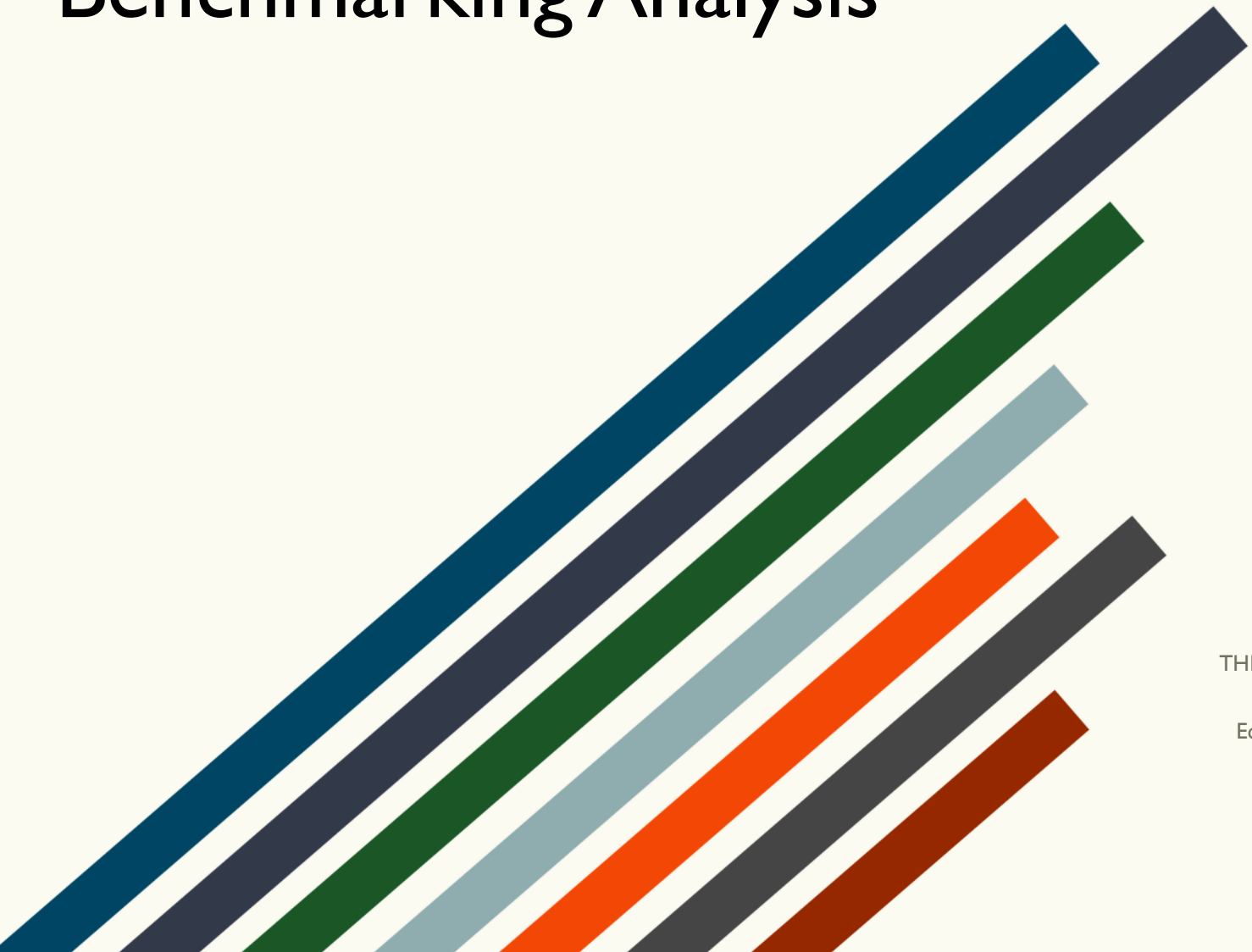


# Central Texas Benchmarking Analysis



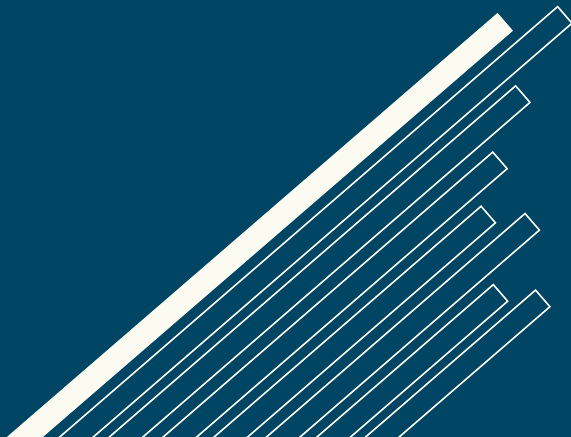
PREPARED BY  
THE CAPITAL AREA COUNCIL OF  
GOVERNMENTS

Economic Development Program

2013



# ECONOMIC VITALITY

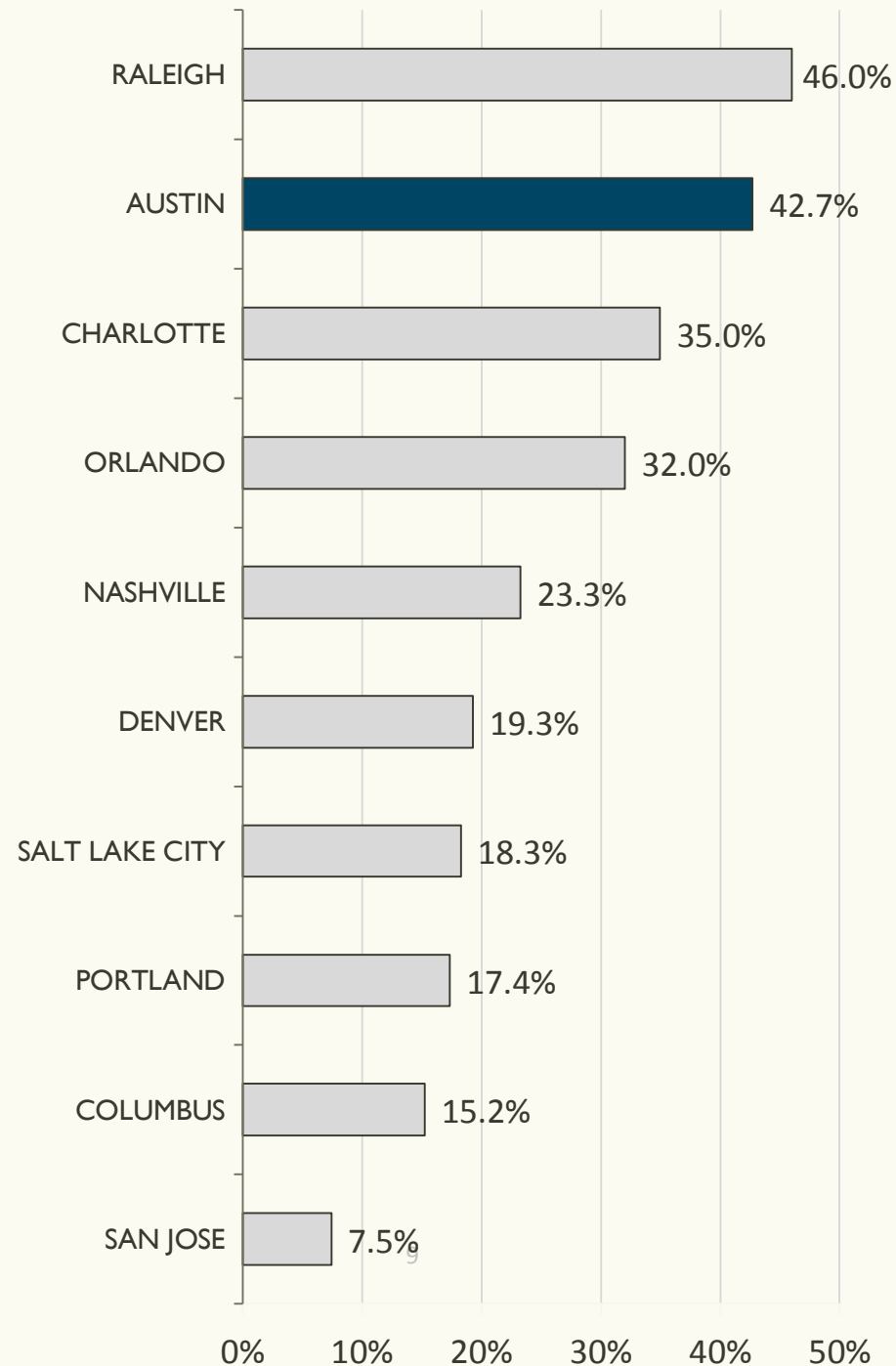


# Population Growth (2000 to 2011)

While Austin's extraordinary growth is often taken for granted by existing residents, a comparison with other leading metropolitan areas forcefully demonstrates the region's remarkable population gains during the past decade.

Since 2000, the population of the Austin metropolitan area has jumped from 1.25 million to 1.78, an increase of more than 525,000 residents. Among competitor regions, only Raleigh, North Carolina experienced a greater level of growth during this period. To put Austin's population growth in further perspective, the population of the US increased by less than 10 percent during the past decade—one-fourth the rate of the Austin metropolitan region.

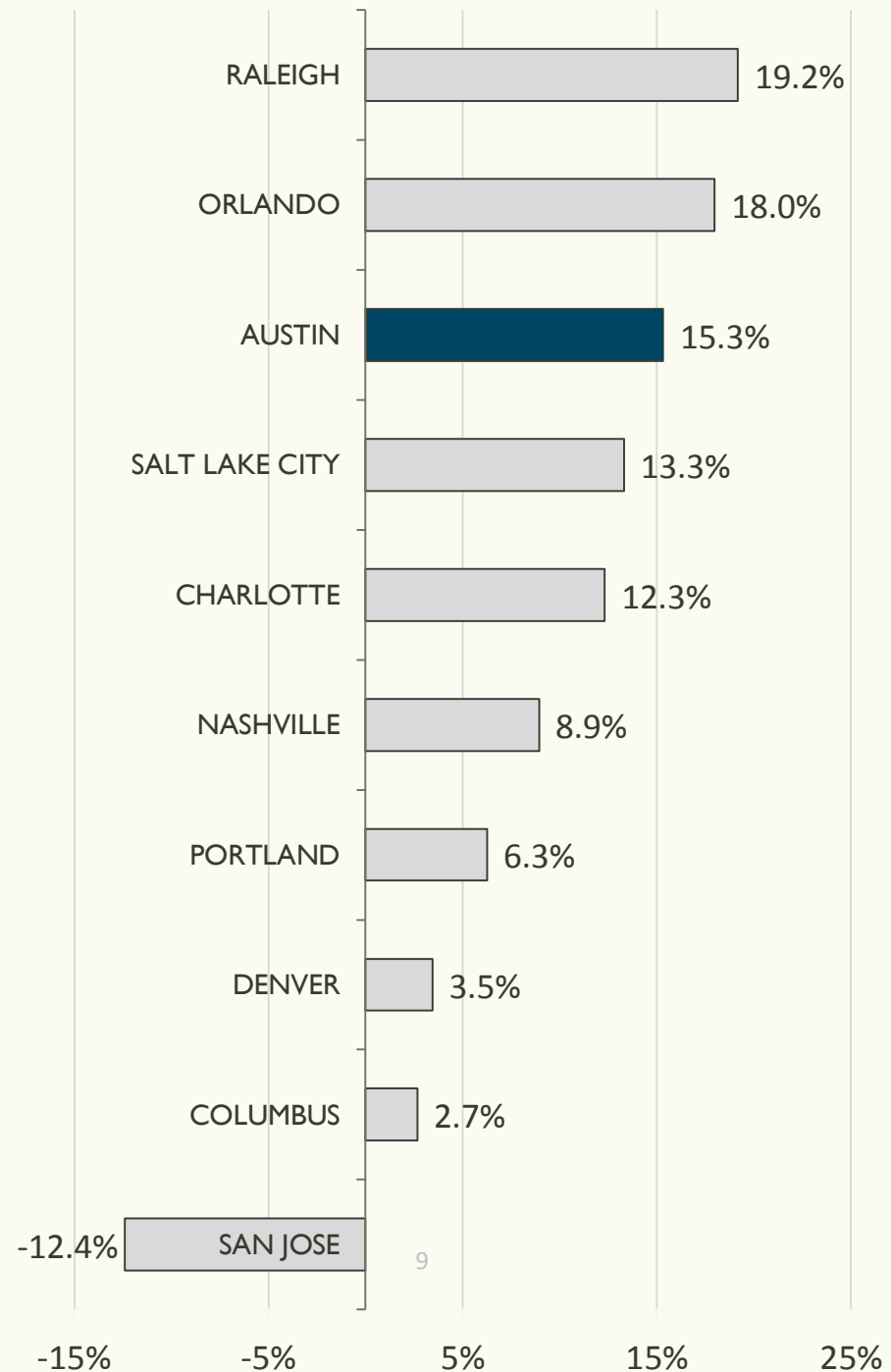
*(Level of Geography: MSA; Source: U.S. Census)*



