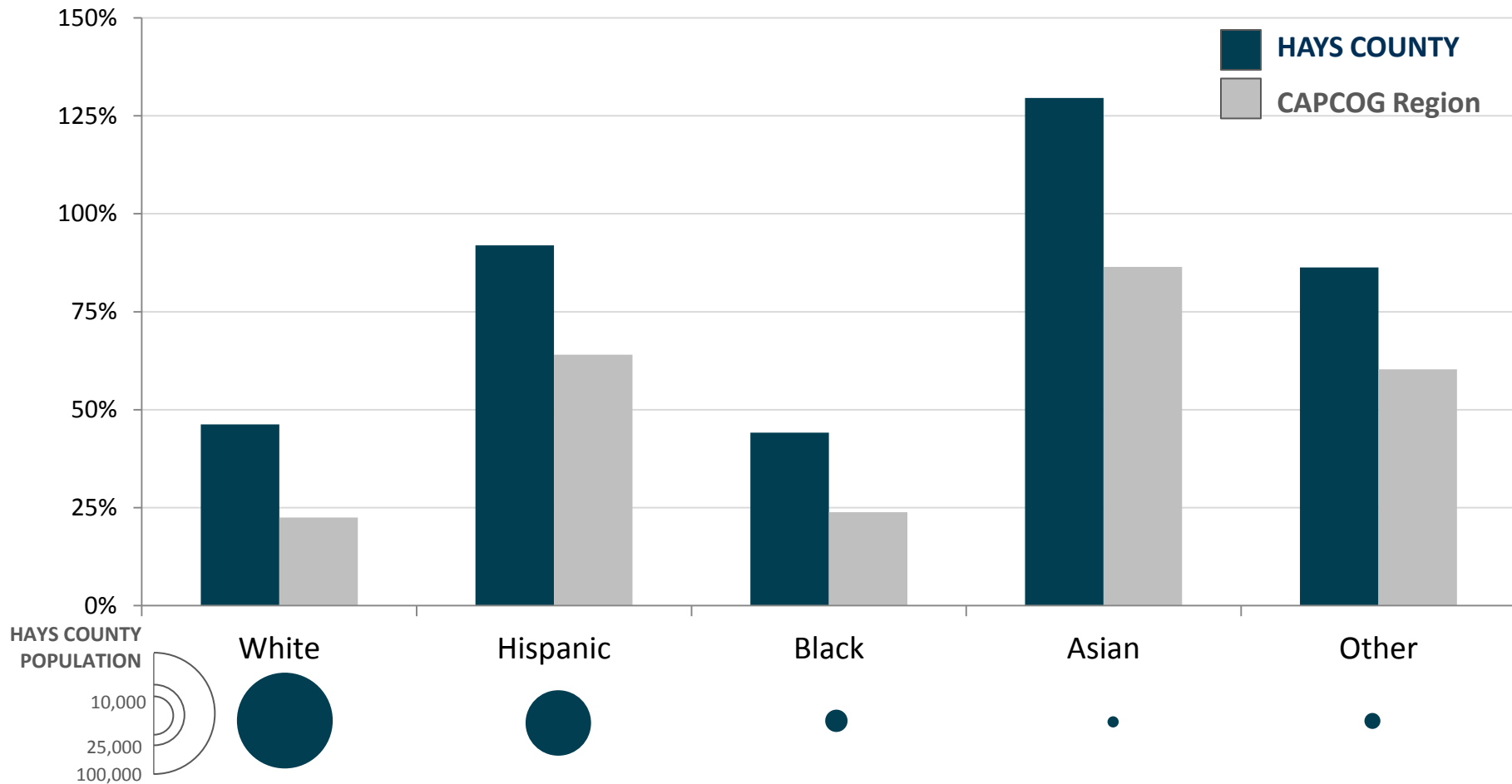
PEOPLE - RACIAL & ETHNIC COMPOSITION - 2009

The growth dynamics of Hays County's racial and ethnic composition also mirrors regional trends during the past decade. The proportion of White and Black residents are decreasing while the proportion of Hispanic and Asian residents is on the rise. While the Hispanic population is experienced the greatest level of growth in absolute terms, the Asian population is actually the fastest growing racial and ethnic group within Hays County.



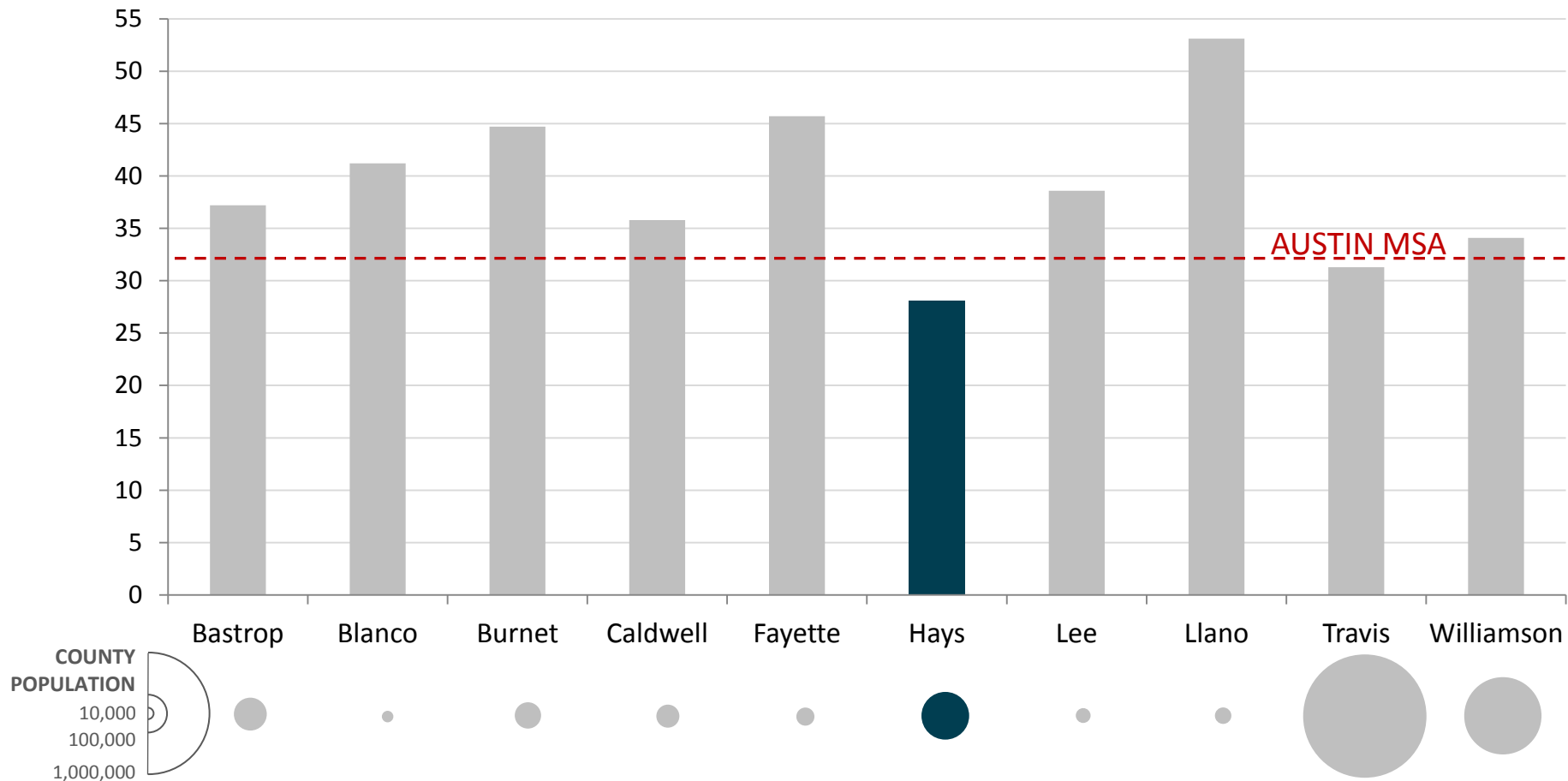
PEOPLE - GROWTH BY RACIAL & ETHNIC GROUP (2000 – 2009)

Every racial and ethnic group within Hays County is not only experiencing growth, but also increasing at a greater pace than the regional average. Asian residents are the fastest-growing racial/ethnic group within Hays County; since 2000, this population has increased nearly 130 percent. Hispanics are the second-fastest growing racial/ethnic group in Hays County. During the past decade, this population has increased 92 percent.



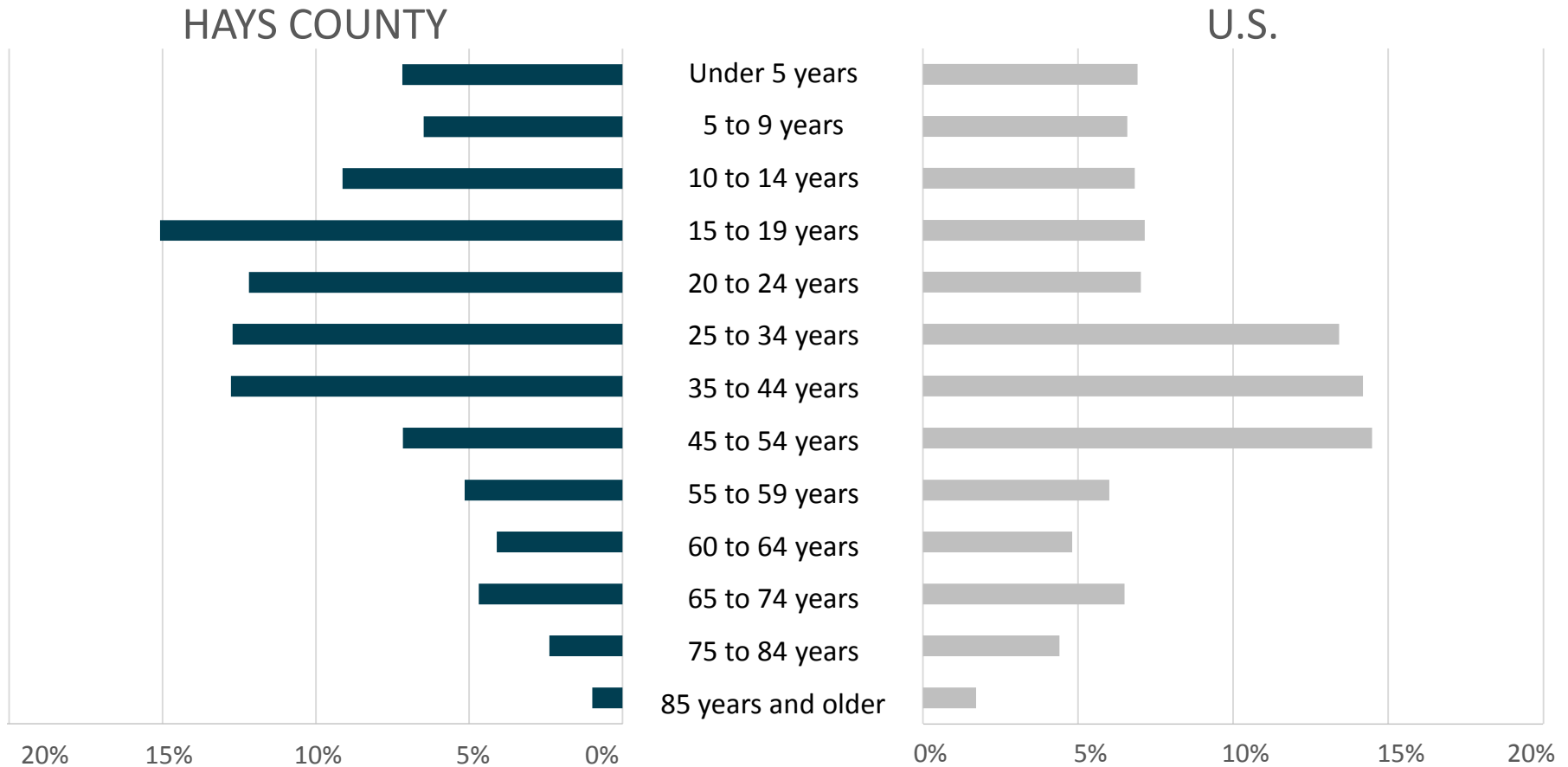
PEOPLE – MEDIAN AGE (2005-2009)

Hays County is the youngest county in the CAPCOG region, with a median age of just 28.1—8 years younger than the national figure. Perhaps even more striking is the fact that the median age within Hays County has actually declined during the last decade. While most communities within the U.S. are growing older, Hays has remained remarkably young.



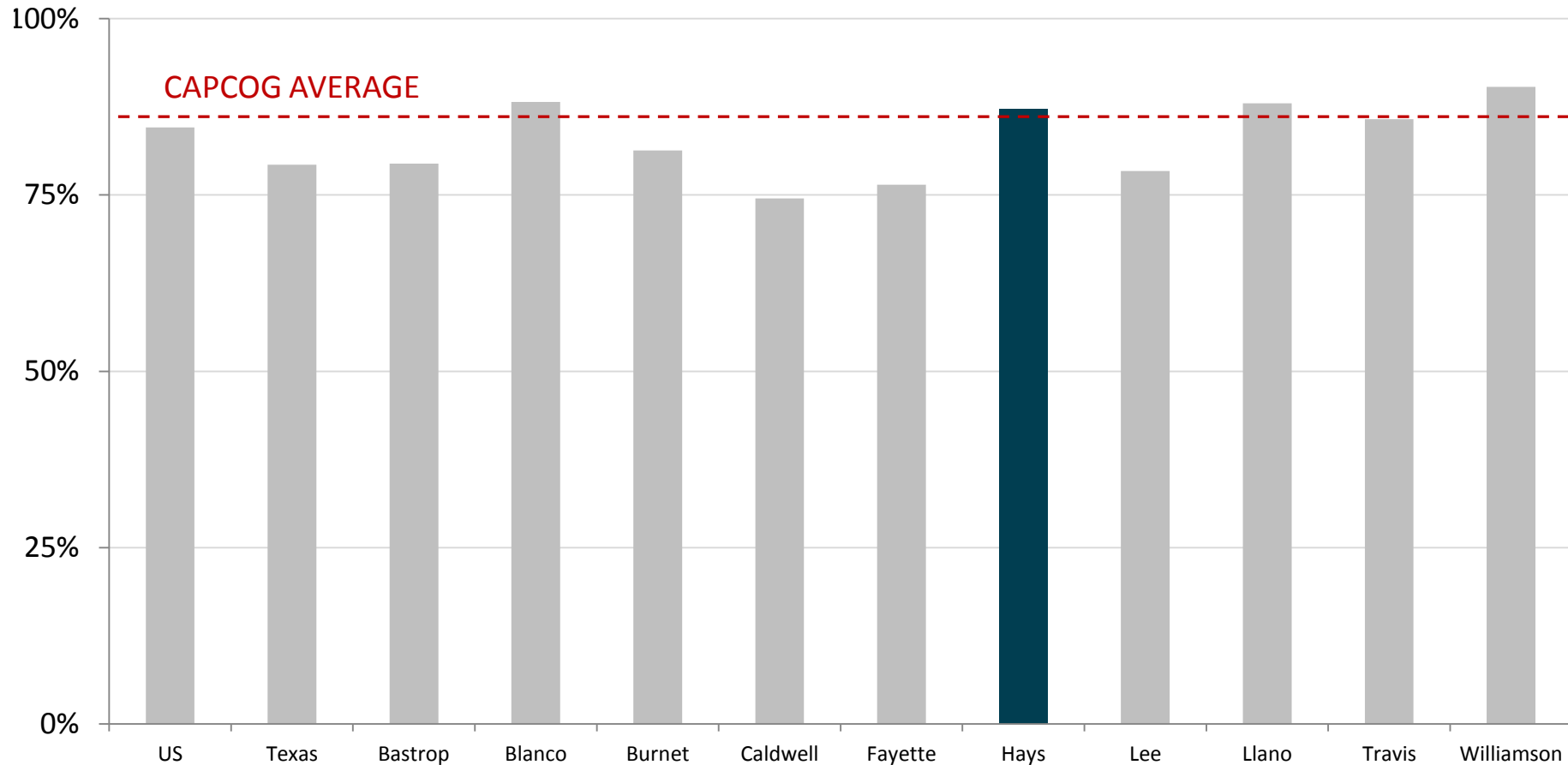
PEOPLE – AGE DISTRIBUTION (2005-2009)

The relative youth of Hays County is further reflected in the age distribution of the County. Nationally, for example, approximately 12.5 percent of Americans are 65 years and older. In Hays County, this figure is barely 8 percent. Conversely, 37 percent of Hays County residents are younger than 20. Nationally, this figure is just 27 percent.



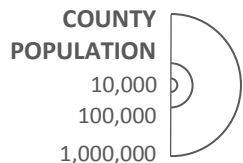
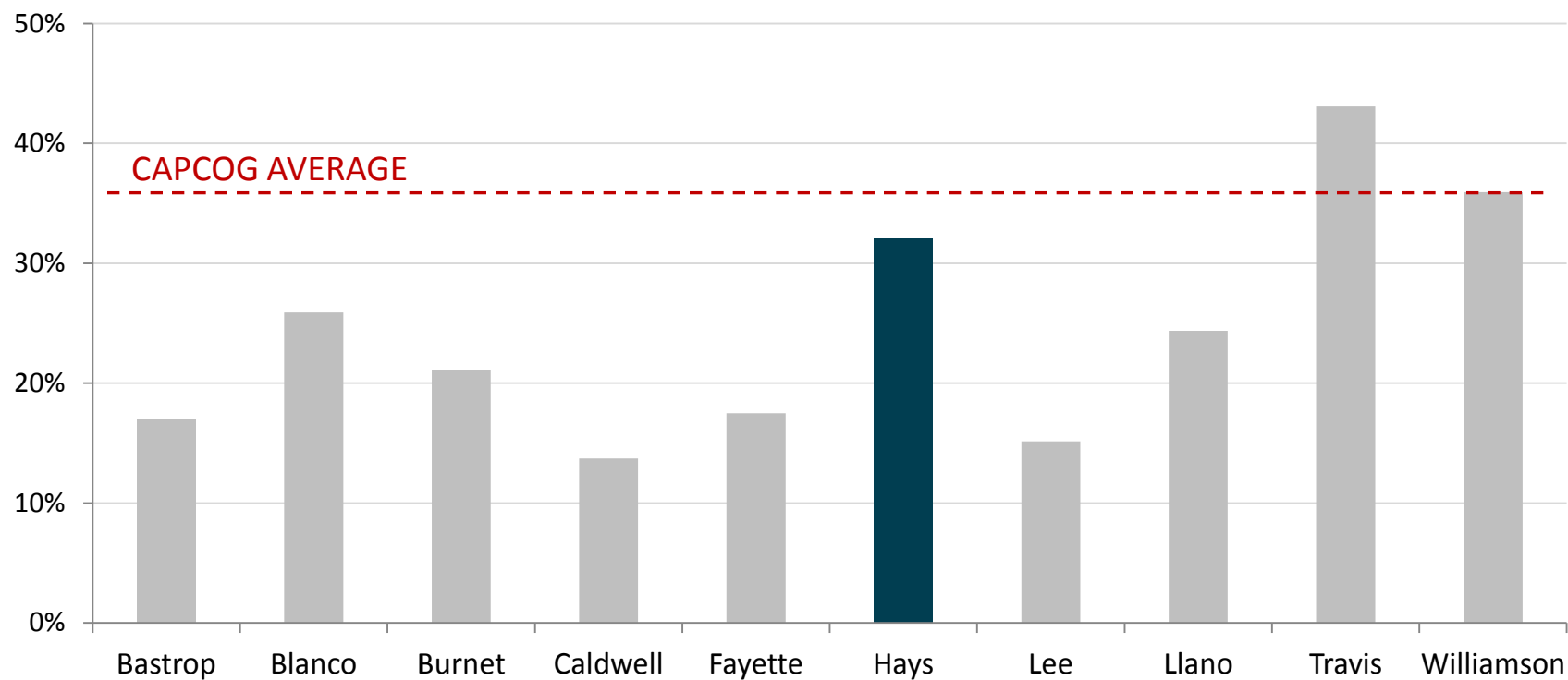
PEOPLE – H.S. EDUCATIONAL ATTAINMENT (2005-2009)

Approximately 87 percent of all residents 25 years and older within Hays County possess a high school (or equivalent) degree. Within the CAPCOG region, only Blanco, Travis, and Williamson County feature higher levels of high school educational attainment.



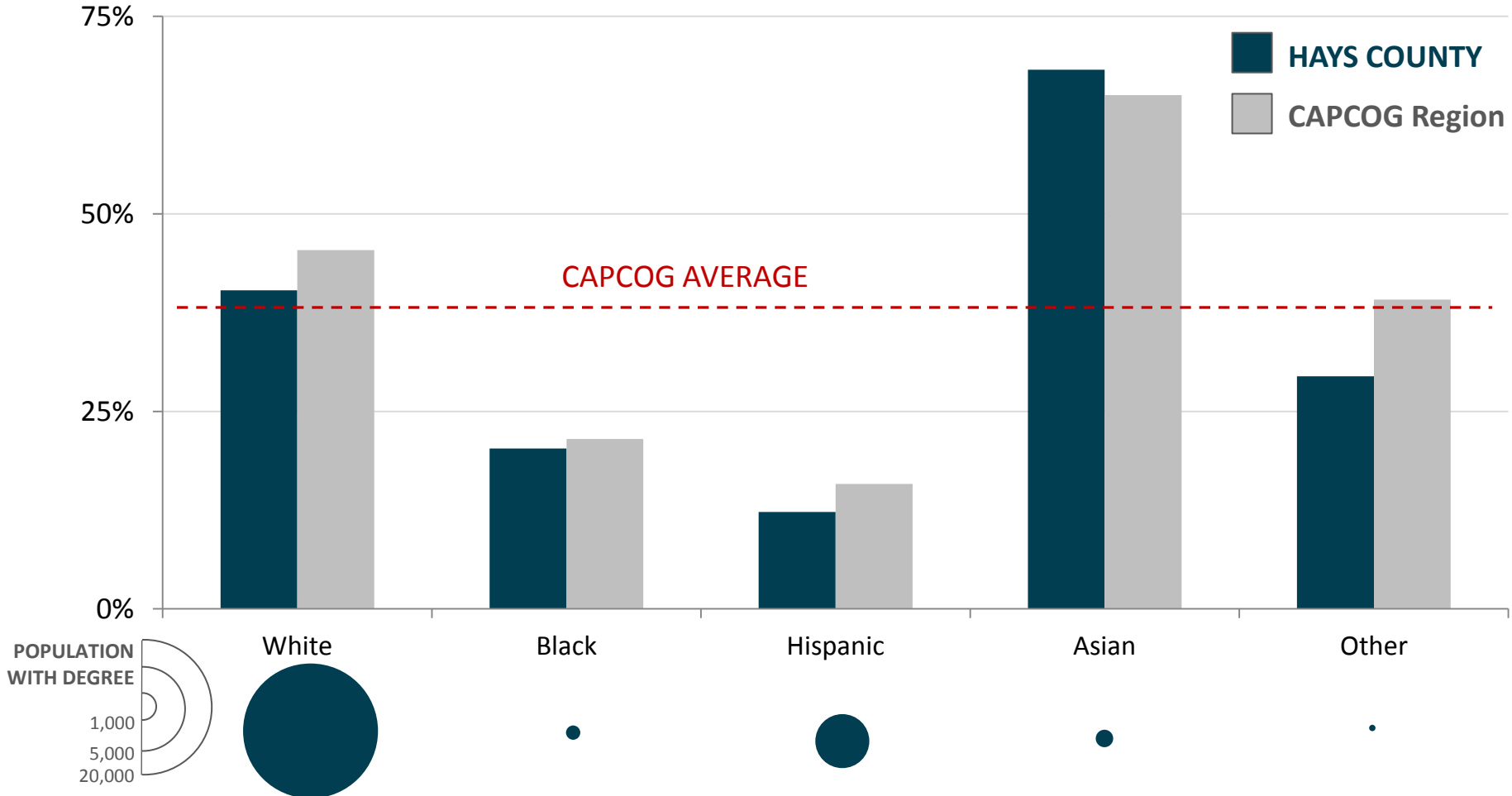
PEOPLE – COLLEGE EDUCATIONAL ATTAINMENT (2005-2009)

Nearly one in three Hays County residents over the age of 25 possess a 4-year college education, the third-highest level of college educational attainment within the CAPCOG region and more than five percentage points higher than the national average.



PEOPLE - EDUCATIONAL ATTAINMENT BY RACE (2005-2009)

Within Hays County (and the CAPCOG region), there are striking differences in the educational attainment levels of individual racial and ethnic groups. While more than 68 percent of Asian residents age 25 years and older within Hays County possess a college degree, for example, the figure is just 12 percent for Hispanic residents. Given the growth trajectories of individual racial and ethnic groups, these differences have profound consequences for our region.