# Employment Growth (2000 to 2008)

Before the Great Recession, employment in the Austin metropolitan region had increased by more than 15 percent during the preceding eight years. Among Austin's competitor regions, only Raleigh and Orlando experienced greater levels of job growth. Notably, San Jose is the only competitor region that posted negative job growth between 2000 and 2008. Despite the region's status as one of the country's leading high tech hubs, San Jose's employment levels have never returned to the highs witnessed prior to the collapse of the dot com bubble.

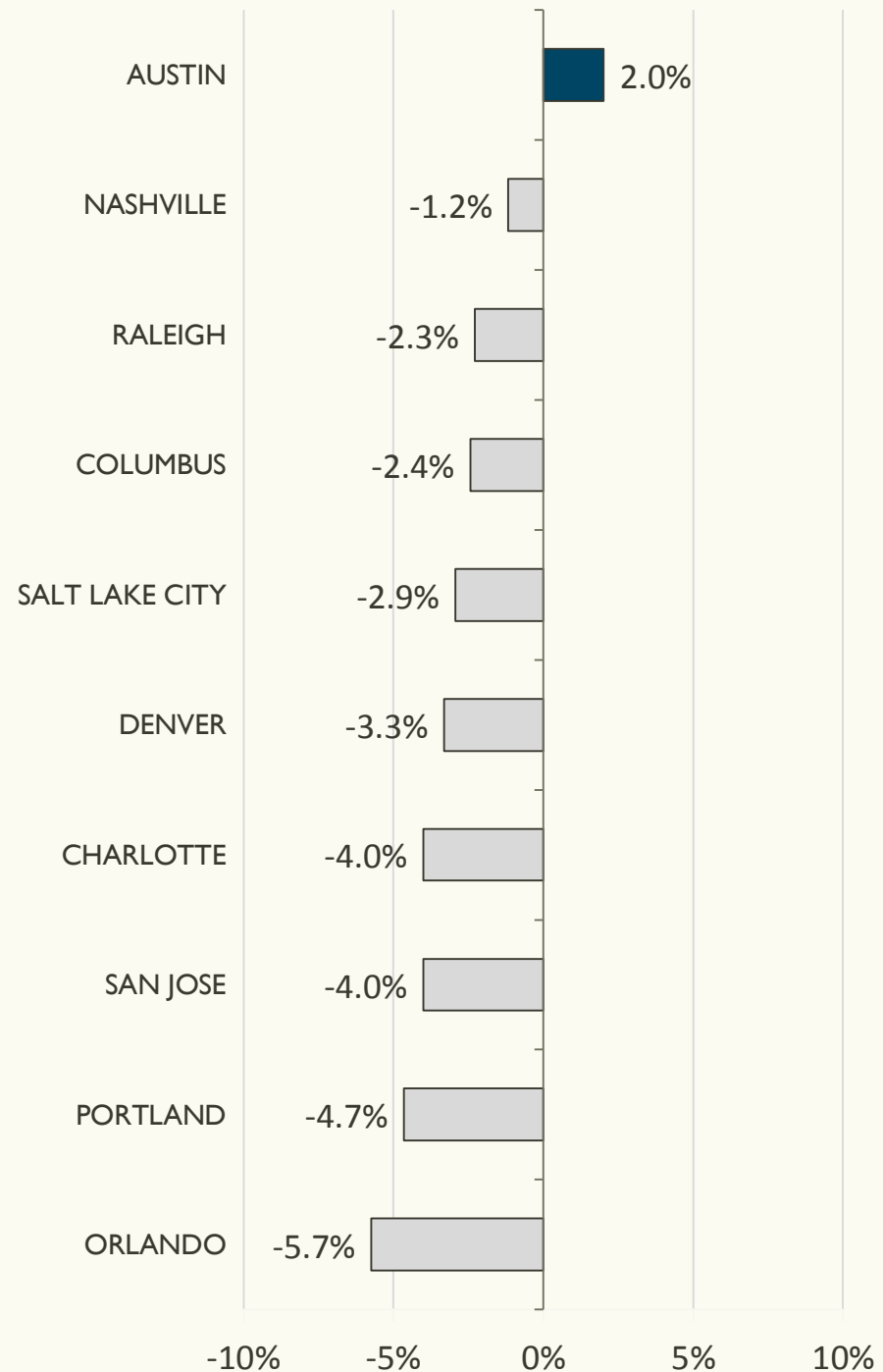
*(Level of Geography: MSA; Source: BLS)*



# Employment Growth (2008 to 2011)

Although Central Texas did not escape entirely unscathed from the Great Recession, the region has rebounded faster and stronger than almost all other major metropolitan areas. Between 2008 and 2011, Austin's employment increased by 2 percent. While this rate may appear rather modest, no other competitor region experienced net job growth during this period.

*(Level of Geography: MSA; Source: BLS)*

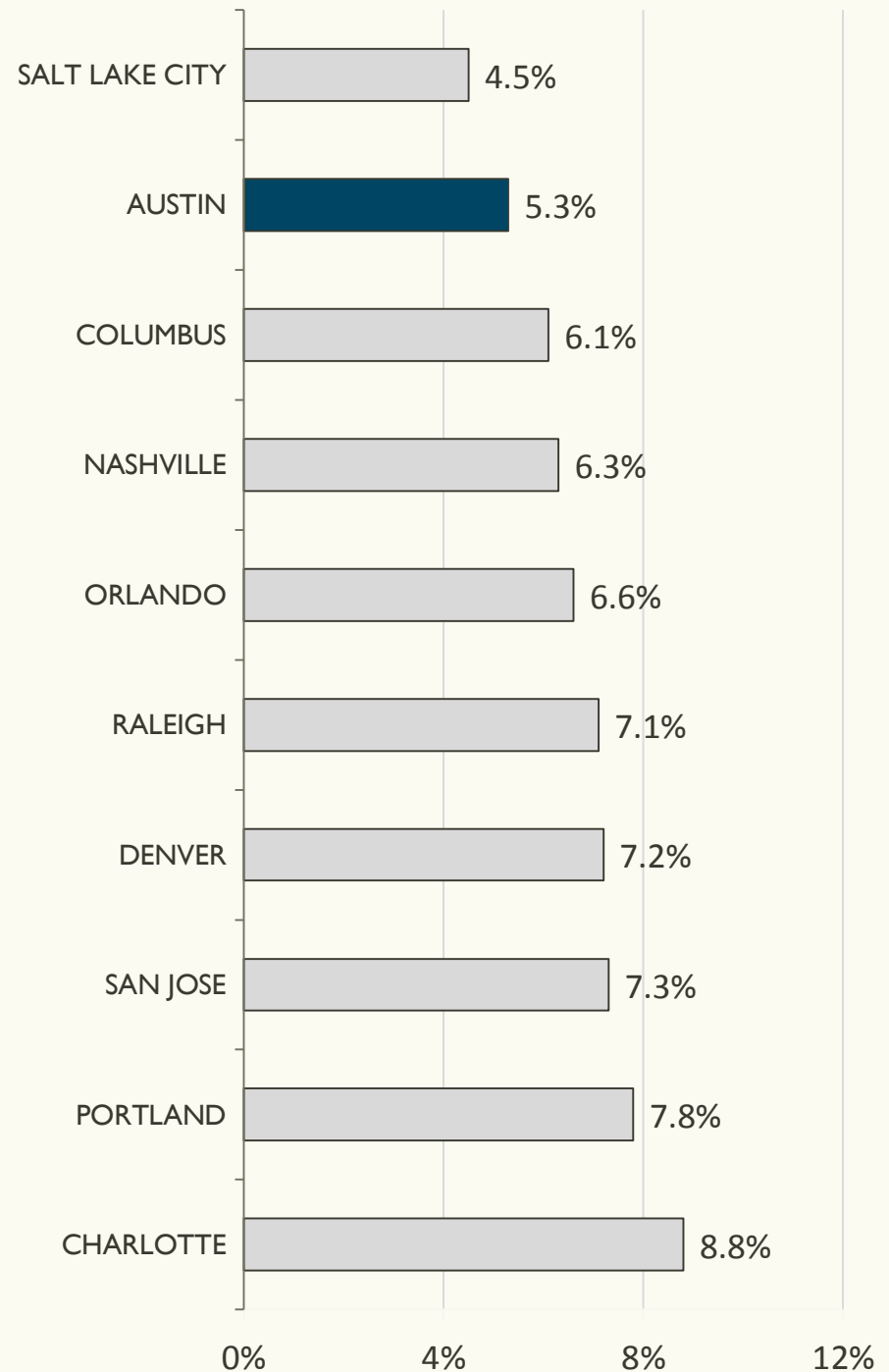


# Unemployment Rate (March 2013)

During the past decade, the Austin region has been home to one of the country's most resilient economies. The current unemployment rate of the Austin metropolitan region is 5.3 percent, significantly below the prevailing national unemployment rate of 7.6 percent.

Among Austin's competitor region's, only Salt Lake City has a lower unemployment rate. Notably, two of the competitor regions have unemployment rates higher than the national average, suggesting that recovery remains an elusive goal for many of the country's most dynamic metropolitan economies.

*(Level of Geography: MSA; Source: BLS)*

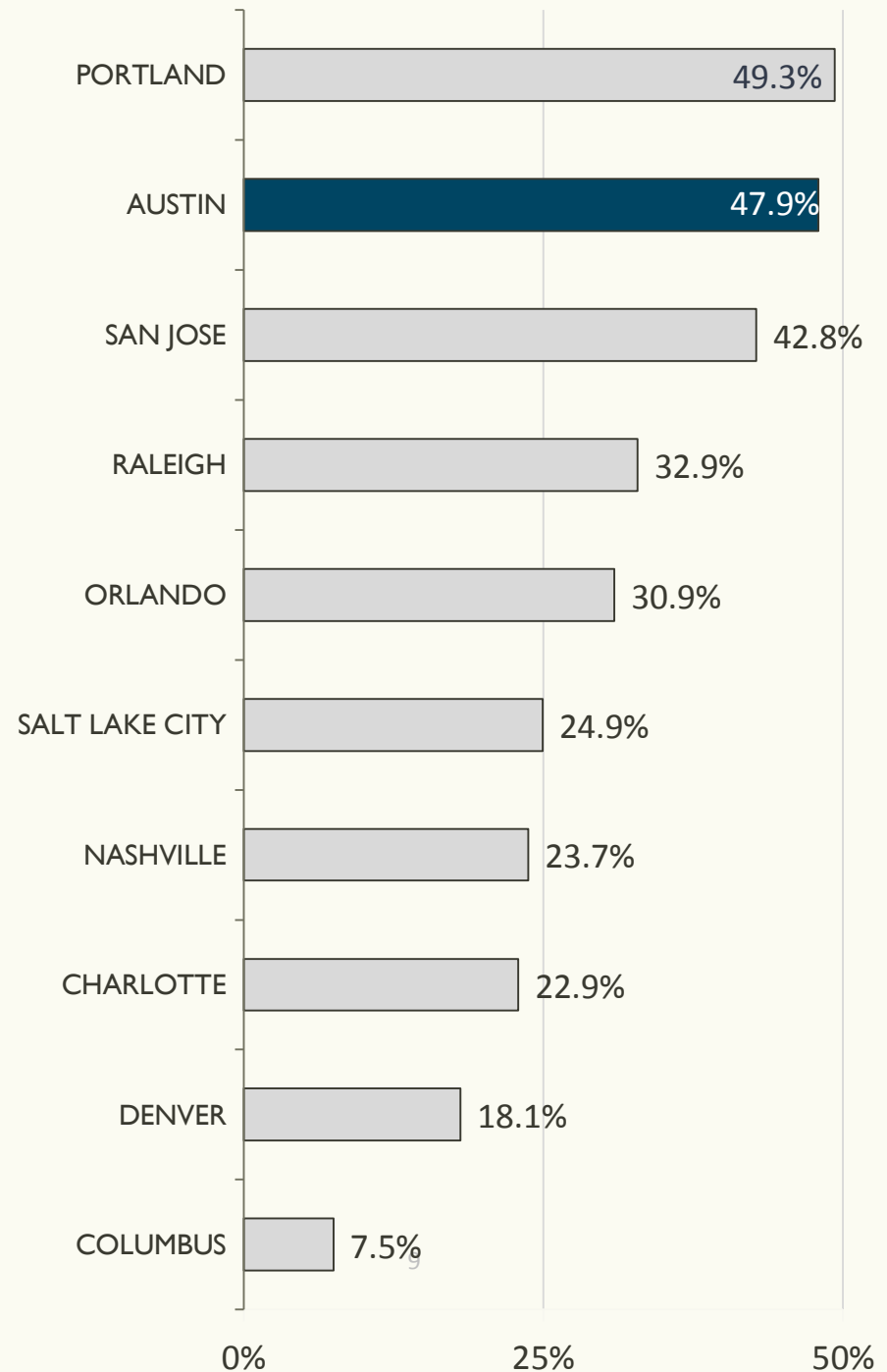


# Real GDP Growth (2001 to 2010)

In addition to a rapidly expanding population, the Austin region's economy is also experiencing robust growth. During the past decade, the region's gross regional product—a measure of the value of all goods and services produced in the area—has increased approximately 50 percent. Only Portland enjoyed a greater level of economic growth during the same period. In fact, Austin's economy is growing 50 percent faster than regions such as Denver, San Jose, and Columbus.

Within the Austin metropolitan region, the greatest source of Gross Regional Product growth is manufacturing, finance & insurance, and information. The unadjusted value of manufactured goods produced in Central Texas alone doubled from \$6.6 billion to \$13.3 billion during the past decade. The unadjusted value of information and finance & insurance products and services each increased by more than 70 percent during this same period.

*(Level of Geography: MSA; Source: BEA)*

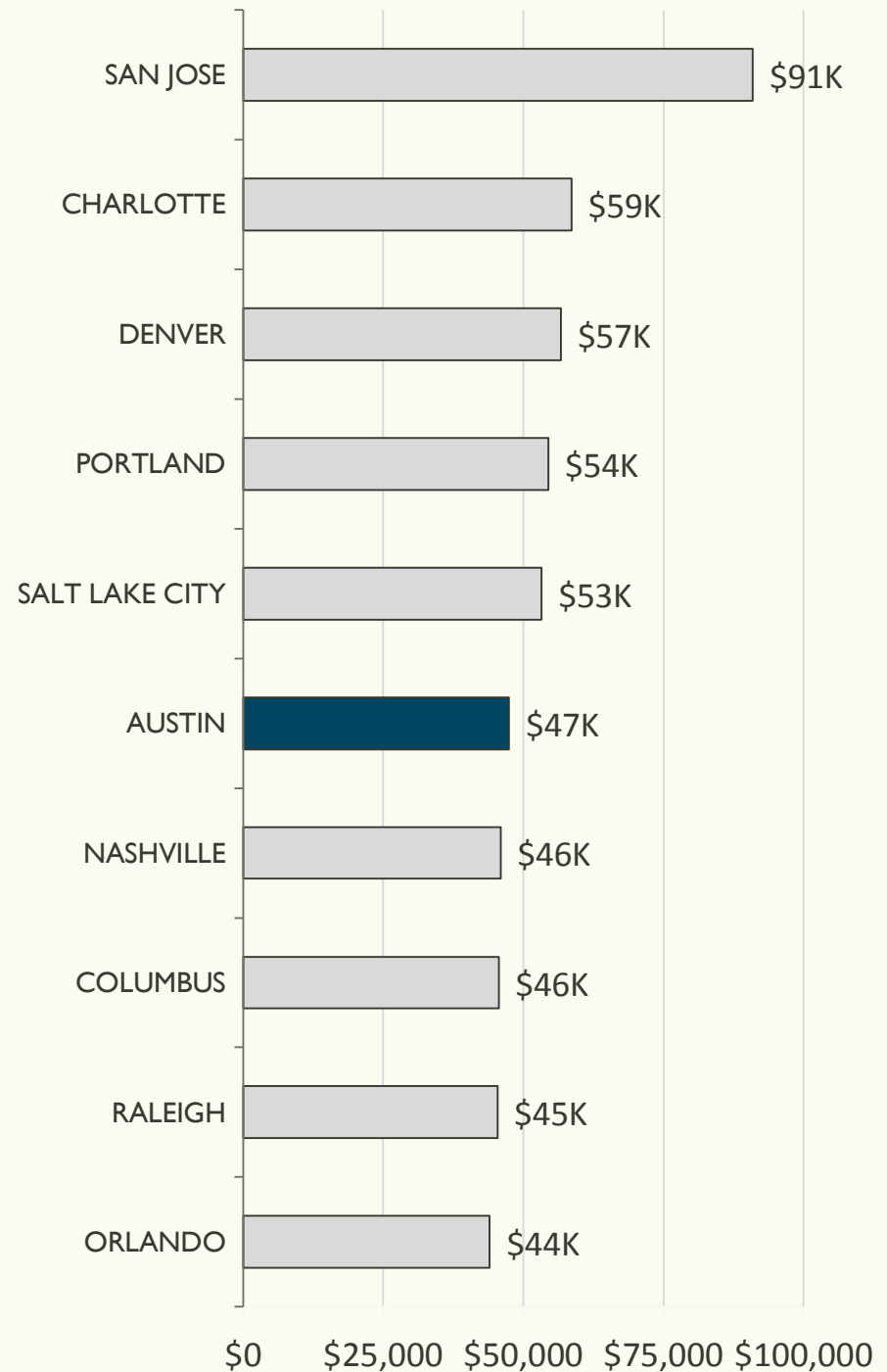


# GRP Per Capital (2010)

Despite the phenomenal growth of Austin's economy during the past decade, the region remains less productive than several competitor regions. On a per capita basis, Austin's gross regional product is approximately \$47,000. This figure trails San Jose, Charlotte, Denver, Portland, and Salt Lake City. San Jose in particular is especially productive, with per capital gross regional product nearly twice as high as Austin.

Although Austin isn't as productive as other peer regions, the region out-performs the national average by nearly 15 percent.

*(Level of Geography: MSA; Source: BEA)*



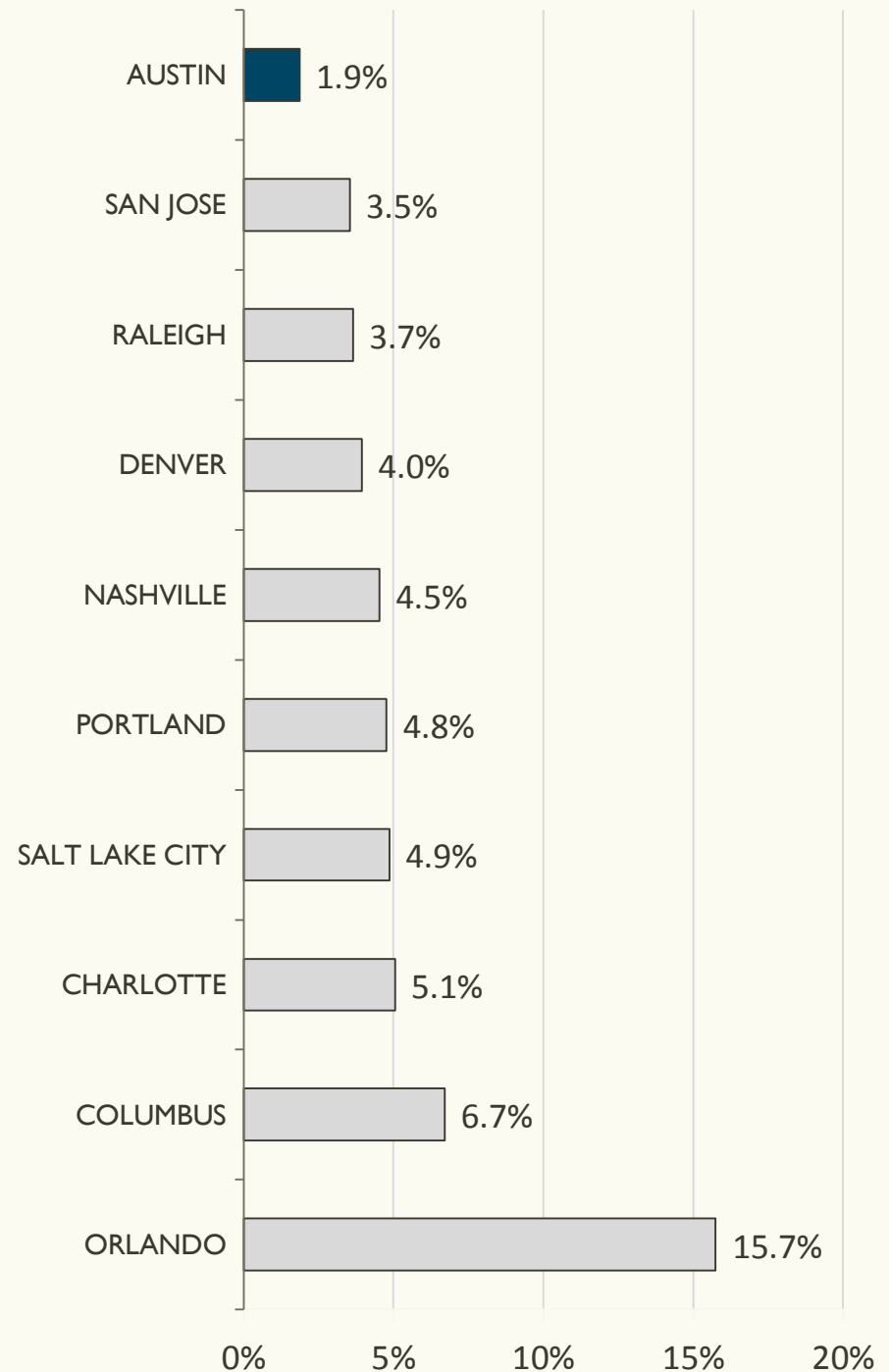


# Foreclosure Rate (March, 2012)

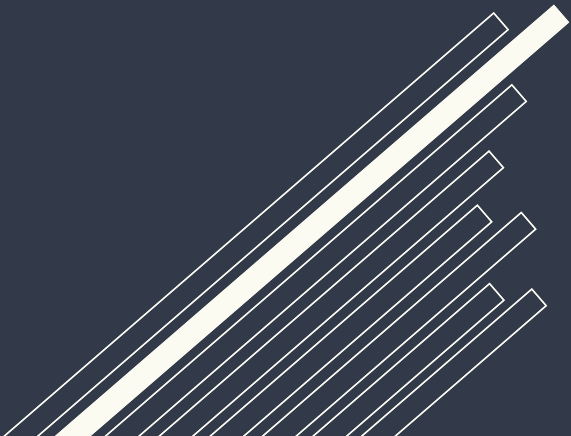
One of the keys to Austin's economic vibrancy during the past decade was the absence of a housing bubble and the subsequent crash of the real estate market.