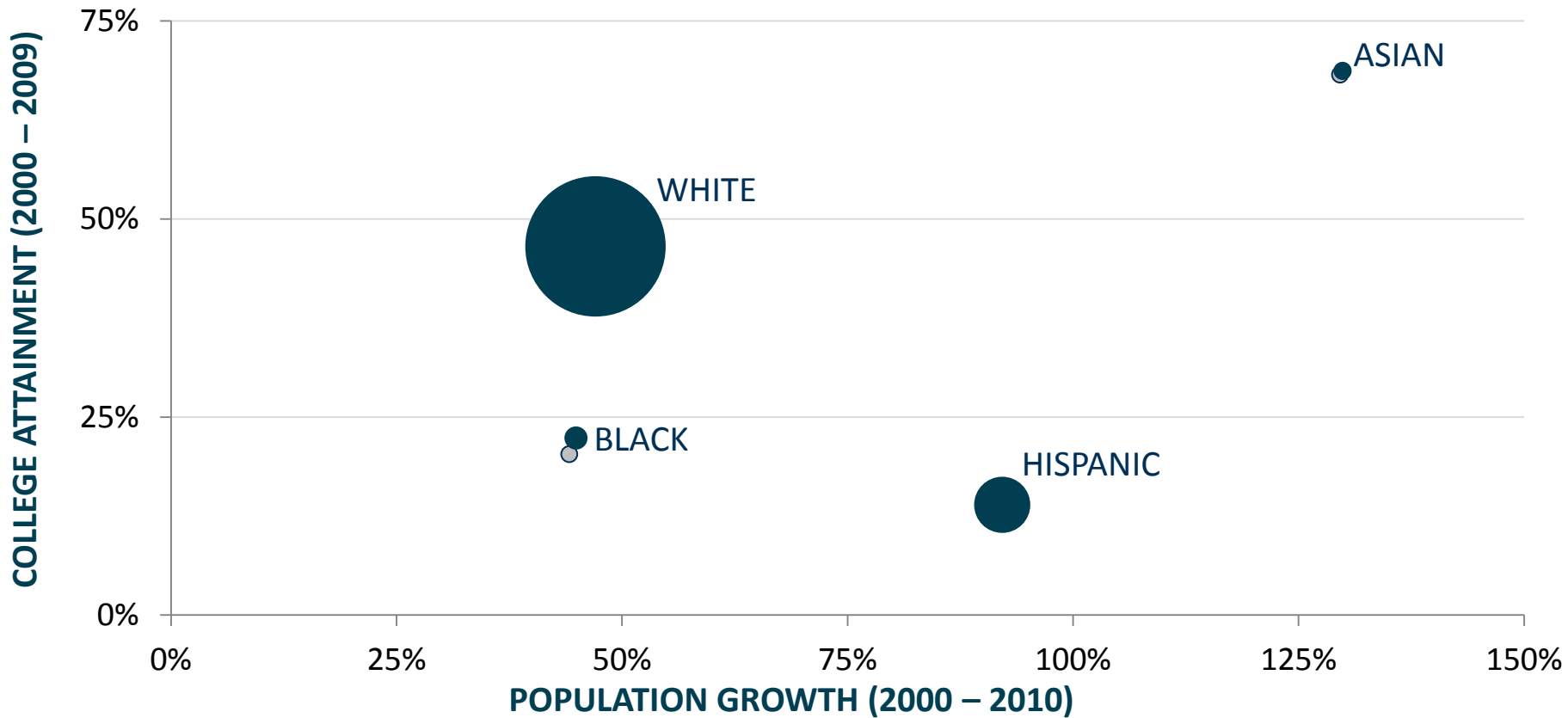


PEOPLE – EDUCATION & POPULATION GROWTH

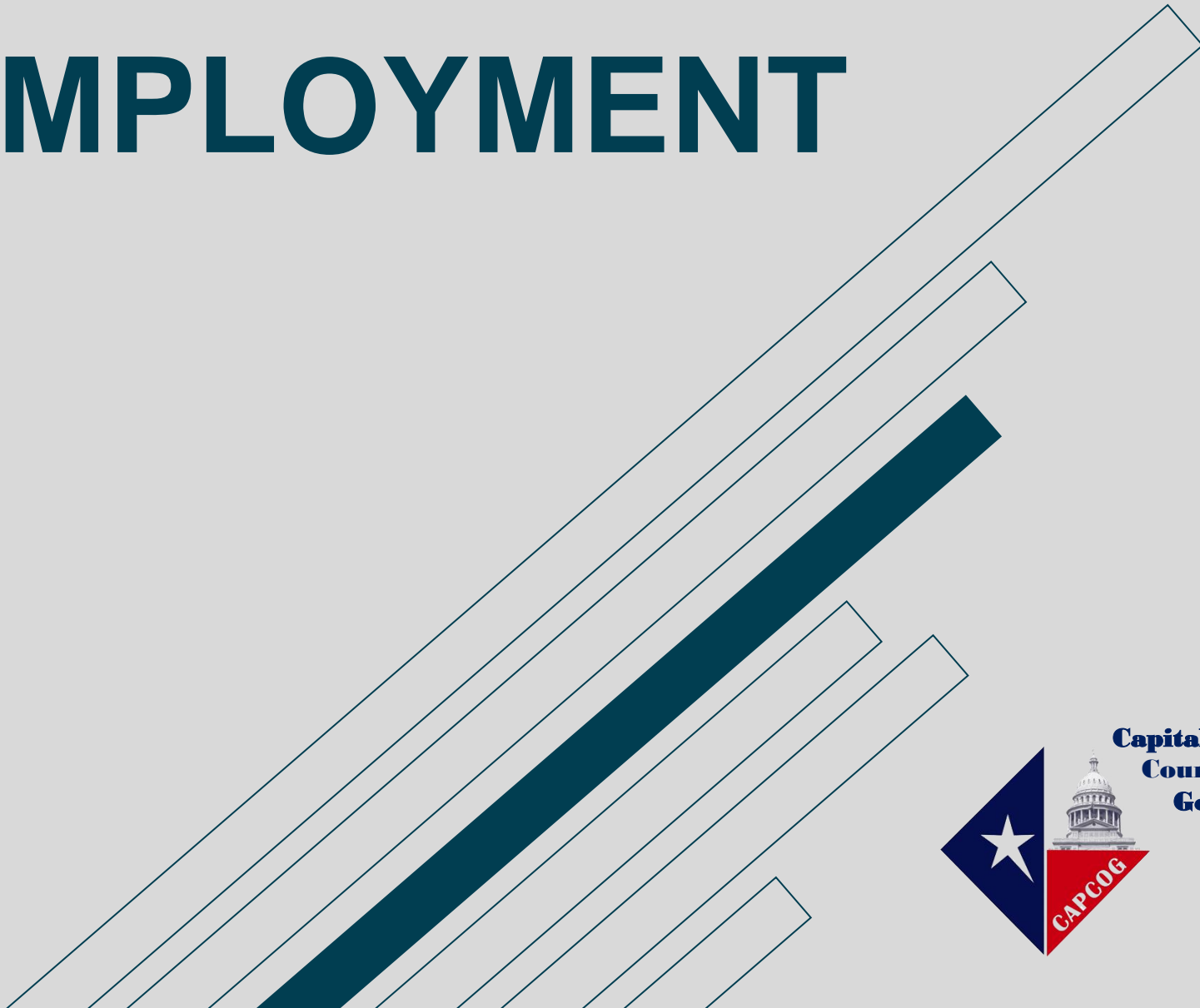
The growth dynamics of individual racial and ethnic groups—combined with wide discrepancies in the rate of college educational attainment—suggest that maintaining its current level of educational attainment may be difficult for Hays County (as well as the rest of the CAPCOG region). Unless our region can increase college educational attainment of the fastest growing racial and ethnic groups, the overall rate of educational attainment within Hays County will likely stagnate.



**GROWTH IN COLLEGE ATTAINMENT (2001 – 2009) VS. POPULATION GROWTH (2010)
VS. POPULATION SIZE (2010) HAYS COUNTY**

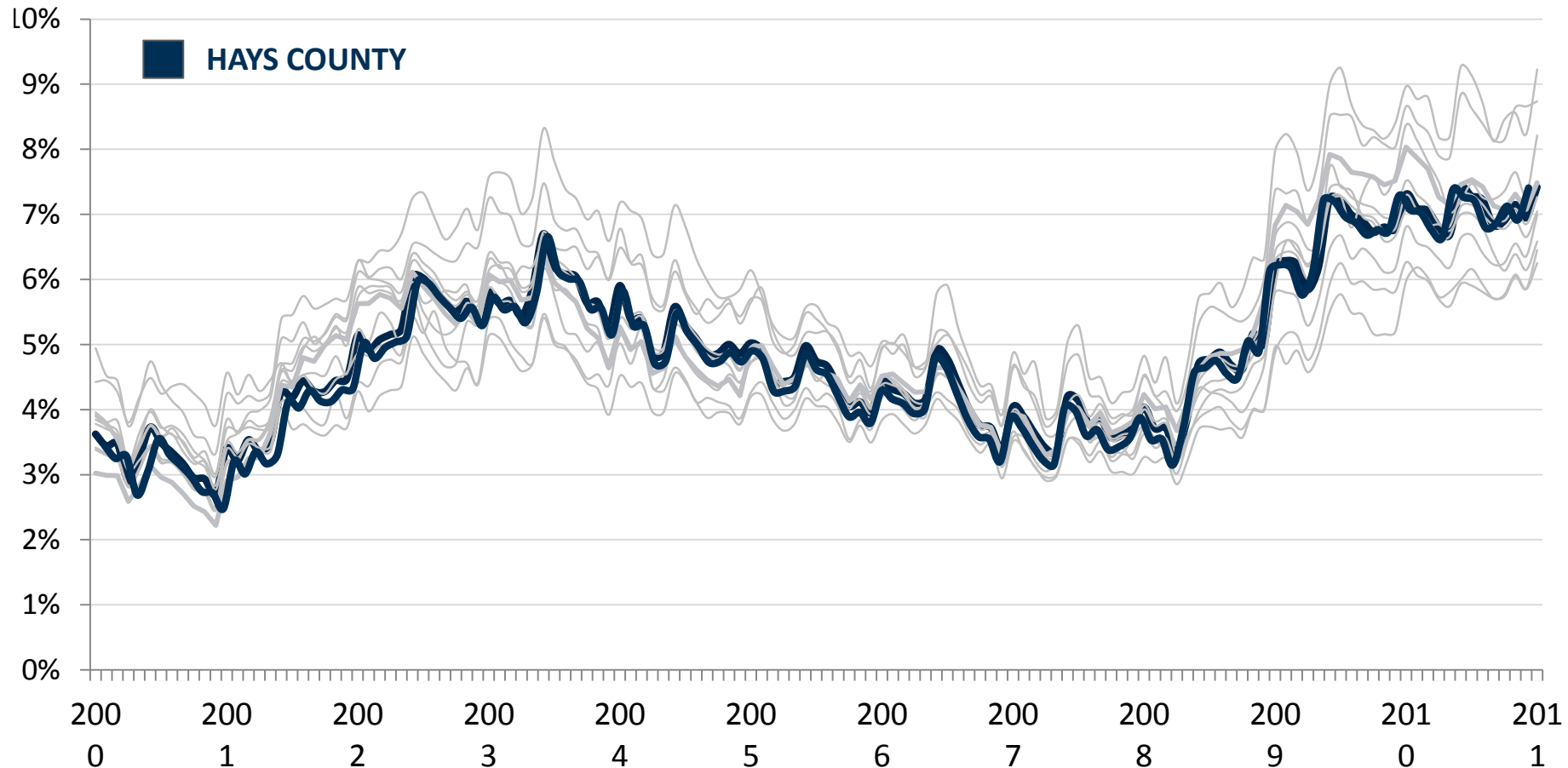


EMPLOYMENT



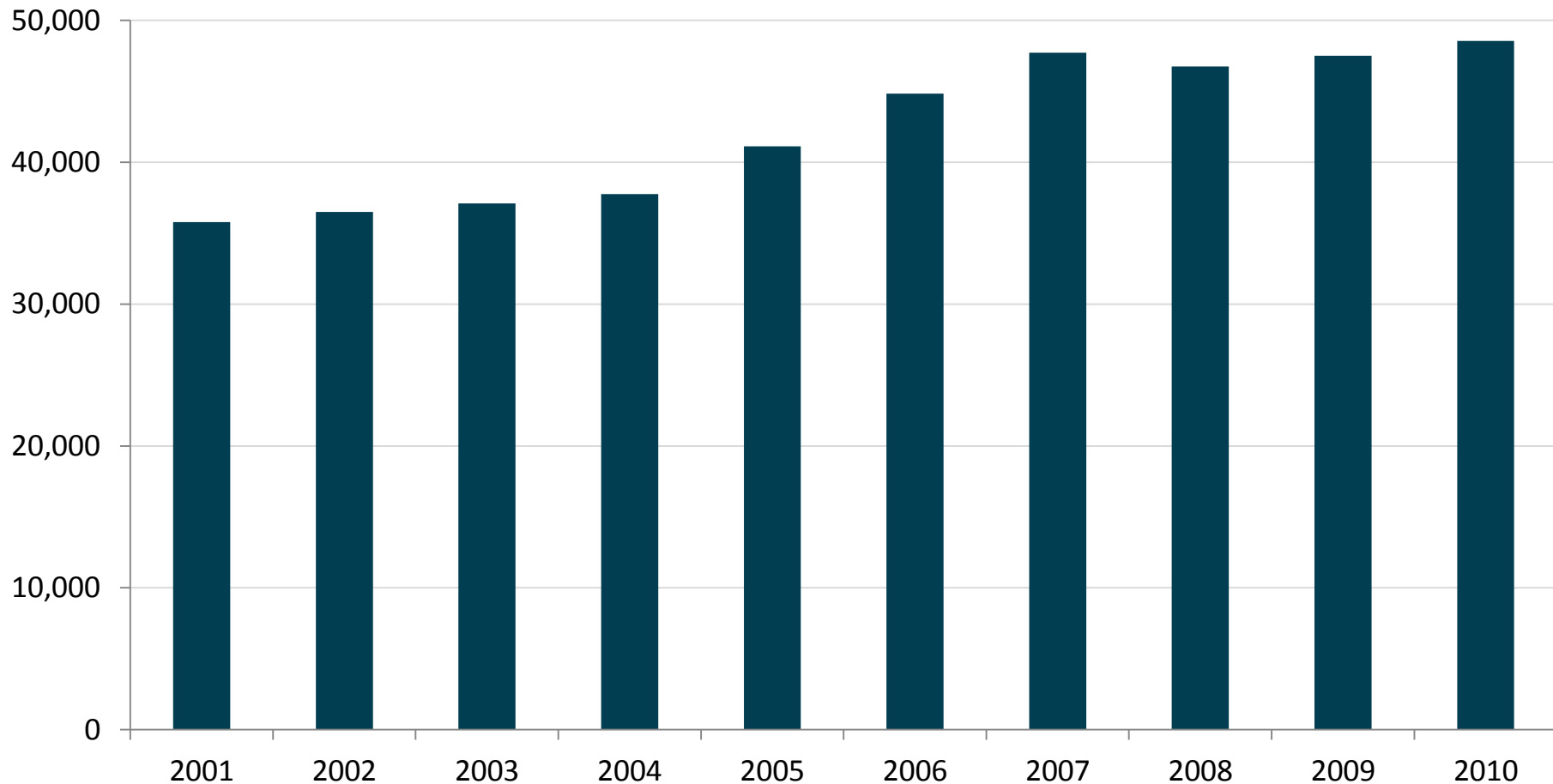
UNEMPLOYMENT – 2000 - 2010

During the past decade, the unemployment rate of Hays County has consistently hovered in between the extremes experienced by other counties in the CAPCOG region. Today, the unemployment rate of Hays County stands at 6.6 percent—2.5 percentage points below the national average. The unemployment rate in Hays County has fallen every month in 2011.



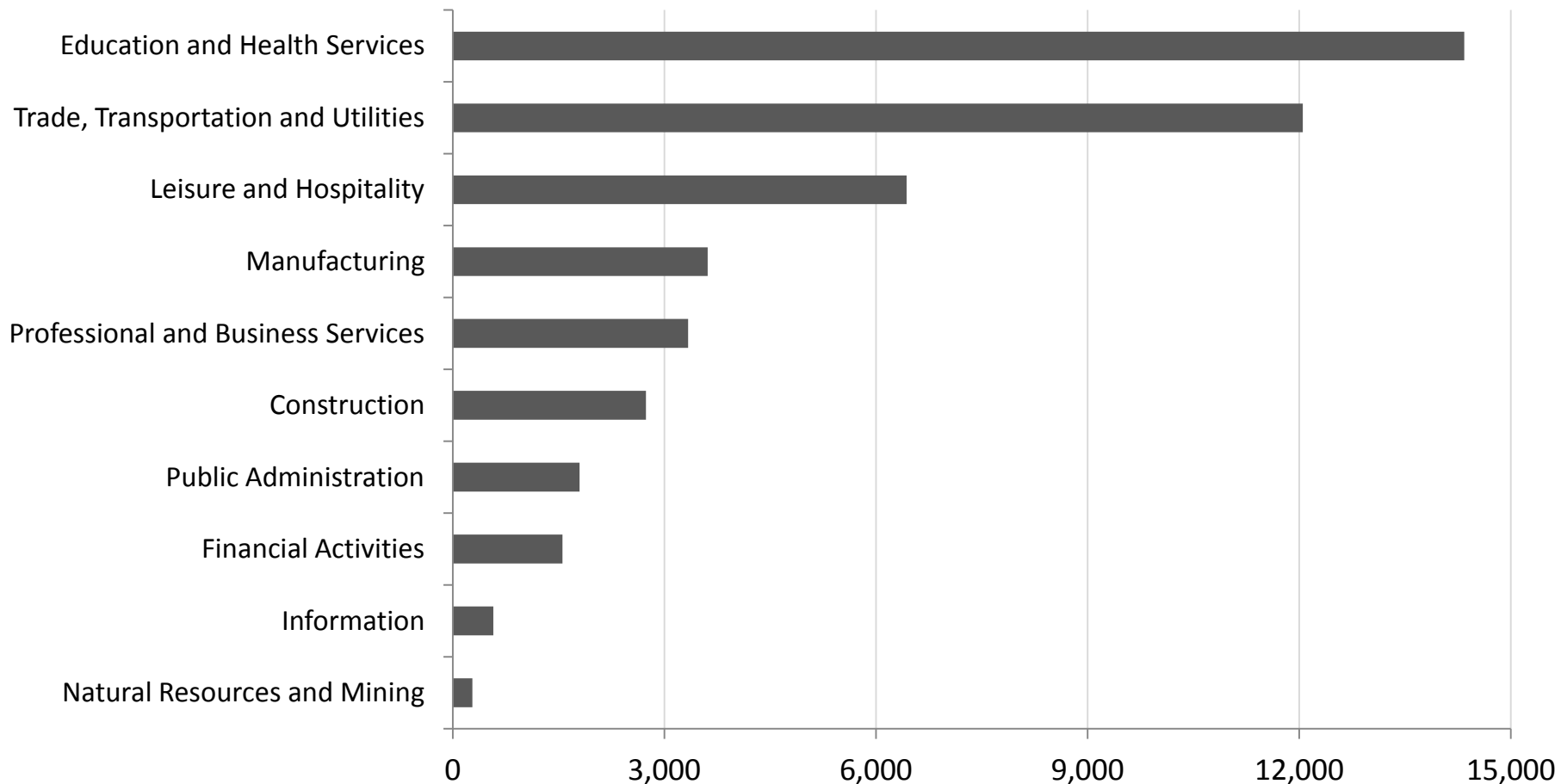
UNEMPLOYMENT – 2000 - 2010

Since 2000, employment in Hays County has grown from approximately 36,000 to more than 48,500—an increase of 35 percent. In many regions within the country, employment levels today remain below their pre-recession high. In Hays County, however, total employment in 2010 is the highest on record.