At less than 2 percent, the foreclosure rate of the Austin region is significantly below all other benchmark regions. Even in San Jose, with the second lowest foreclosure rate among the 10 competitor regions, has a foreclosure rate more than 75 percent higher than that of the Austin region. In other regions, the differential in foreclosure rates is even more pronounced. The foreclosure rate in Orlando, for example, is eight times higher than in Austin.

*(Level of Geography: MSA; Source: U.S. Census)*



TALENT



# Educational Attainment

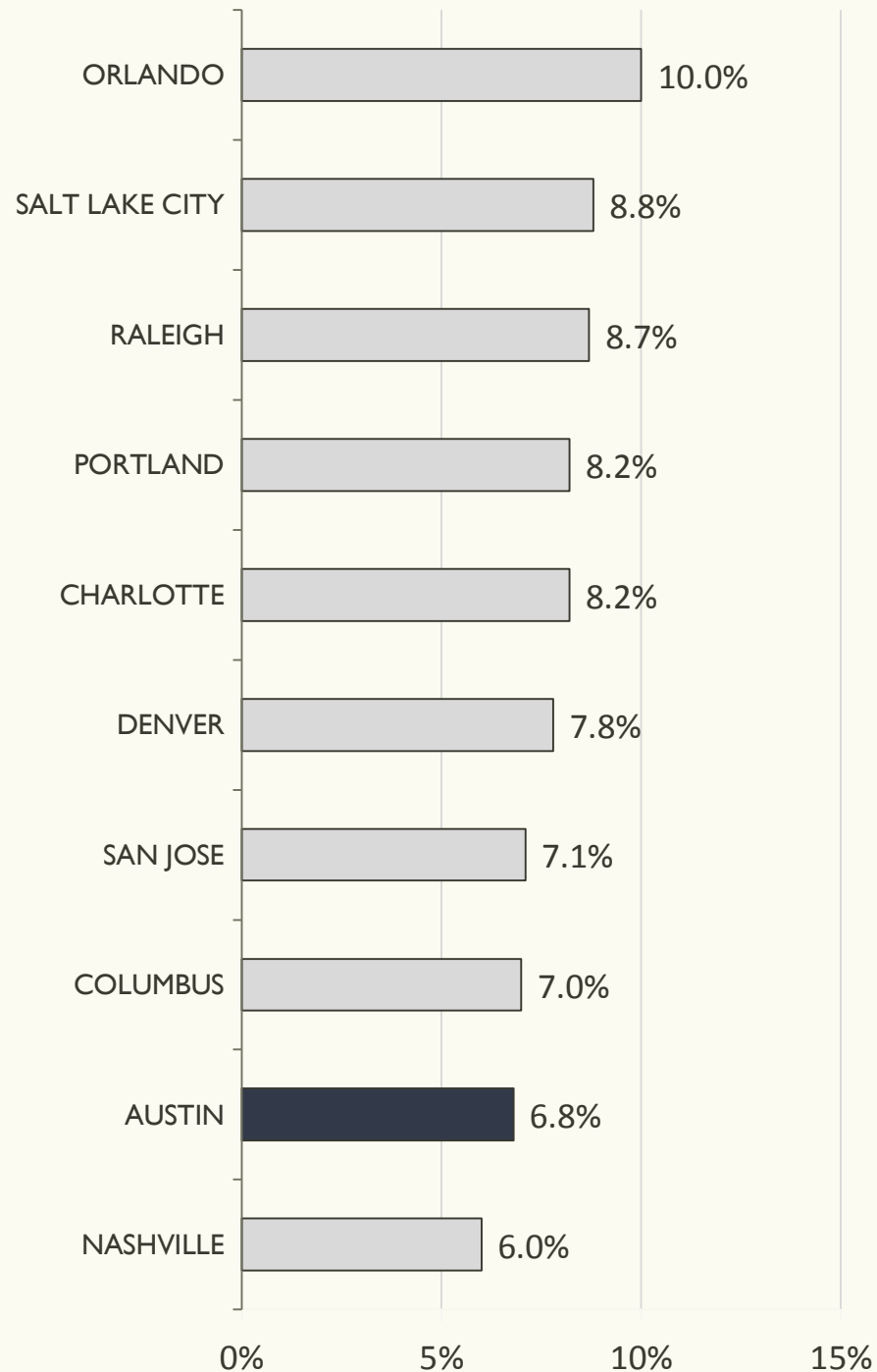
Percentage of Residents with an Associate's Degree

(2011)

In recent years, many economic development professionals have recognized the increasing importance of 2-year Associate's degree. Associate's degree are typically far more affordable than a traditional 4-year program and can provide many workers with the skills necessary to enter the job market.

Less than 7 percent of Austin residents possess an Associate's degree, the second lowest rate among competitor regions. Only Nashville features a lower proportion of Associate's degree holders. Given the Austin area's relatively high rate of college graduates, however, it is unclear whether the comparatively low number of people with a 2-year degree is due to residents choosing to instead obtain a Bachelor's degree or if Austin is failing to sufficiently promote Associate's degree programs to individuals who might otherwise be unable to obtain a post-secondary education.

*(Level of Geography: CAPCOG Region; Source: EMSI)*

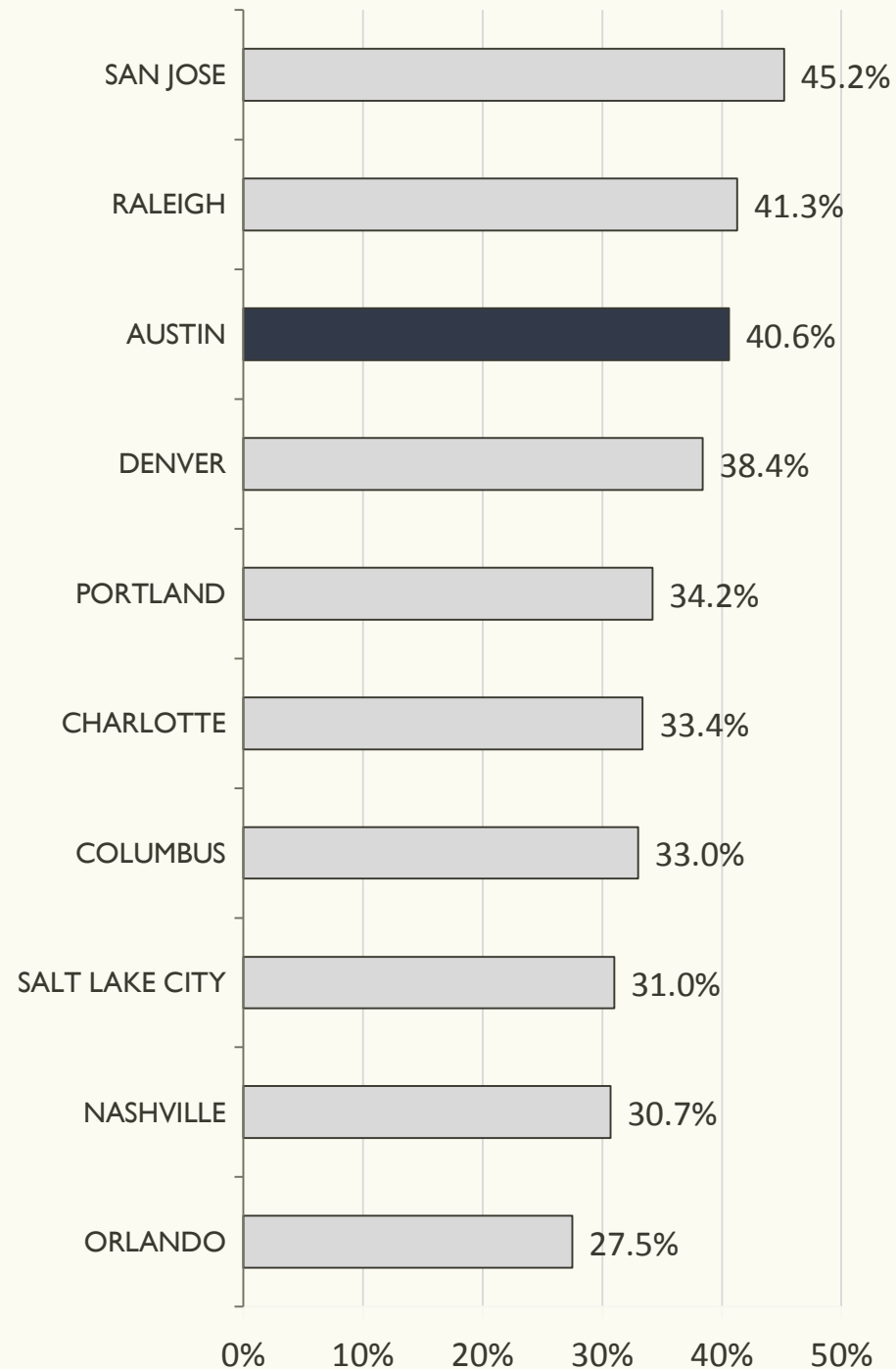


# Educational Attainment

## Percentage of Residents with a Bachelor's Degree (2011)

High levels of post-secondary educational attainment have been one of the largest drivers of the Austin region's economic success. With more than 40 percent of residents age 25 and older possessing a Bachelor's degree, Austin has one of the highest proportions of 4-year college graduates in the country. Among competitor regions, only San Jose and Raleigh feature higher levels of educational attainment.

*(Level of Geography: CAPCOG Region; Source: EMSI)*



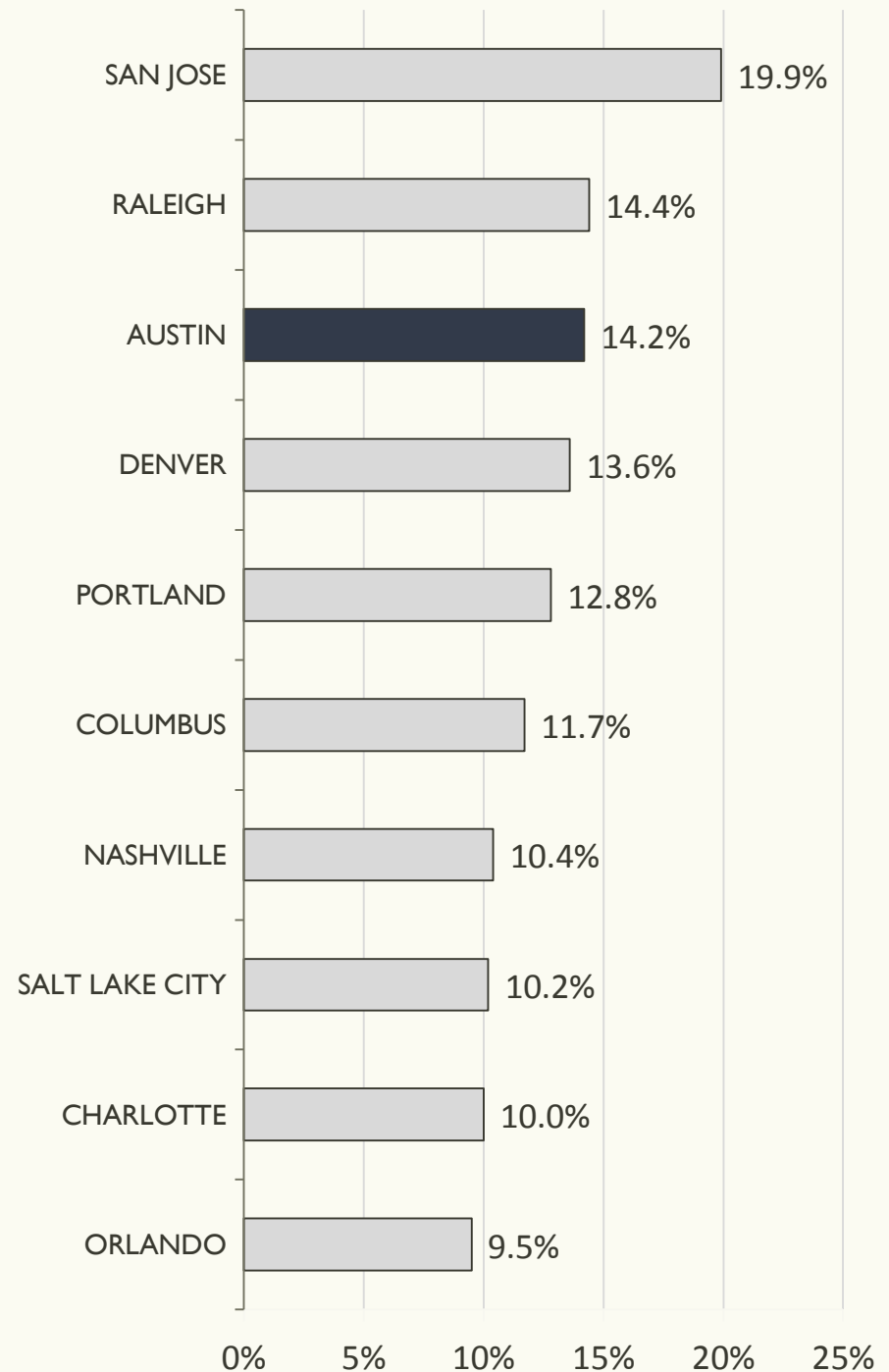
# Educational Attainment

Percentage of Residents with a Graduate Degree

(2011)

The Austin region also has one of the country's highest rates of individuals with a graduate degree. At more than 14 percent, Austin's proportion of graduate degree holders is larger than all competitor regions, with the exception of San Jose and Raleigh.

*(Level of Geography: CAPCOG Region; Source: EMSI)*



# Young & Educated

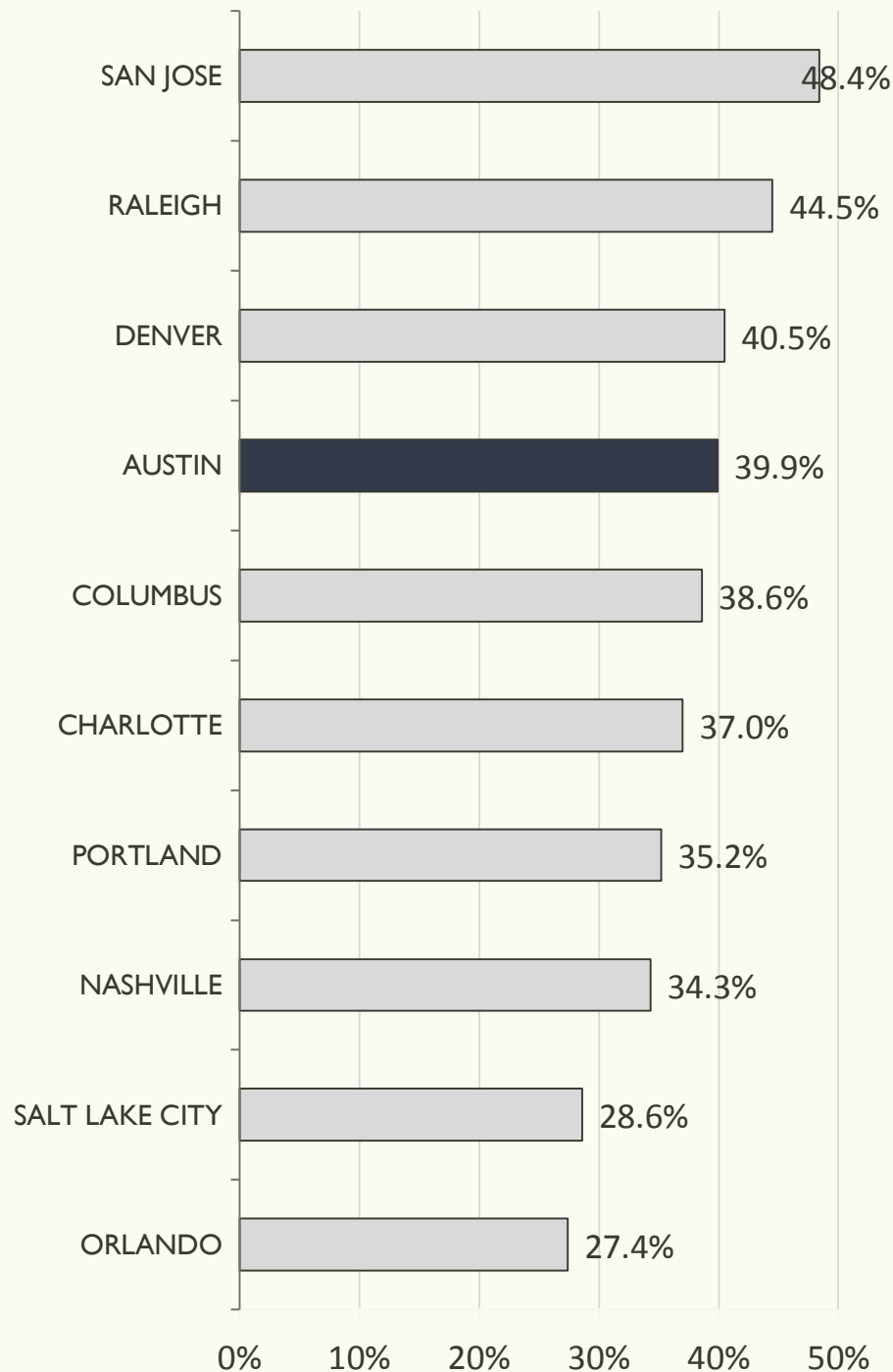
25- To 34-Year-Olds with a College Degree

(2011)

The college educational attainment rate of Austin residents age 25 to 34 is approximately 40 percent, higher than all but three competitor regions (San Jose, Raleigh, and Denver).

Despite Austin's relatively high proportion of college educated young professionals, there remains cause for concern. In San Jose and Raleigh, for example, the percentage of individuals age 25 to 34 with a college degree is higher than the overall college educational attainment level of these regions. In effect, the production and attraction of human capital is more than sufficient to replace older individuals that will be leaving the workforce during the next decade or two. In Austin, however, the proportion of younger residents with a college degree is slightly lower than their older counterparts, indicating that the region might encounter difficulty in sustaining the region's high level of educational attainment in the years ahead.

*(Level of Geography: CAPCOG Region; Source: EMSI)*

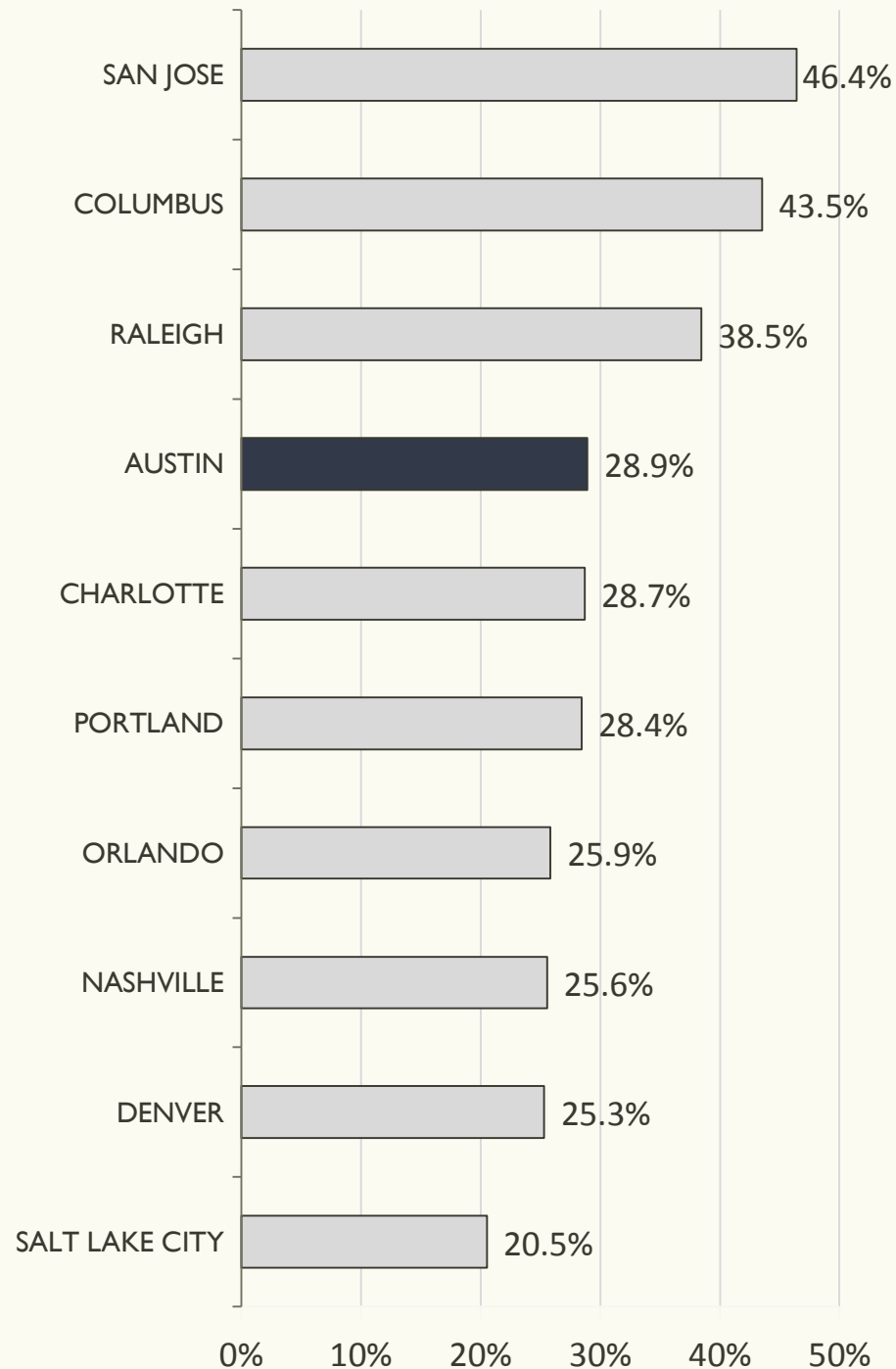


# Foreign & Educated

## Foreign-Born Residents with a College Degree (2011)

Approximately 29 percent of all foreign-born residents in the Austin region possess a Bachelor's degree. Among Austin's competitor regions, only San Jose, Columbus, and Raleigh feature higher rates of foreign born college graduates. Notably, the college educational rate of San Jose is higher than that of native born residents in each respective region. In Austin, however, the proportion of foreign born college graduates is more than 10 percentage points below the regional average.