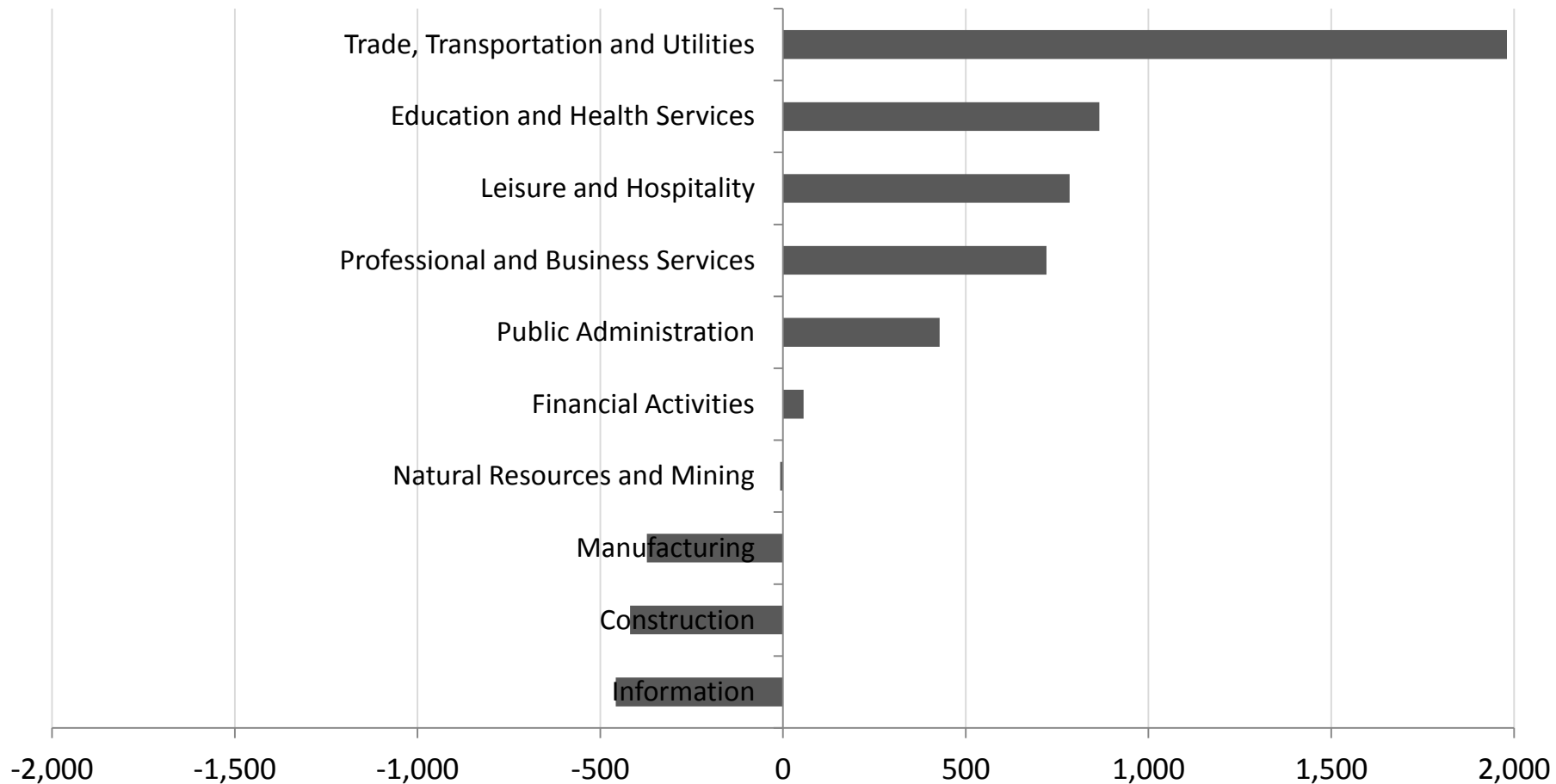
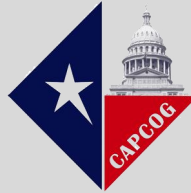
HAYS COUNTY EMPLOYMENT BY INDUSTRY (2010)

With more than 14,000 workers, Education & Health Services is the largest employment category within Hays County. Trade, Transportation, & Utilities, with approximately 12,000 workers, is the second-largest employment category. The third-largest employment category in Hays County, Leisure & Hospitality, employs nearly 6,500 workers.



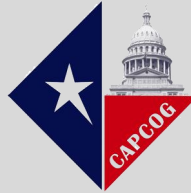
HAYS COUNTY EMPLOYMENT BY INDUSTRY (2006 – 2010)

During the past five years, the Trade, Transportation, & Utility employment sector has added the greatest number of jobs within Hays County. Many of these jobs are in the retail trade subsector. The Educational & Health services employment sector added the second-greatest number of jobs during this period, followed by the Leisure & hospitality sector. Within the Leisure & Hospitality sector, many of the jobs created were in quick-service restaurants.



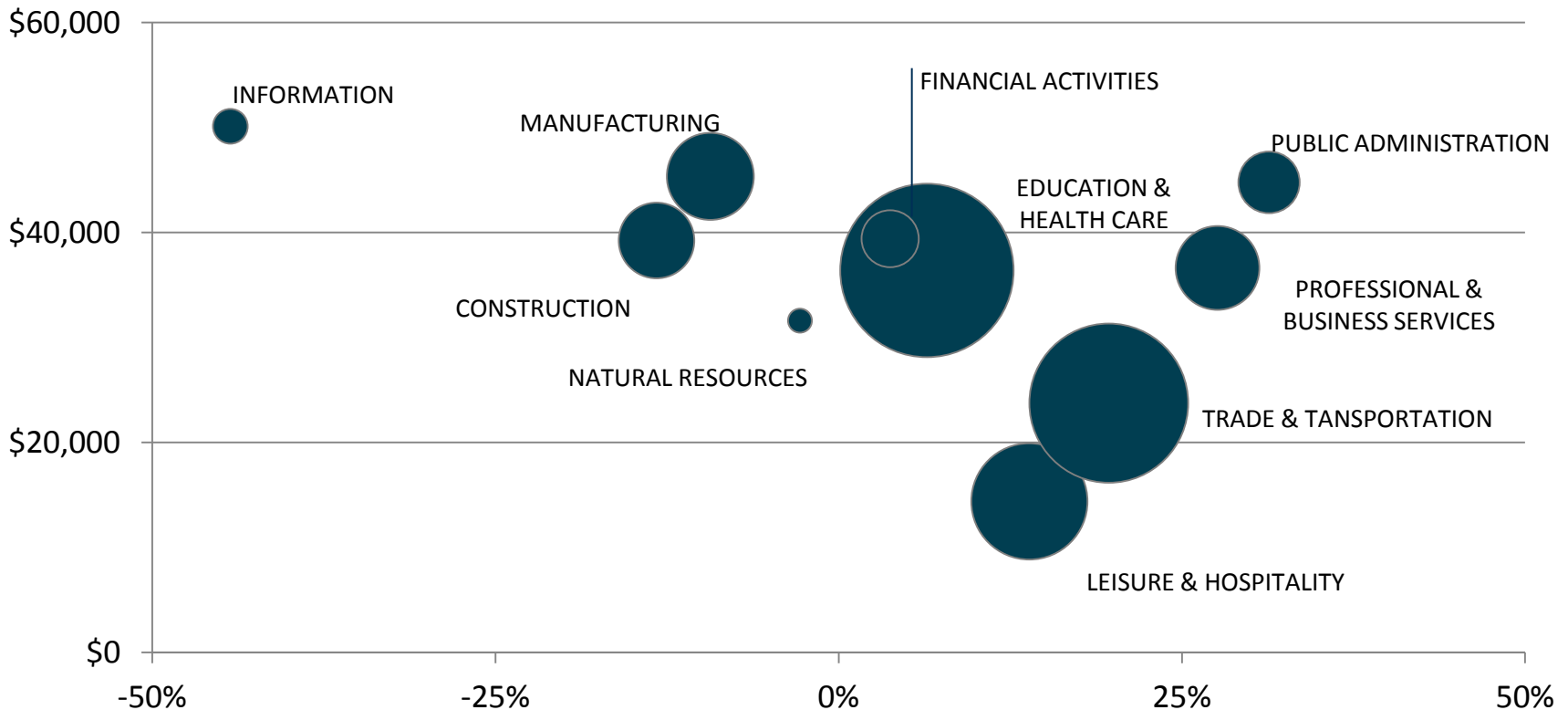
HAYS COUNTY DYNAMICS OF EMPLOYMENT GROWTH

One of the more troubling employment trends within in the CAPCOG region) is the interrelation of job growth and prevailing wages. In short, many of the fastest growing employment sectors within Hays County are among the lowest-paying. Trade & Transportation and Leisure & Hospitality, for example, are two of the fastest-growing employment sectors within Hays County. The average annual income for jobs in these sectors is less than \$25,000.



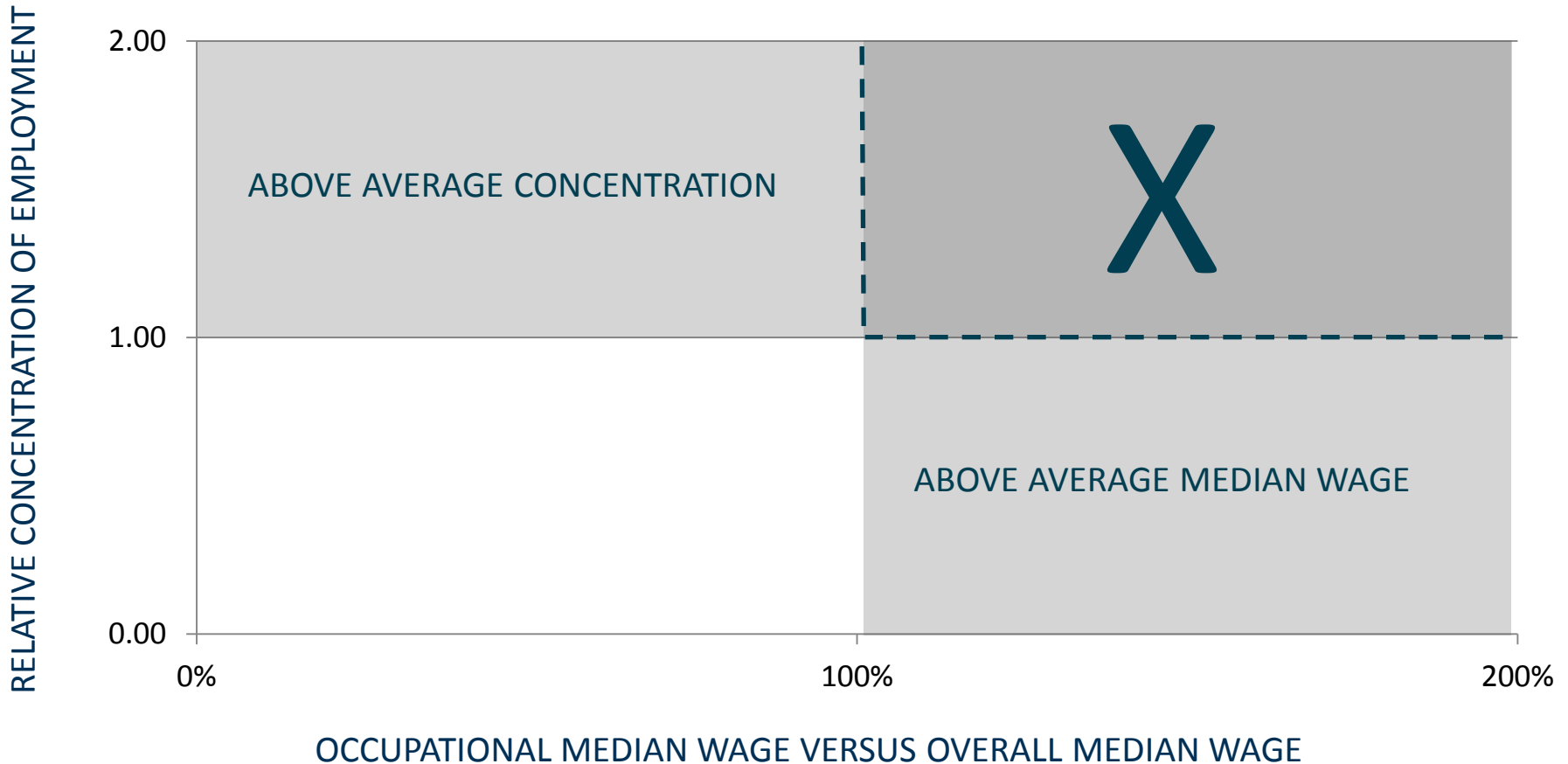
EMPLOYMENT GROWTH (2006 – 2010) VS. AVERAGE SALARY (2010) VS. EMPLOYMENT SIZE (2010)