*(Level of Geography: MSA; Source: U.S. Census)*

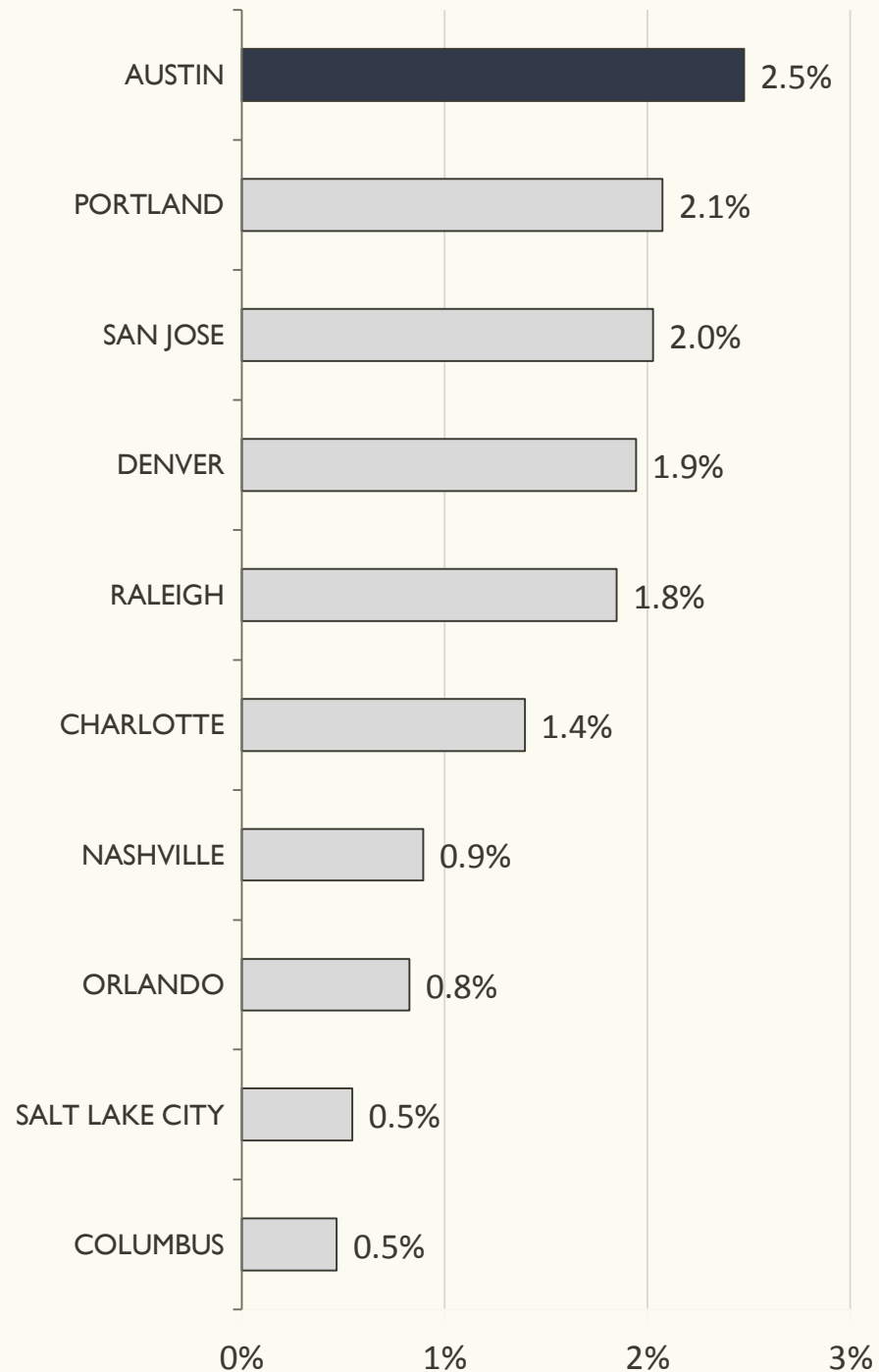


# Talent Attraction

## Annual Net Migration of College Educated Population (2011)

Austin is one of the country's leading talent magnets. Each year, the region is a net importer of a tremendous number of college educated individuals. In 2011, for example, the number of college educated residents in Austin increased by 2.5 percent solely due an influx of migrants into the region. On a percentage basis, no other competitor region attracted more college educated residents.

*(Level of Geography: MSA; Source: U.S. Census)*





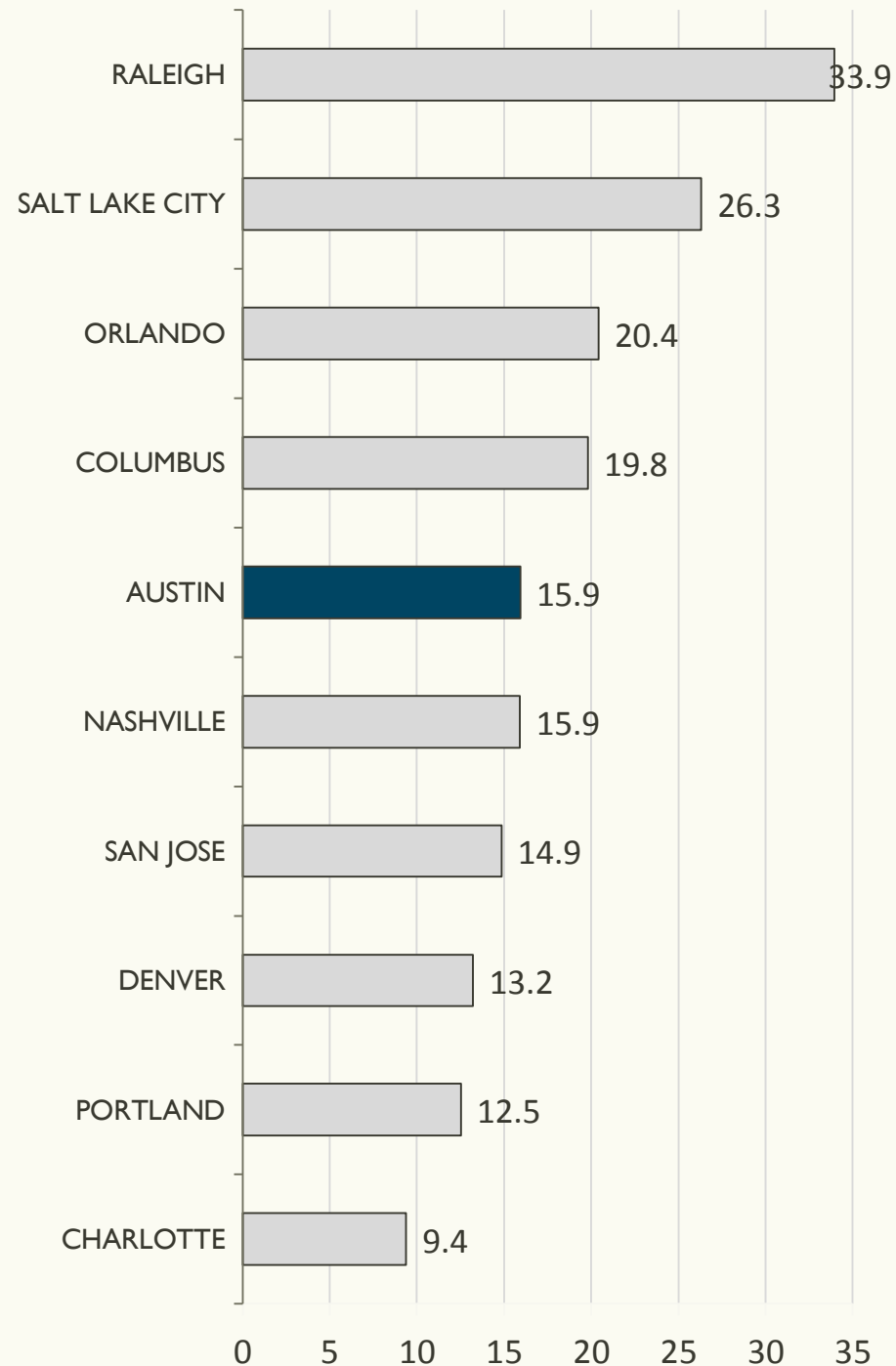
# Human Capital Production

Associate, Bachelor's, and Master's Degrees Awarded

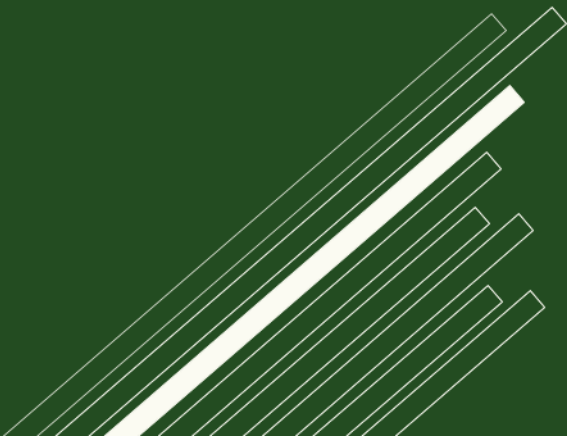
Per 1,000 Residents Age 25 and Older (2010)

Today, Austin is far more than a college town, a reality reflected in local degrees awarded per capita. In 2010, the Austin metropolitan region produced approximately 16 college graduates for every 1,000 residents age 25 and older. This figure places Austin fifth in the local production of human capital, behind Raleigh, Salt Lake City, Orlando, and Columbus.

*(Level of Geography: MSA; Source: U.S. Census)*



# INNOVATION & ENTREPRENEURSHIP



# Patent Production

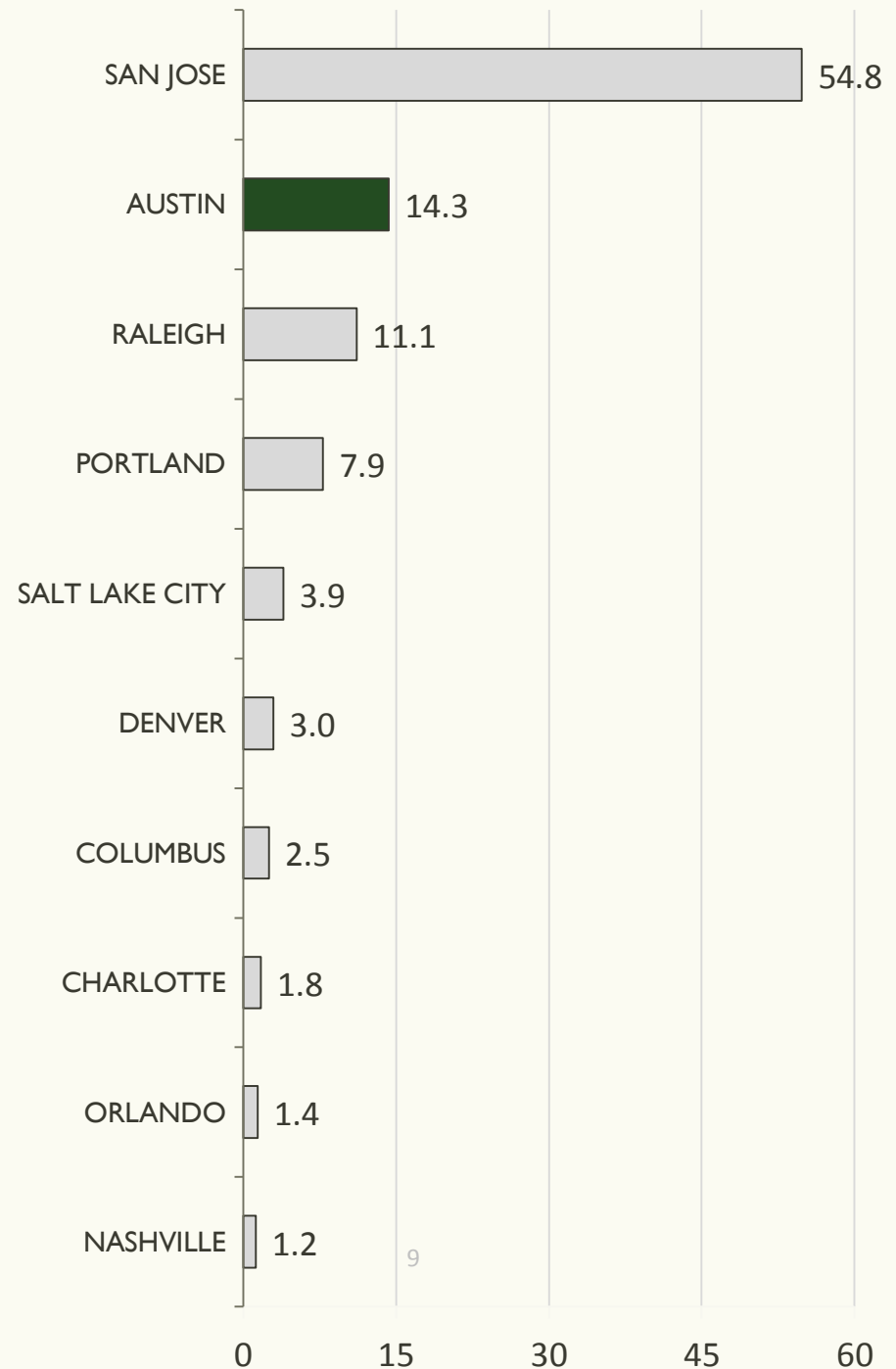
Patents Awarded per 10,000 Residents

(2010)

On a proportional basis, Austin is one of the most productive patent regions in the country. In 2010, more than 14 patents were produced for every 10,000 residents in the Austin metropolitan region. Among competitor regions, only San Jose produced more patents per capita.