HAYS COUNTY



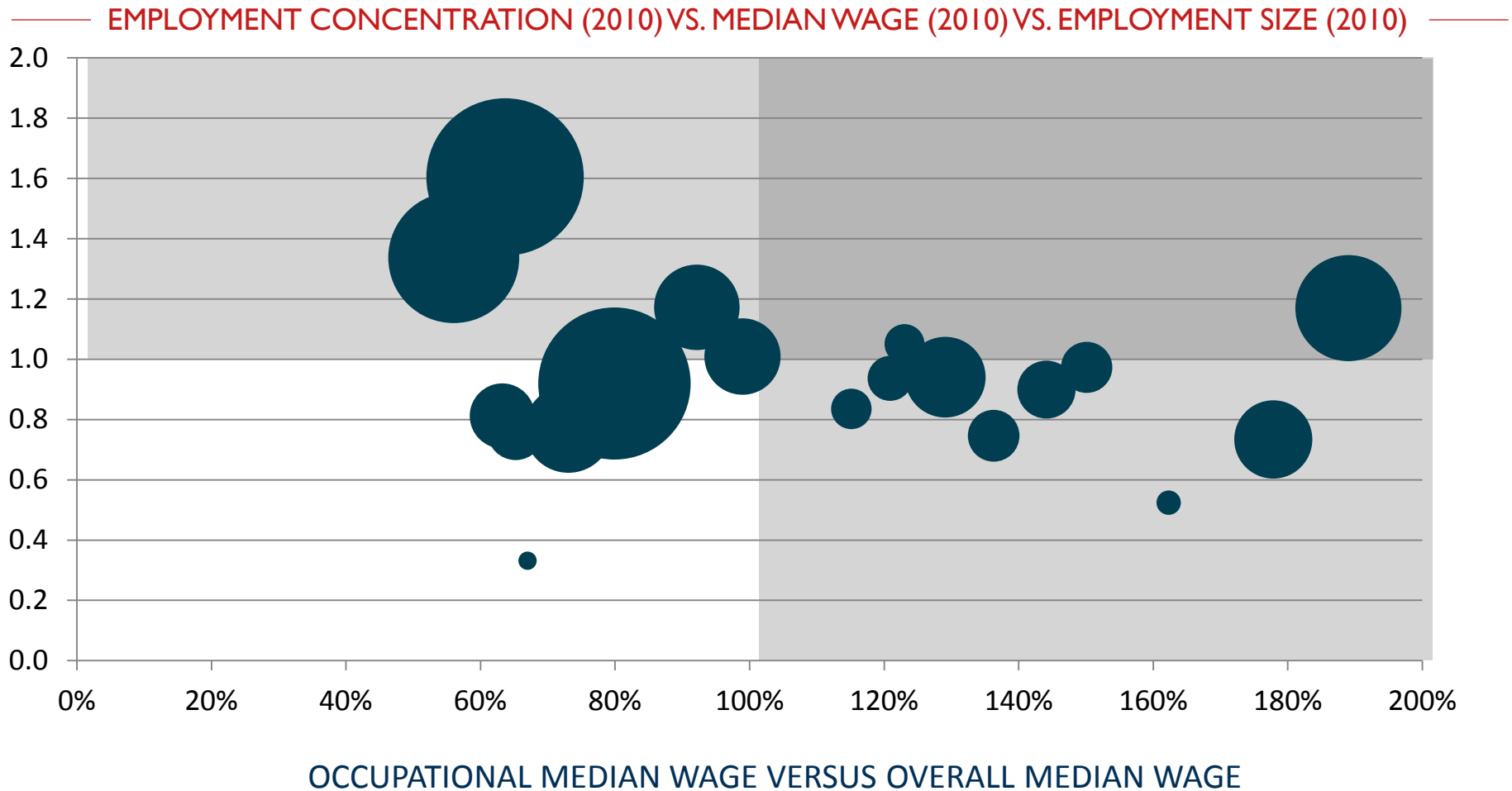
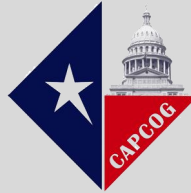
HAYS COUNTY DYNAMICS OF EMPLOYMENT GROWTH

Ideally, a community wants a workforce characterized by high-levels of concentration within high-skill, high wage occupations. On the graphic below, these jobs are found in the top-right quadrant. Occupations in this quadrant feature above average median wages and are more concentrated within the community than the national average.



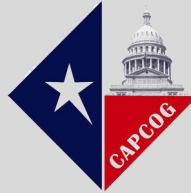
HAYS COUNTY DYNAMICS OF EMPLOYMENT GROWTH

The following graphic reveals the distribution of occupations within Hays County. Occupations below 1.0 on the vertical axis are less concentrated within Hays County than the national average; conversely, occupations above 1.0 are more concentrated within Hays County than the national average. On the horizontal axis, occupations above 100% feature median wages higher than the county average. The size of the circles below reflects the relative employment size of the occupation.



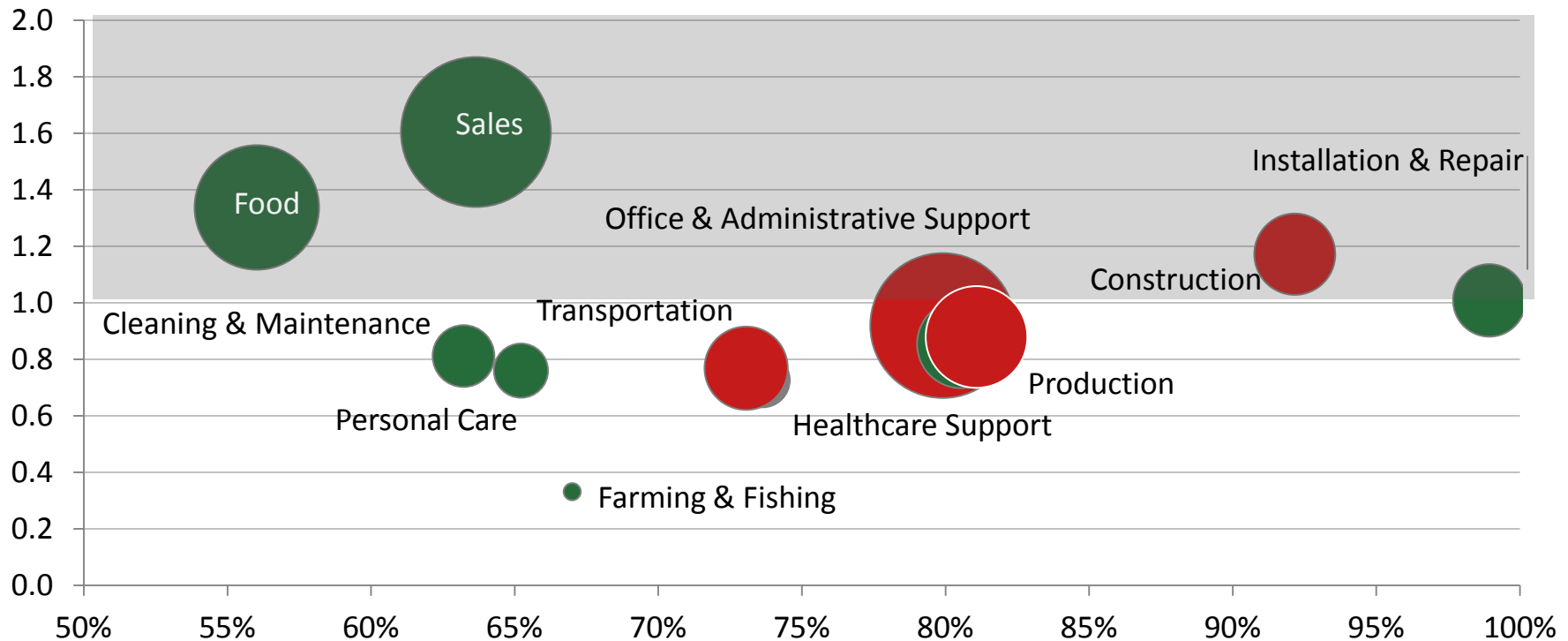
HAYS COUNTY DYNAMICS OF EMPLOYMENT GROWTH

The graphic below is a close-up of the left-hand of the graphic on the previous page and reveals those occupations with median wages less than the county average. Green circles indicate occupations that are growing faster than the county average. In short, many of the fastest-growing occupations (Food, Sales, Personal Care, Transportation, and Installation & Repair) within Hays County have median wages less than the county average.



— EMPLOYMENT CONCENTRATION (2010) VS. MEDIAN WAGE (2010) VS. EMPLOYMENT SIZE (2010) —

■ Growth < Average
 ■ Growth = Average
 ■ Growth > Average



OCCUPATIONAL MEDIAN WAGE VERSUS OVERALL MEDIAN WAGE

SOURCE: U.S. BUREAU OF LABOR STATISTICS

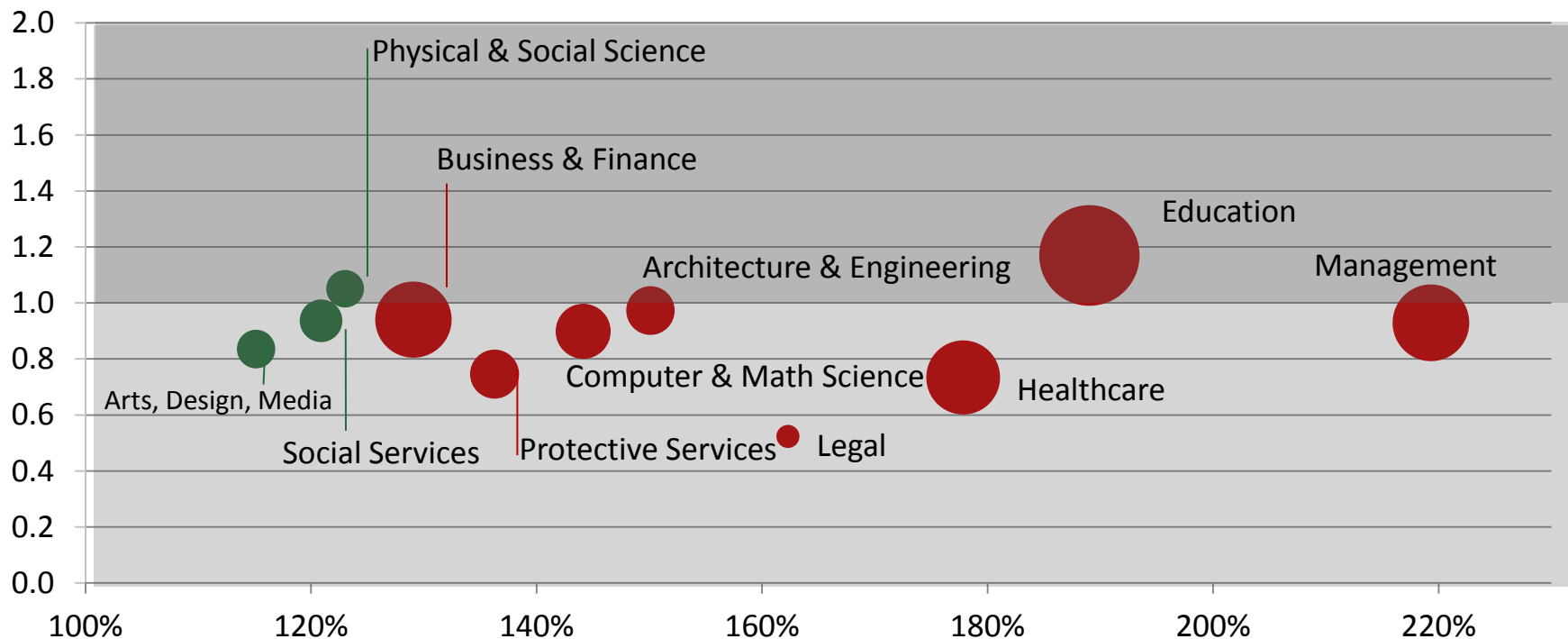
HAYS COUNTY DYNAMICS OF EMPLOYMENT GROWTH

The graphic below is a close-up of the right-hand of the graphic on the previous page and reveals those occupations with median wages higher than the county average. Green circles indicate occupations that are growing faster than the county average. In short, many of the slowest-growing occupations (Management, Education, Architecture & Engineering, and Computer & Math Science) within Hays County have median wages higher than the county average.



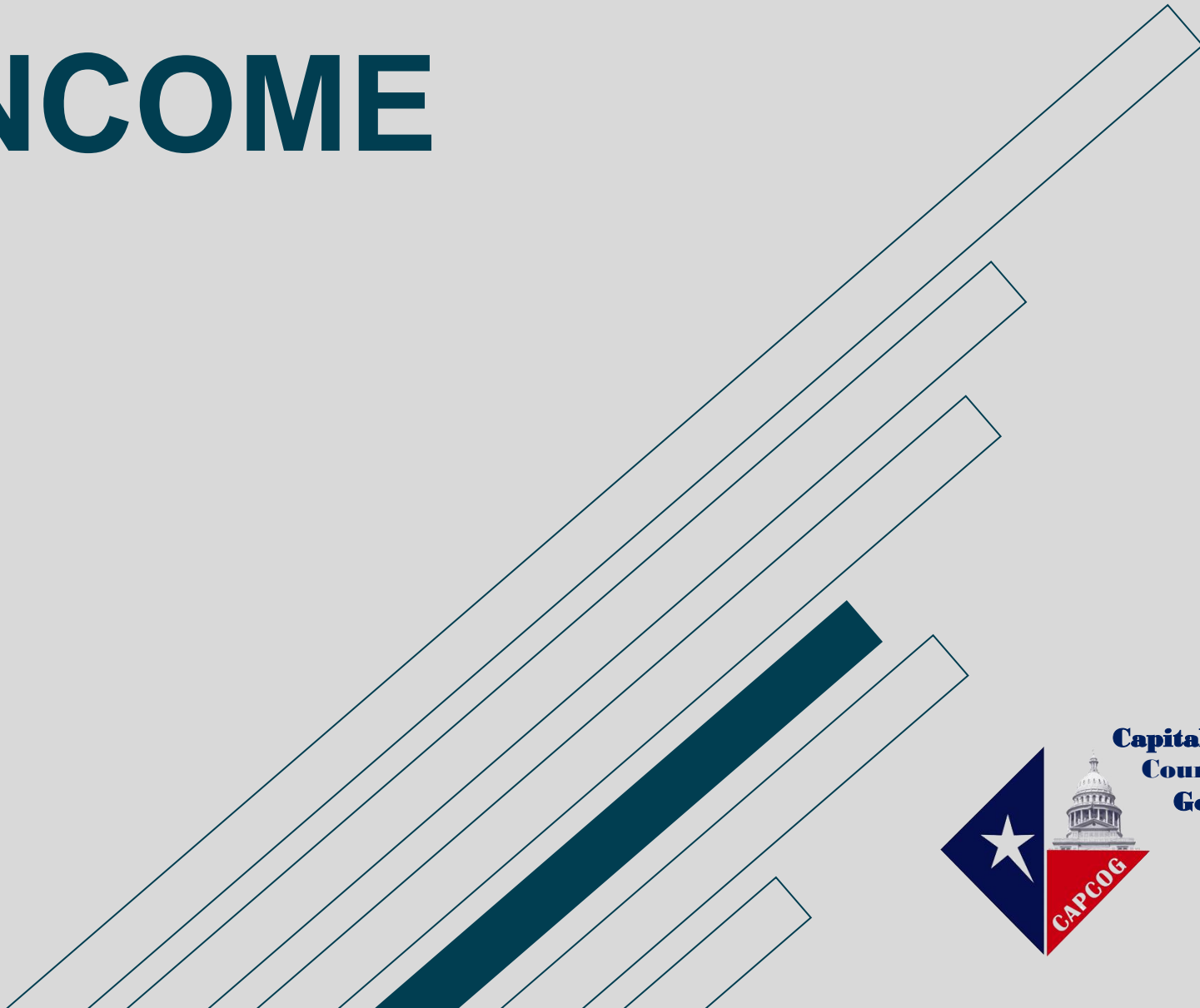
EMPLOYMENT CONCENTRATION (2010) VS. MEDIAN WAGE (2010) VS. EMPLOYMENT SIZE (2010)

■ Growth < Average
 ■ Growth = Average
 ■ Growth > Average



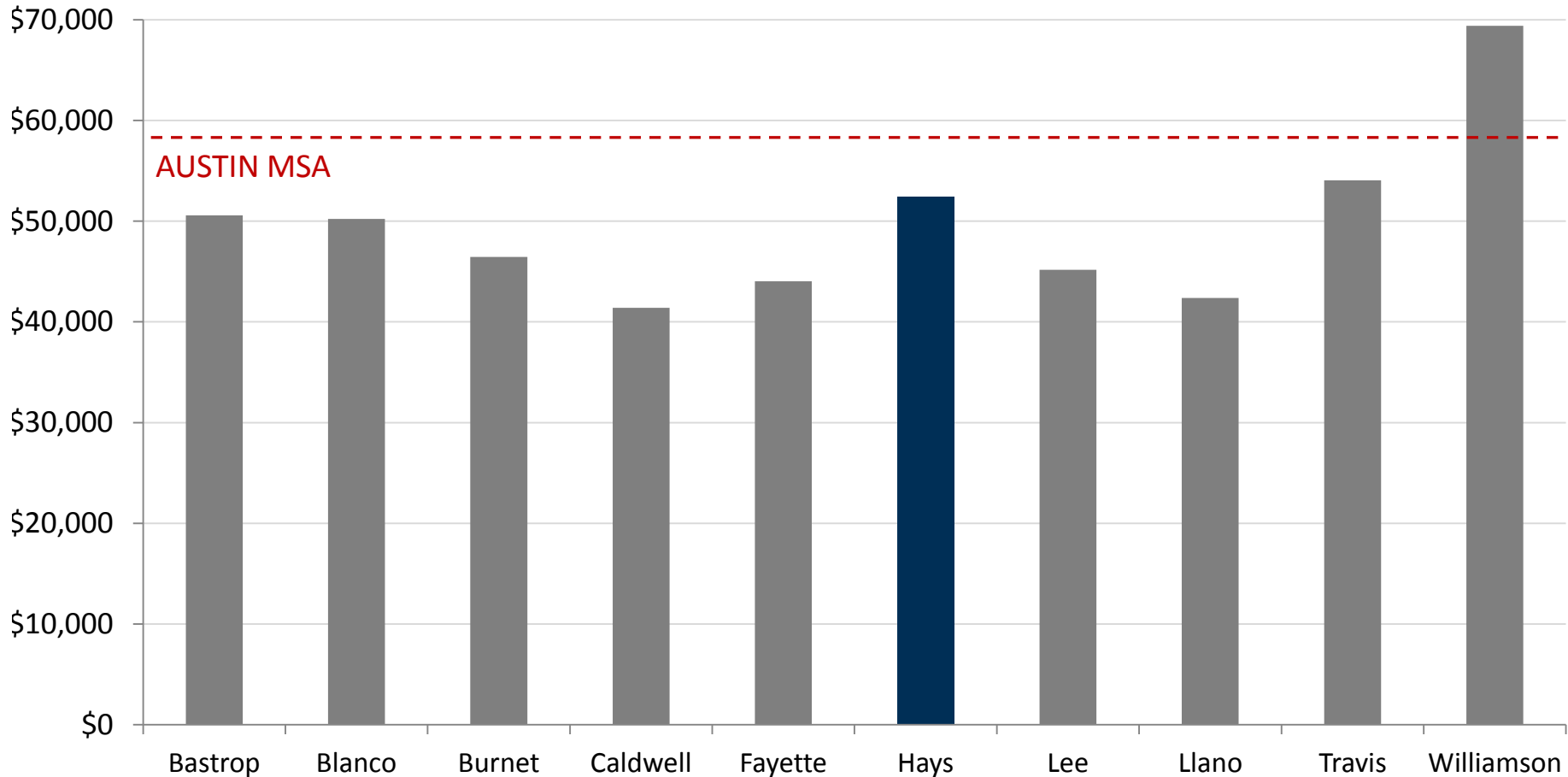
OCCUPATIONAL MEDIAN WAGE VERSUS OVERALL MEDIAN WAGE

INCOME



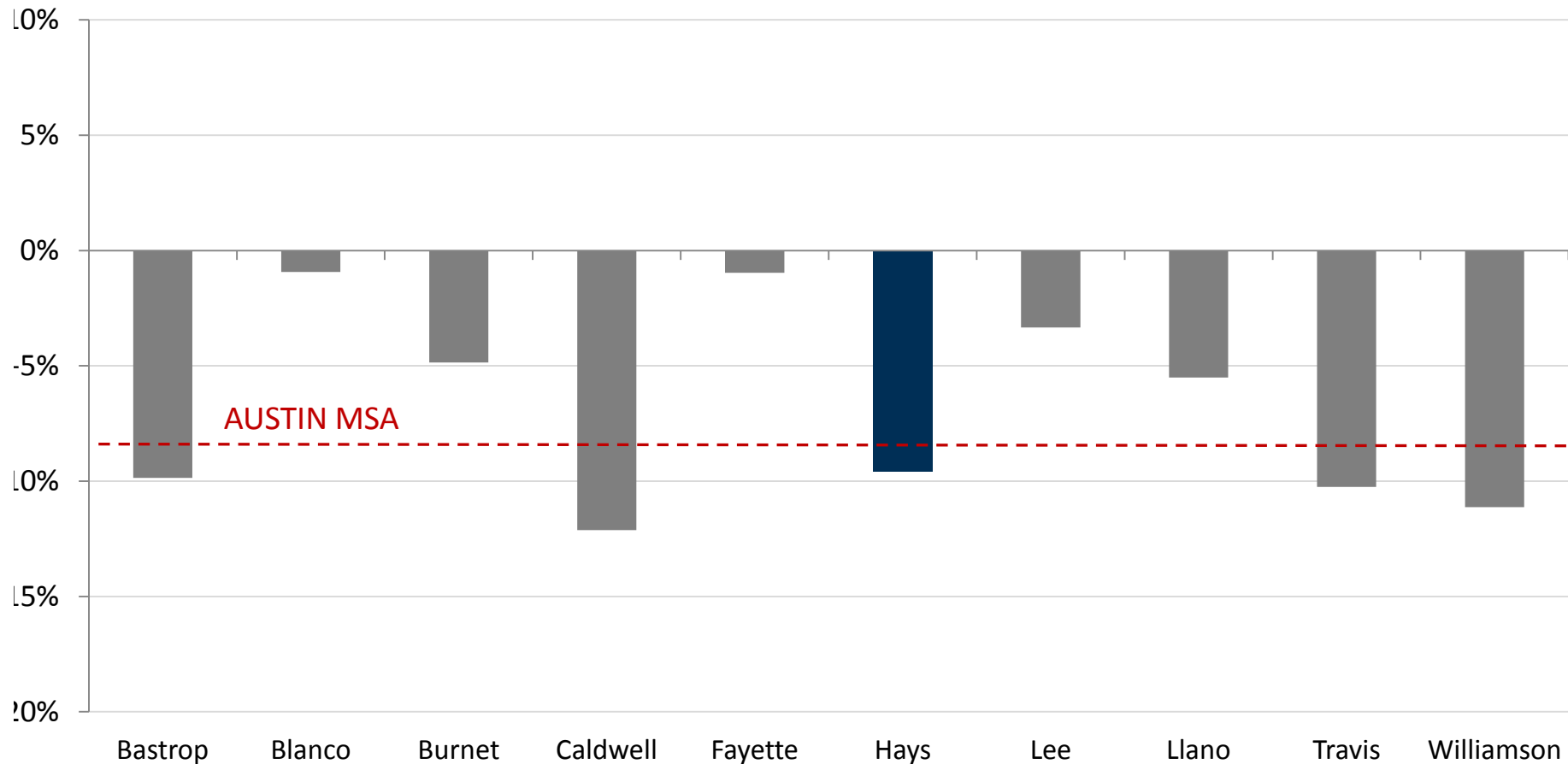
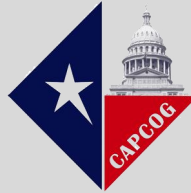
MEDIAN HOUSEHOLD INCOME (2005-2009)

Median household income in Hays County is approximately \$52,000, the third-highest figure within the CAPCOG region. Only Travis and Williamson Counties feature higher median household income figures.



CHANGE IN MEDIAN HOUSEHOLD INCOME (2000 vs. 2005/09)

Higher levels of growth among low-skill, low-wage industries has resulted in declining levels of household income in Hays County and every county within the CAPCOG region. Between 2000 and 2009, median household income levels in Hays County fell 9.6 percent (on an inflation-adjusted basis). During the past decade, Hays County has suffered the third-most severe decline in household income. Only Travis and Williamson Counties have witnessed greater declines in median household income.

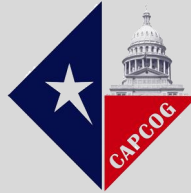


AFFORDABILITY

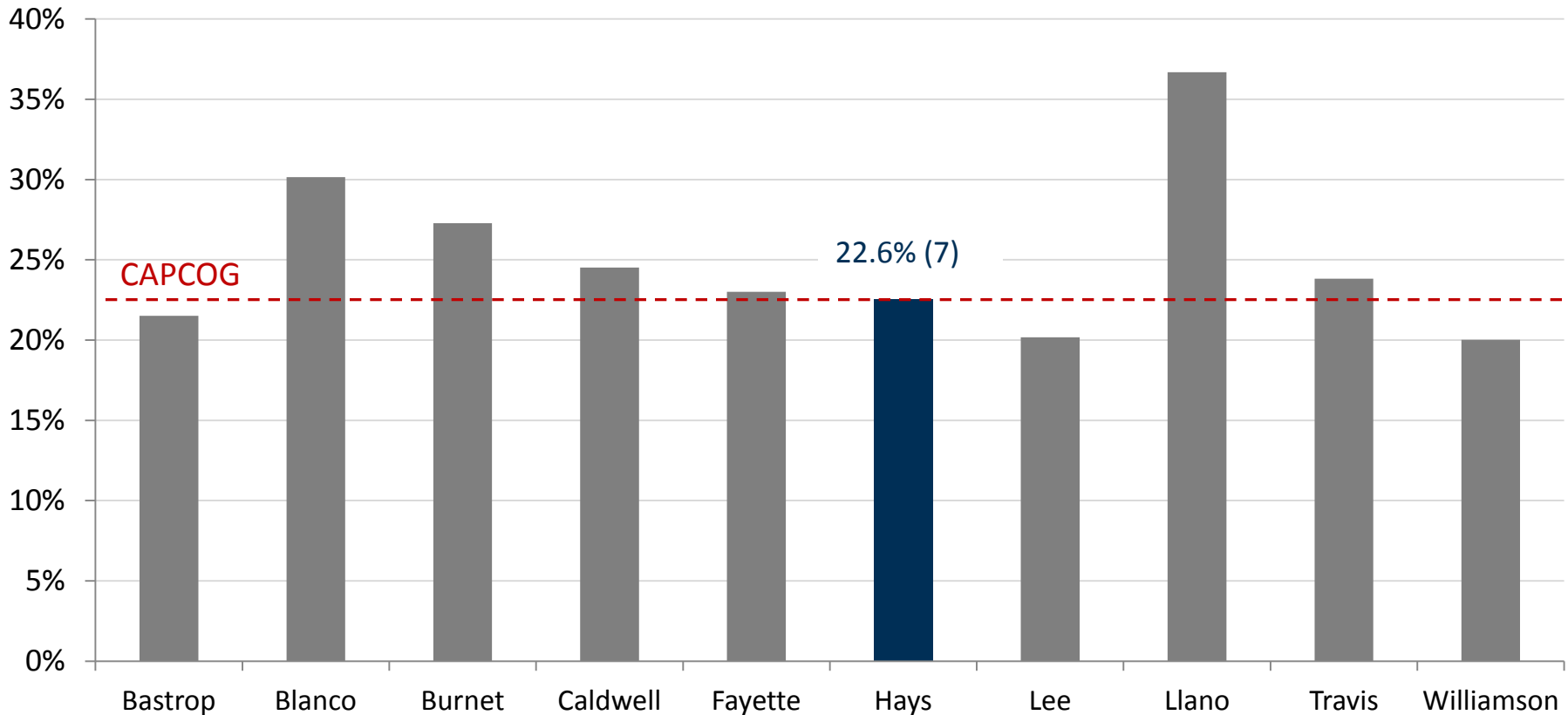


HOUSING AFFORDABILITY (2000)

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. In 2000, less than 23 percent of homeowners in Hays County with a mortgage spent more than 30 percent of their income on housing.