IBM's Austin's office is responsible for more patents than any other organization in the region. IBM is not only the world's greatest producer of patents, but its most productive office is its Austin facility.

*(Level of Geography: MSA; Source: U.S. PTO)*



# Entrepreneurship Strength

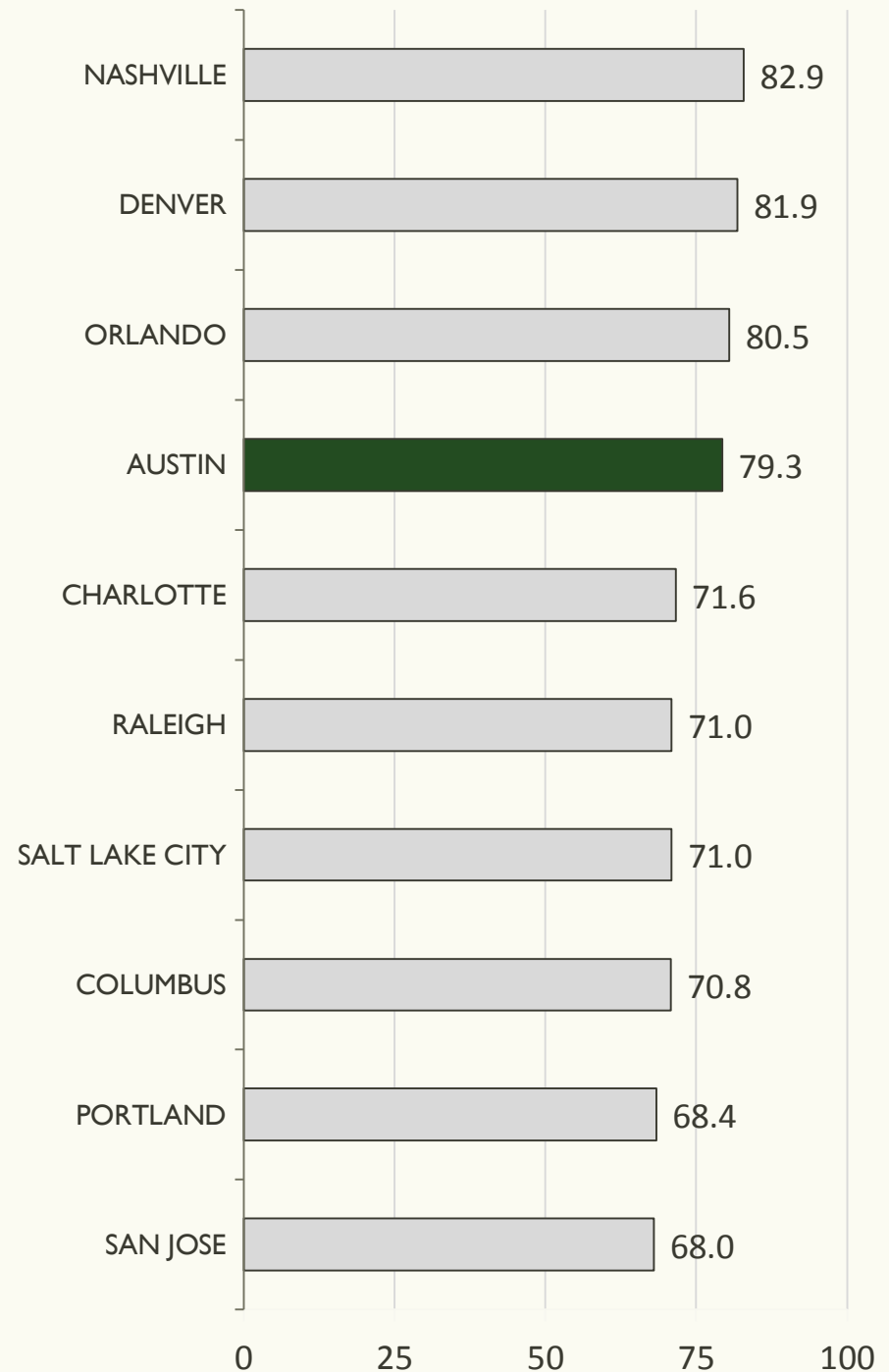
Non-Employer Businesses per 1,000 Residents

(2010)

Austin's strong reputation as a hotbed of entrepreneurial activity is supported by data on non-employer businesses. In 2010, there were more than 79 non-employer businesses for every 1,000 residents. Only Nashville, Denver, and Orlando outperformed the Austin metropolitan region, and even these regions feature only modestly higher figures.

The relative lack of non-employer businesses in Portland and San Jose is somewhat surprising. While both regions are commonly believed to have strong entrepreneurial climates, they feature the two lowest rates of non-employer businesses among all benchmark regions.

*(Level of Geography: MSA; Source: BLS)*



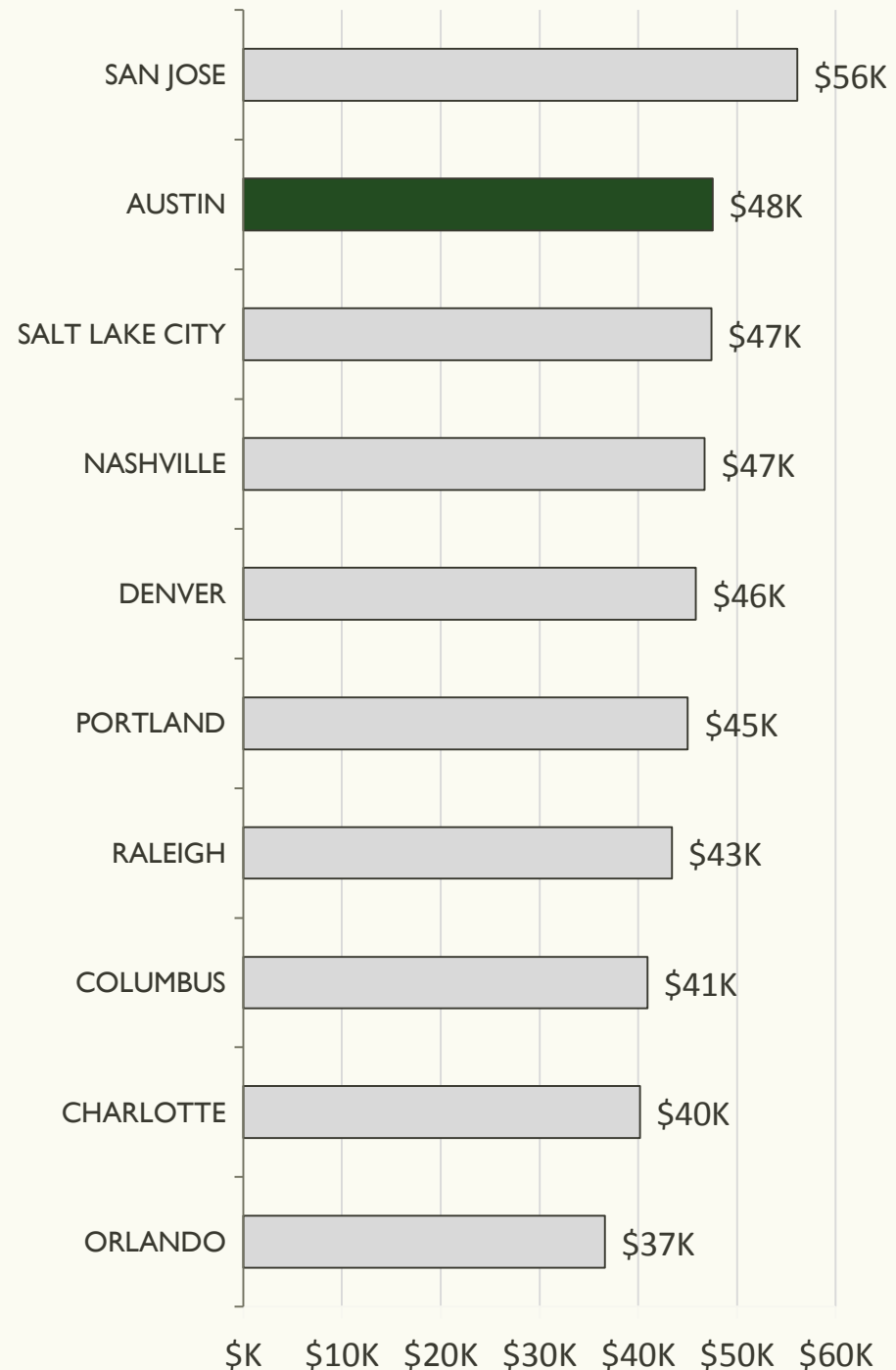
# Entrepreneurship Strength

Average Receipts for Non-Employer Businesses

(2010)

Austin's non-employer receipts are among the highest in the country. On average, Austin's non-employer businesses have sales of \$48,000. Among Austin's competitor region's, only San Jose features higher average receipts (\$56,000).