— PERCENTAGE OF HOMEOWNERS WITH A MORTGAGE THAT SPEND MORE THAN 30% OF INCOME ON HOUSING —

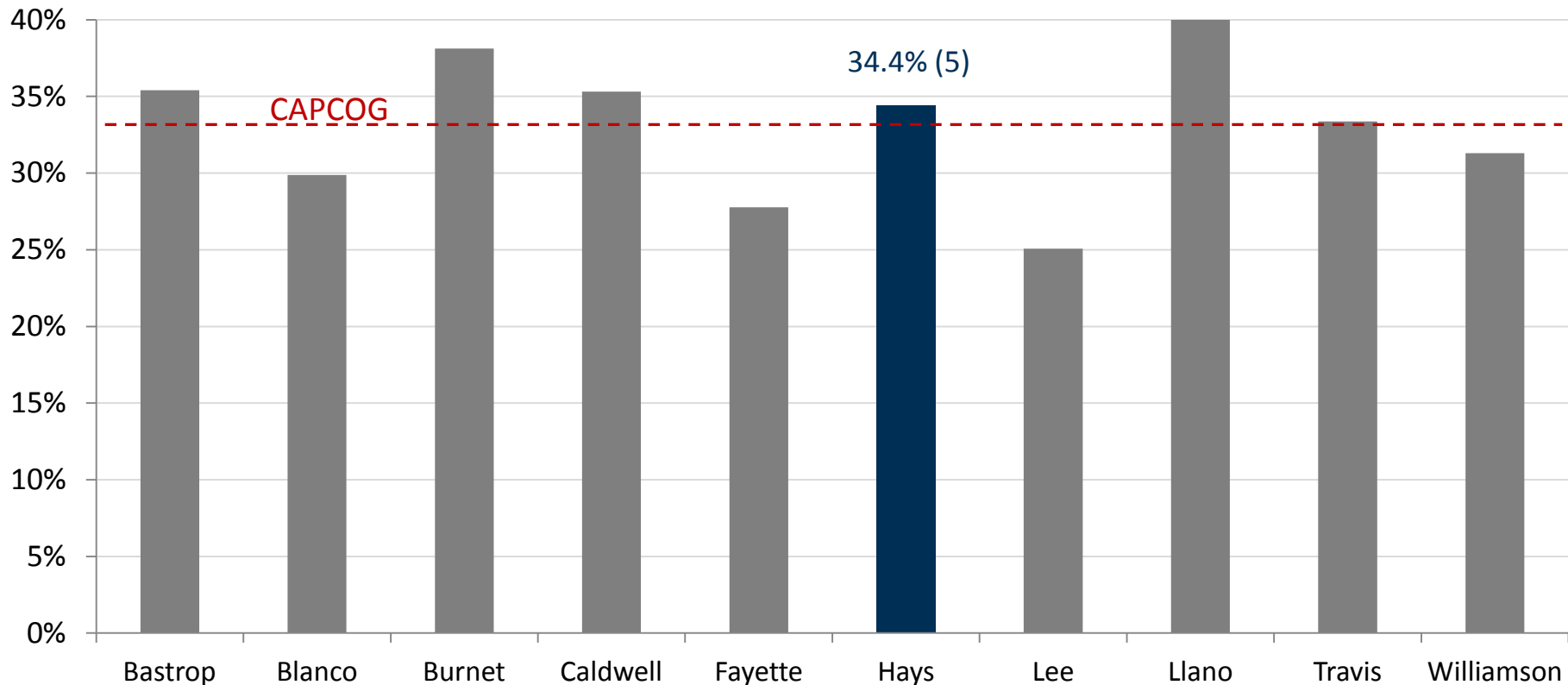


HOUSING AFFORDABILITY (2005-2009)

According to most recent Census data, 34.4 percent of homeowners in Hays County with a mortgage spend more than 30 percent of their income on housing. During the past decade, housing has become less affordable in every county within the CAPCOG region. While home prices have slightly increased during this period, stagnant (and declining) levels of income are primarily responsible for the decline of housing affordability within the CAPCOG region.



— PERCENTAGE OF HOMEOWNERS WITH A MORTGAGE THAT SPEND MORE THAN 30% OF INCOME ON HOUSING —

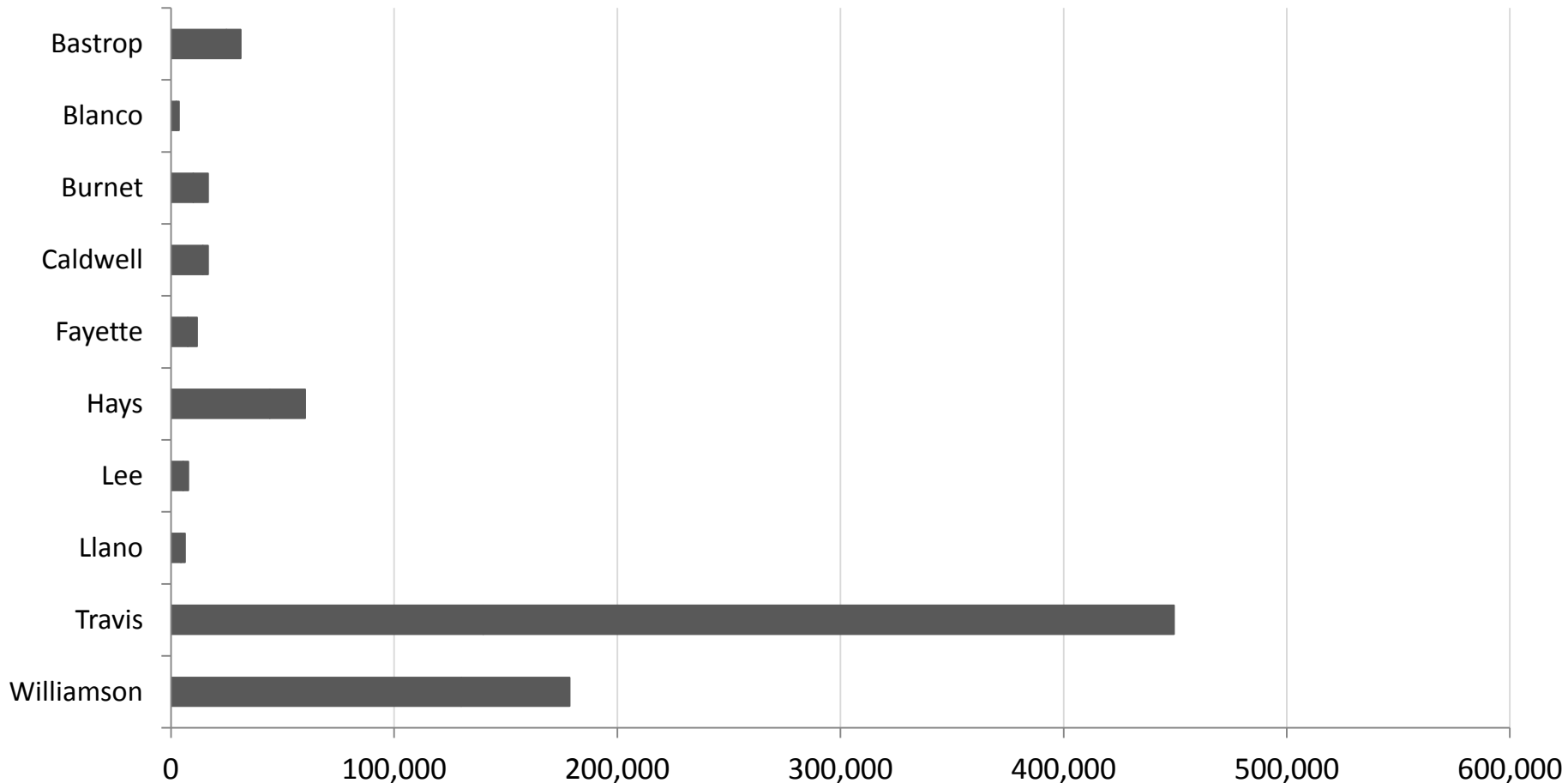
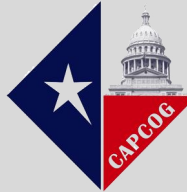


COMMUTING PATTERNS



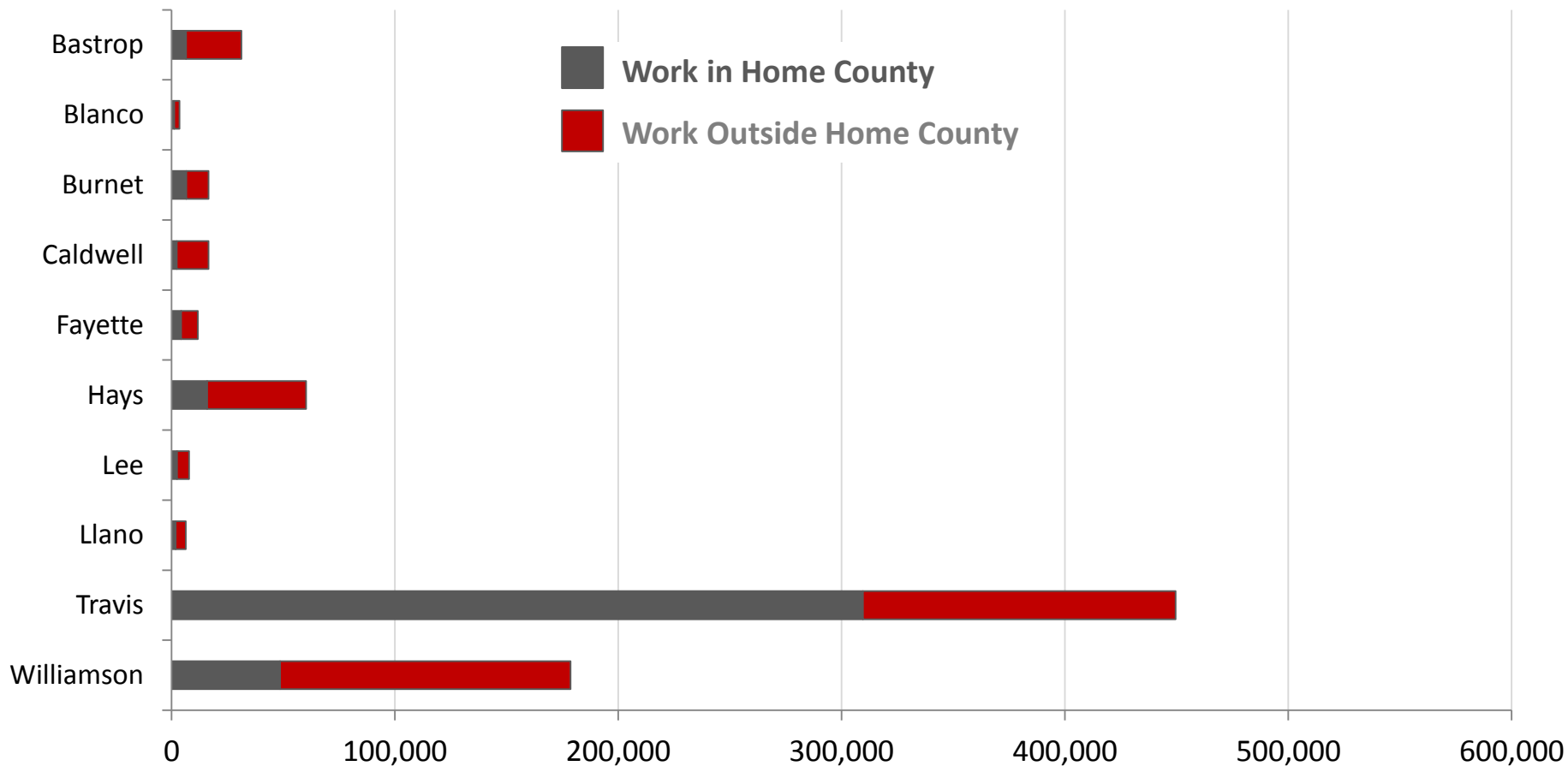
REGIONAL WORKFORCE – RESIDENT WORKERS BY COUNTY

With the exception of Travis County, every county within the CAPCOG region features more workers than jobs. The chart below shows the numbers of workers living in each county. In Hays County, for example, there are 60,000 employed residents.



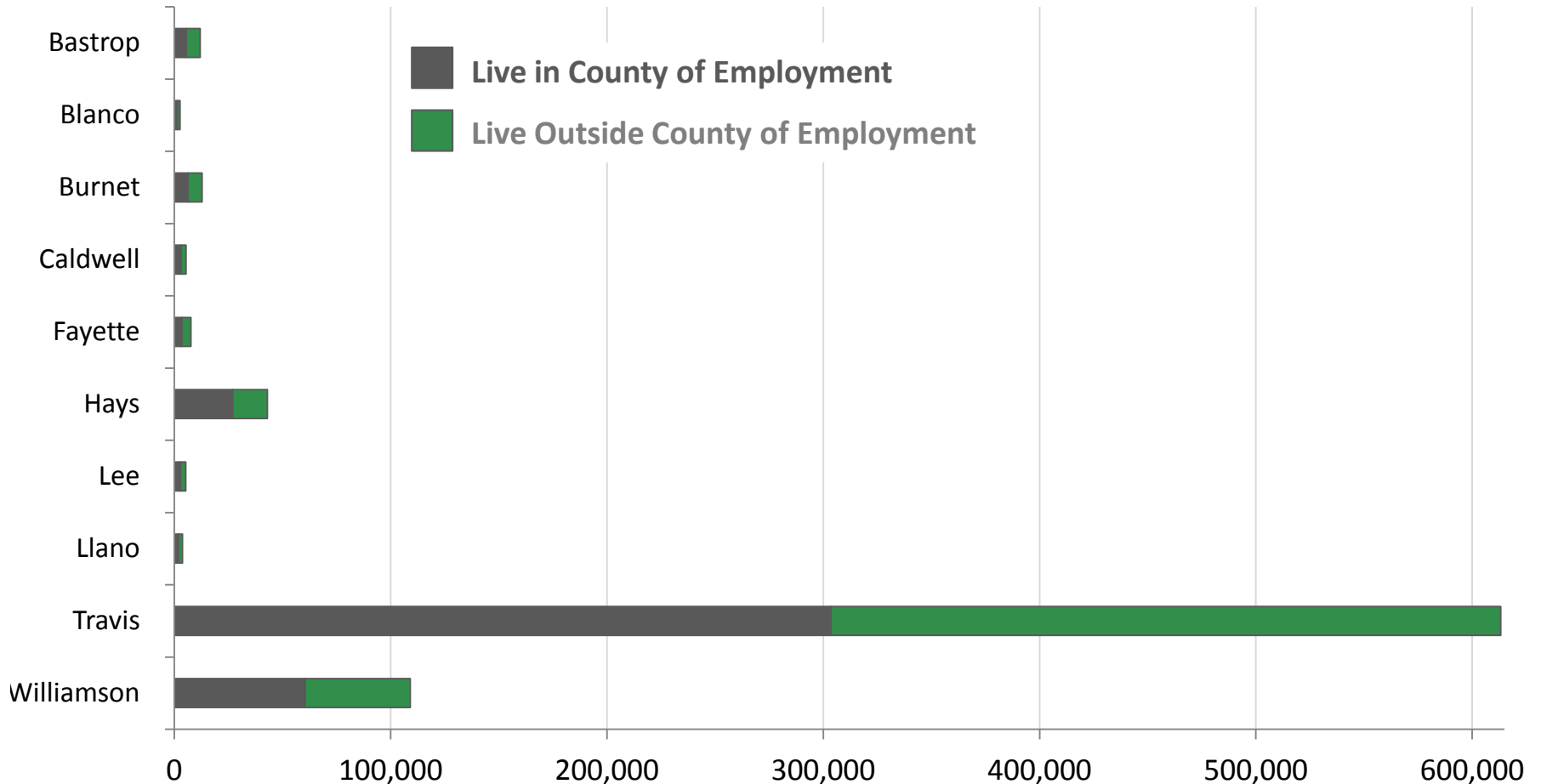
REGIONAL WORKFORCE – RESIDENTS BY PLACE OF WORK

The majority of workers living in Hays County work in another county. For example, of the more than 60,000 workers living in Hays County, more than 44,000 are employed elsewhere. The red portion of the bars below illustrates the proportion of the county's workers that commute to another county each day.



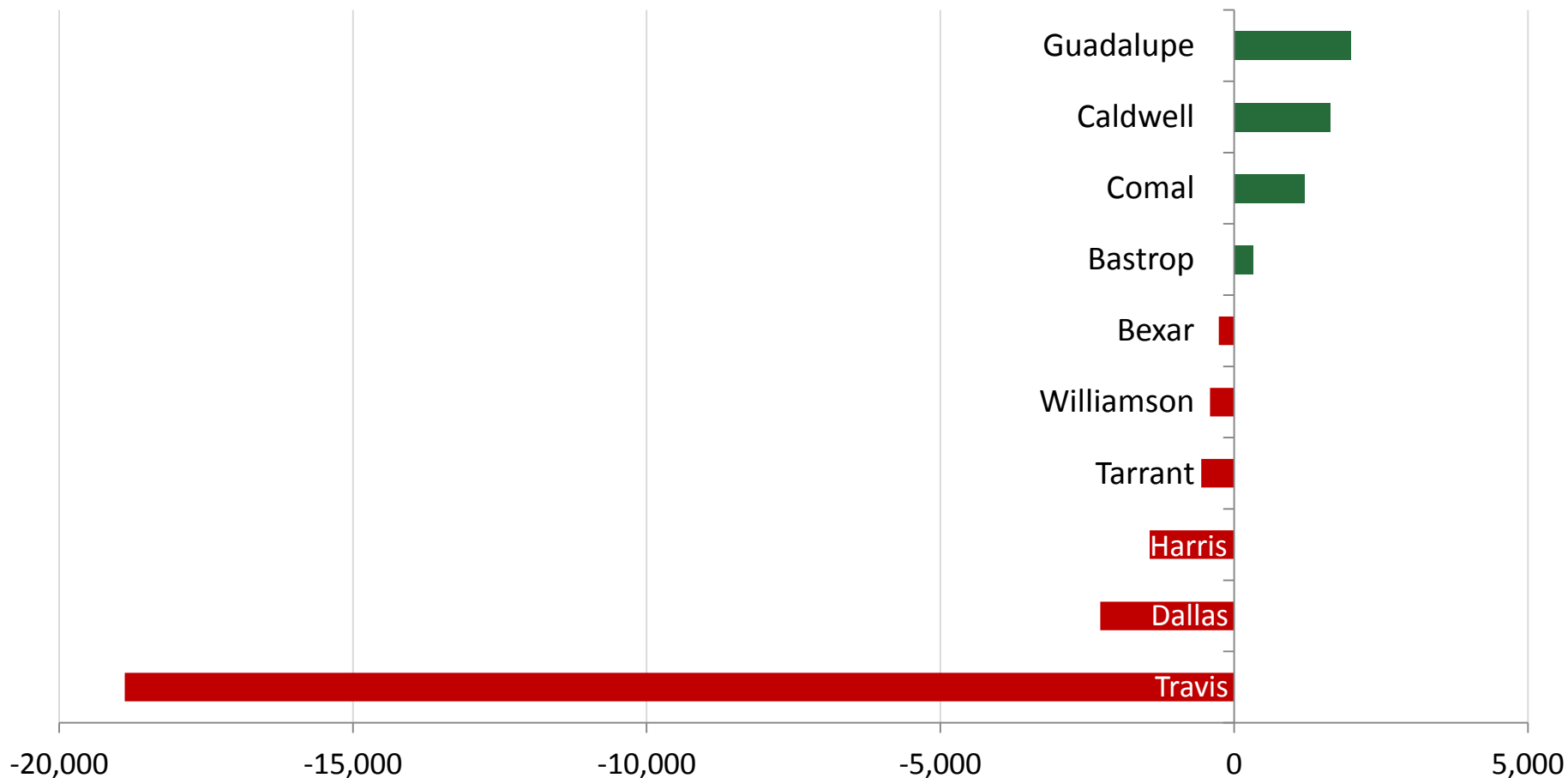
REGIONAL WORKFORCE – WORKERS BY PLACE OF RESIDENCE

Hays County is also the place of employment for many workers who live elsewhere. Nearly 16,000 people commute to Hays County but live elsewhere.



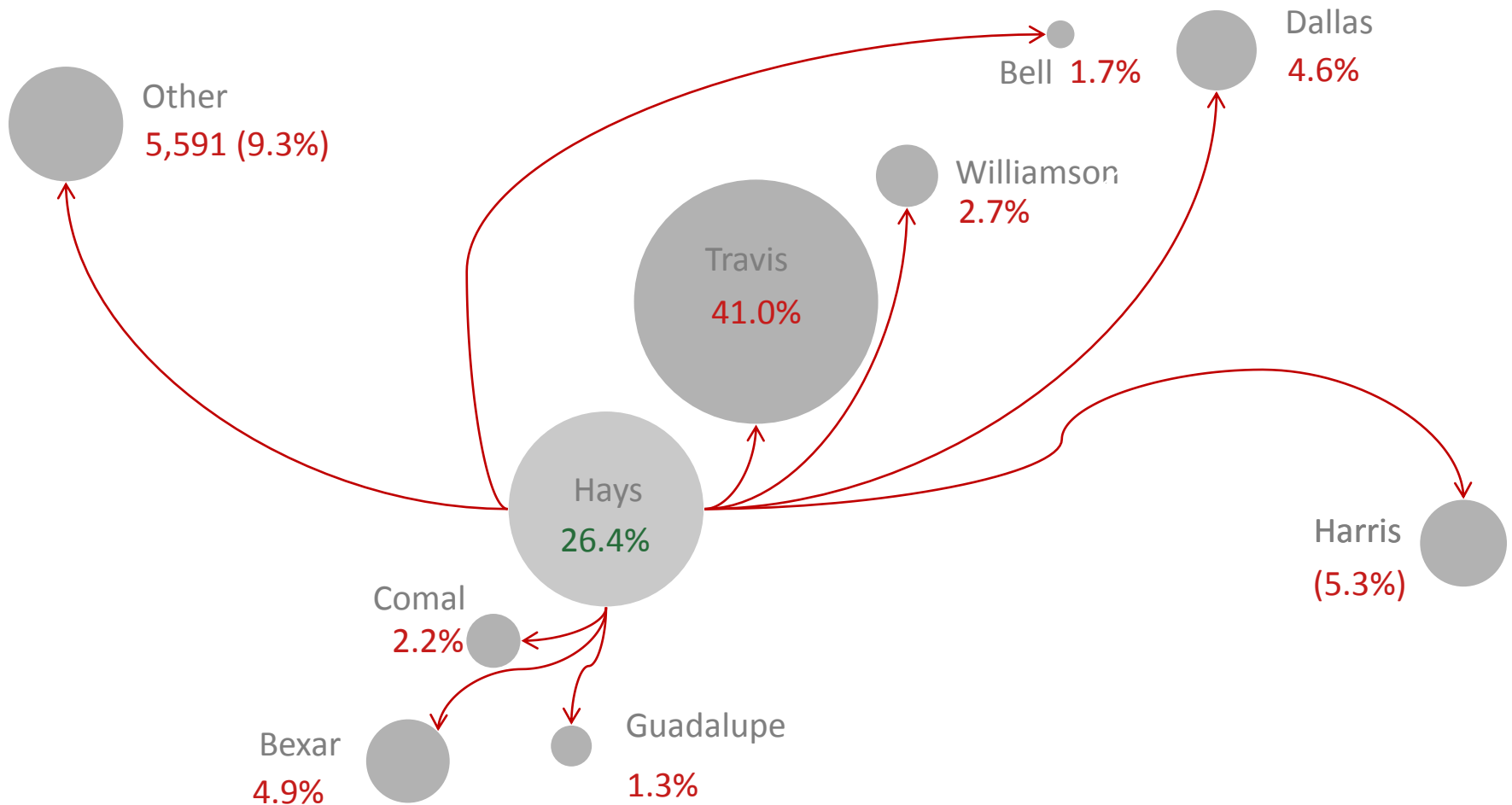
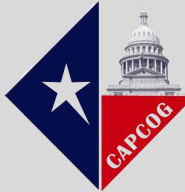
REGIONAL WORKFORCE – RESIDENTS BY PLACE OF WORK

The exchange of workers occurs throughout the CAPCOG region. Hays County is a net importer of workers from Guadalupe, Caldwell, Comal, and Bastrop Counties. Hays County is a net exporter of workers to Bexar, Williamson, Tarrant, Harris, Dallas, and Travis County. It should be noted that workers described by the U.S. Census as working in far away counties such as Dallas and Houston are most likely either telecommuting or working for entities based in these communities.



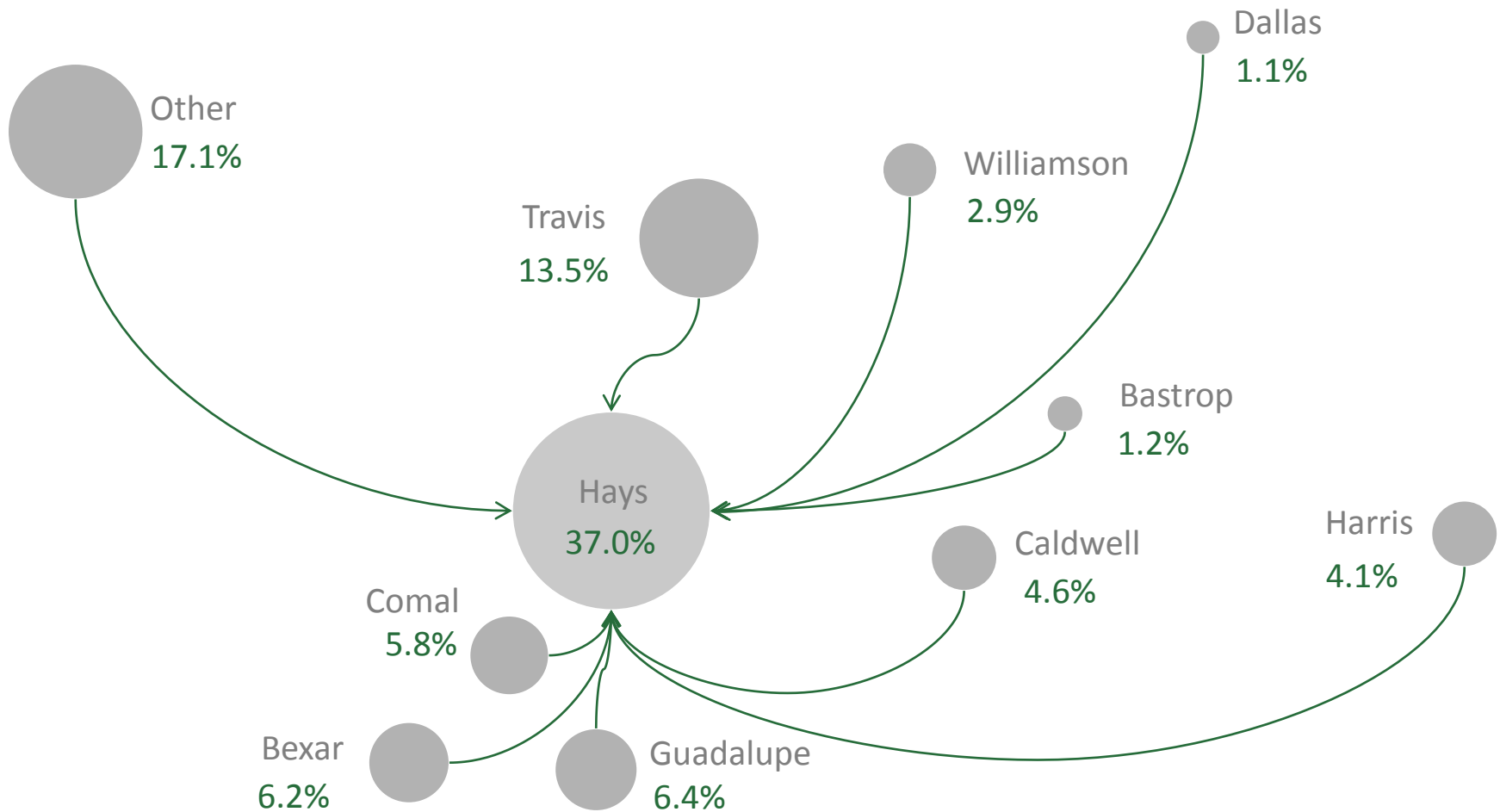
HAYS COUNTY – WHERE DO RESIDENTS WORKS?

Every day, nearly three out of every four Hays County residents with a job leaves the county to reach their place of employment. The top ten work destinations for Hays County residents are listed below. Travis County is the largest recipient of Hays County workers; more than 40 percent of employed residents in Hays County work in Travis County.



HAYS COUNTY – WHERE WORKERS LIVE?

Just as many residents of Hays County work in other jurisdictions, many outside residents are employed within Hays County. Travis County is the single largest exporter of workers to Hays County; approximately 13 percent of all people employed in Hays County live in Travis County. Hays County also employs many residents living in adjacent and nearby counties to the south, including Guadalupe (6.4%), Bexar (6.2%), and Comal (5.8%).



QUESTIONS?