*(Level of Geography: MSA; Source: BLS)*



# Small Business Strength

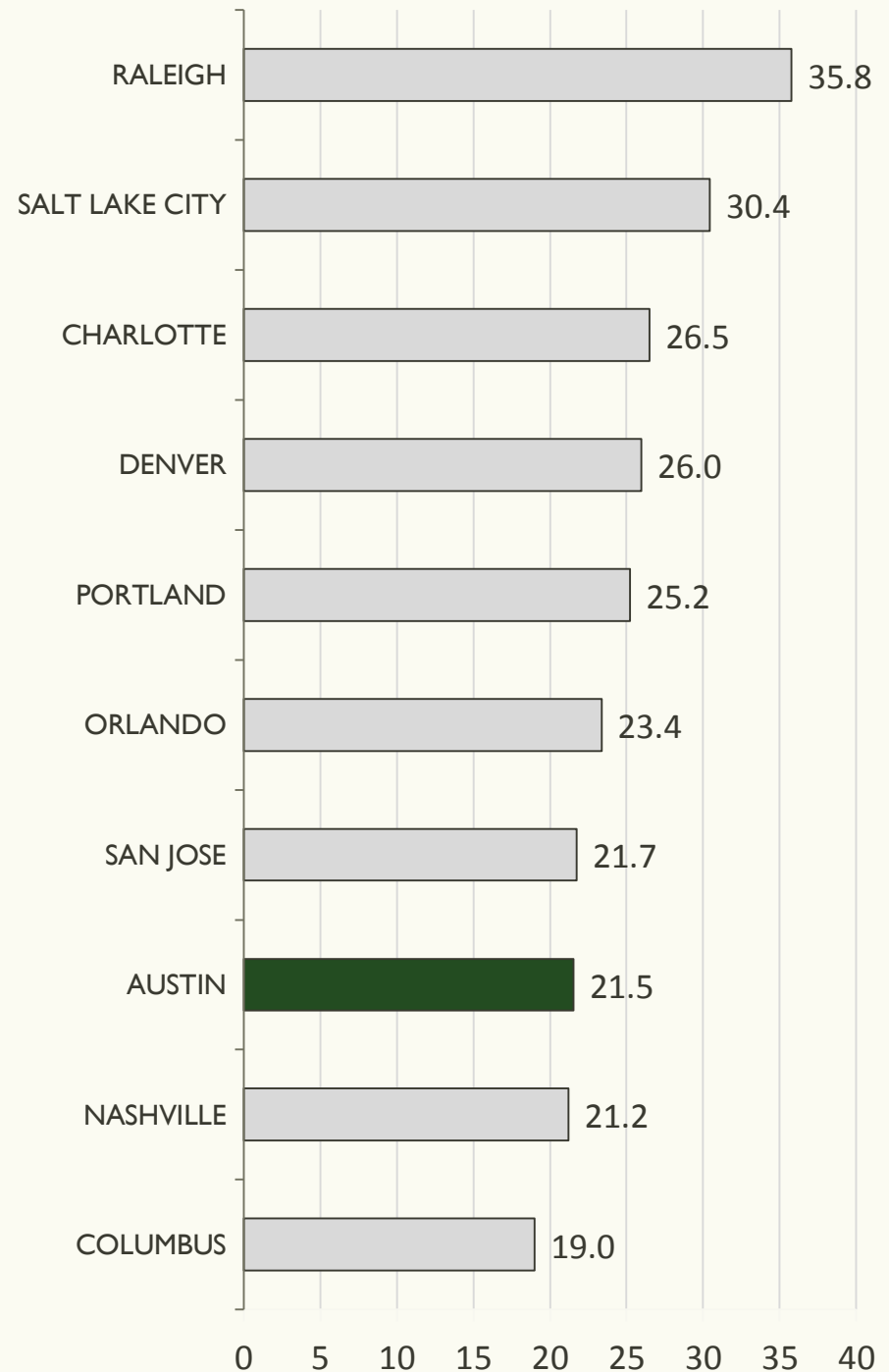
Businesses with <20 Employees per 1,000 Residents

(2010)

Despite Austin's strong performance in the proportion of non-employer businesses, the region fares less well on another measure of entrepreneurial health—small business creation. In 2010, there were 21.5 small businesses (defined as those with fewer than 20 employees) for every 1,000 Austin residents. Among all competitor regions, only Nashville and Columbus featured a smaller proportion of small businesses.

Notably, no single region dominates both measures of entrepreneurship (non-employer businesses and small businesses).

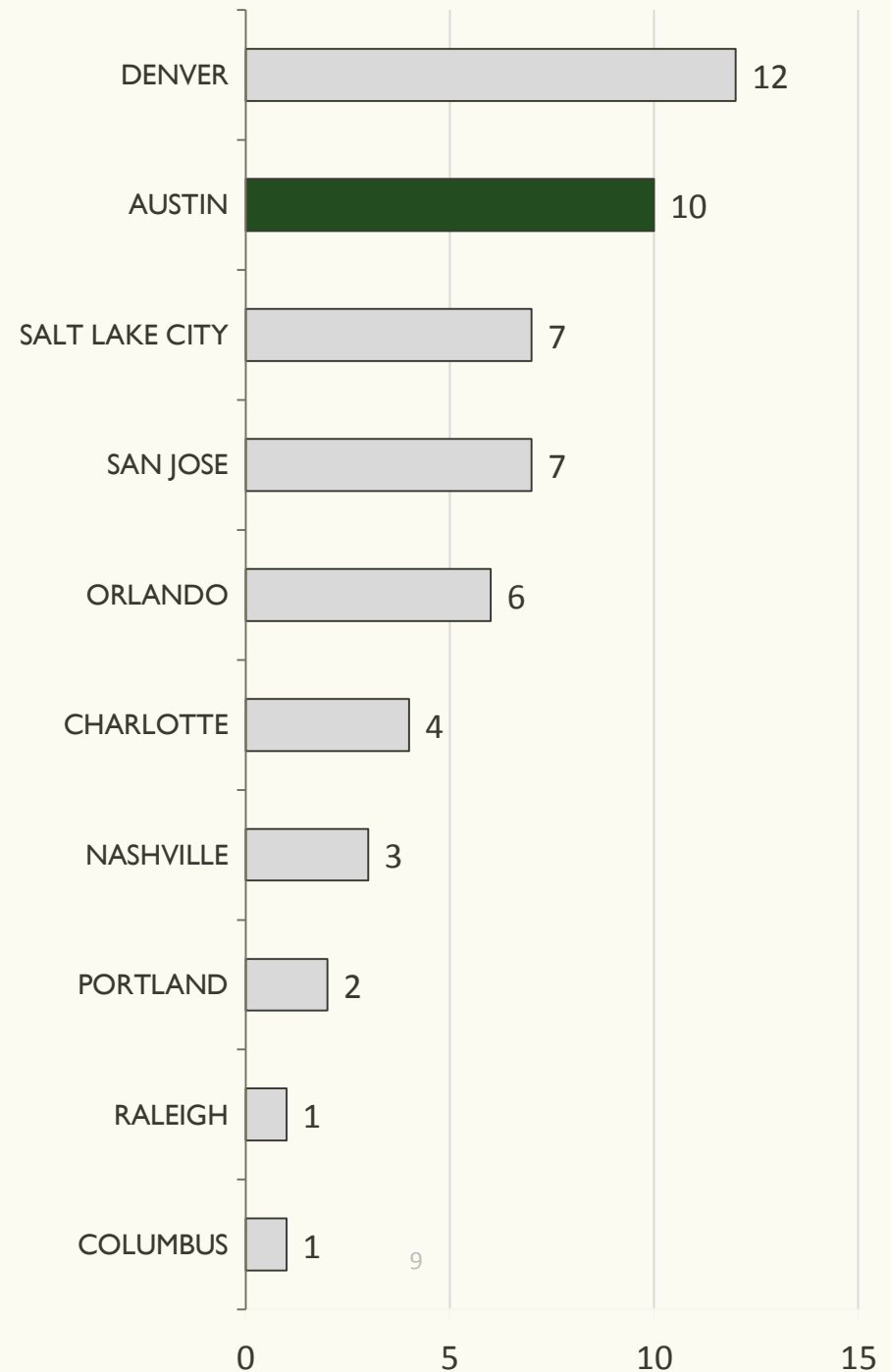
*(Level of Geography: MSA; Source: BLS)*



# Inc. 500 Companies (2012)

Each year, *Inc.* magazine publishes an annual list of the 500 fastest-growing private companies in the U.S. In 2012, the Austin metropolitan region was home to 10 *Inc.* 500 companies. Among Austin's competitor regions, only Denver features more *Inc.* 500 companies.

*(Level of Geography: MSA; Source: Inc. Magazine)*



# QUALITY OF LIFE





# Housing Costs

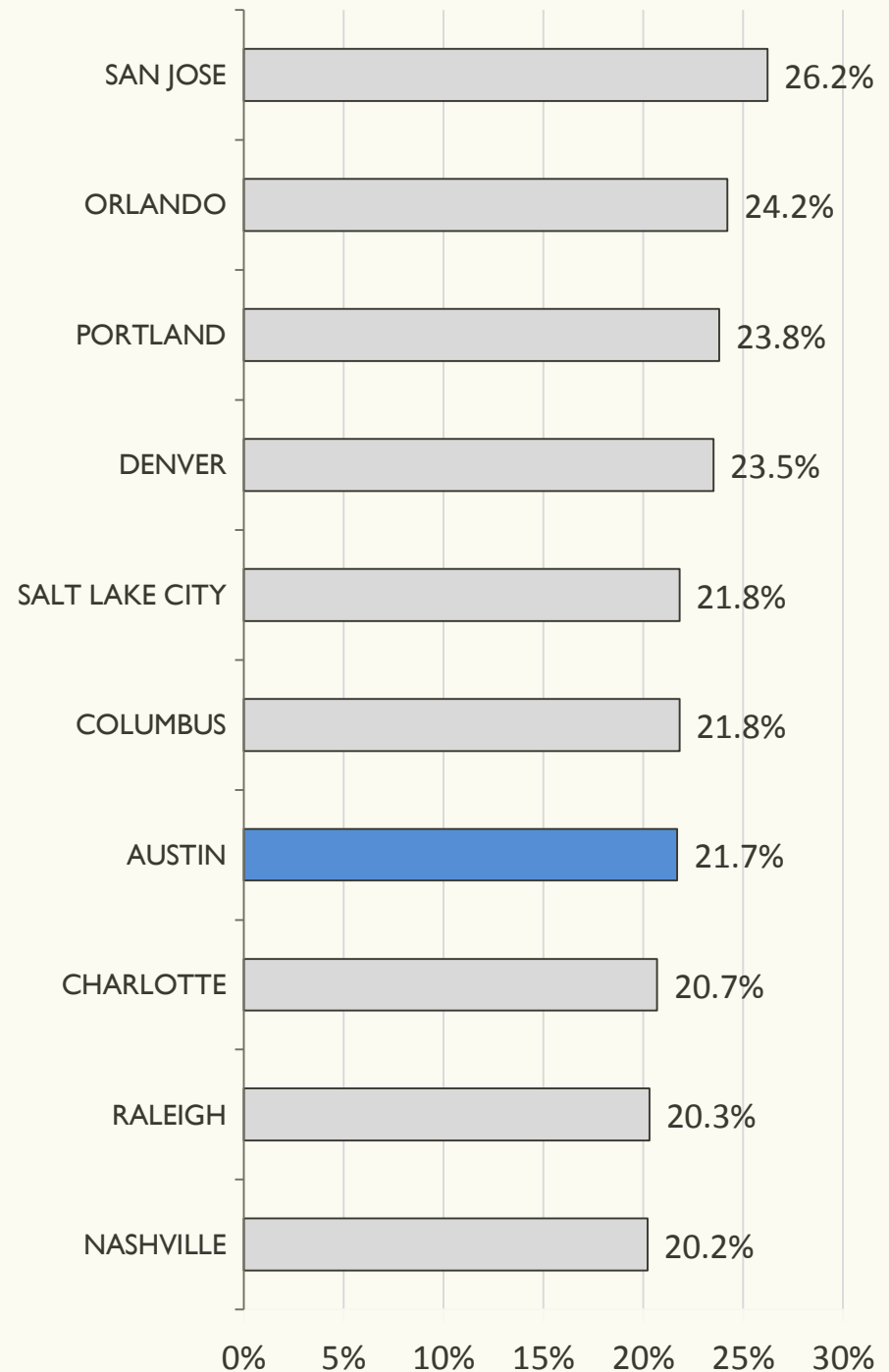
As Percentage of Total Income

## (2008)

Despite the strong demand created by an increasing population and highly favorable migration patterns, housing costs remain reasonably low in the Austin area. According to the U.S. Census (as of 2008), Austin residents could expect to devote about 21.7% of their income to the cost of housing. This includes costs incurred by homeowners as well as by renters.

The relatively competitive position that Austin finds itself in with regard to housing affordability leads to a higher level of disposable income among residents. This can be effective in offsetting differences in wages available in Austin versus other locations.

*(Level of Geography: MSA; Source: U.S. Census)*



# Parks

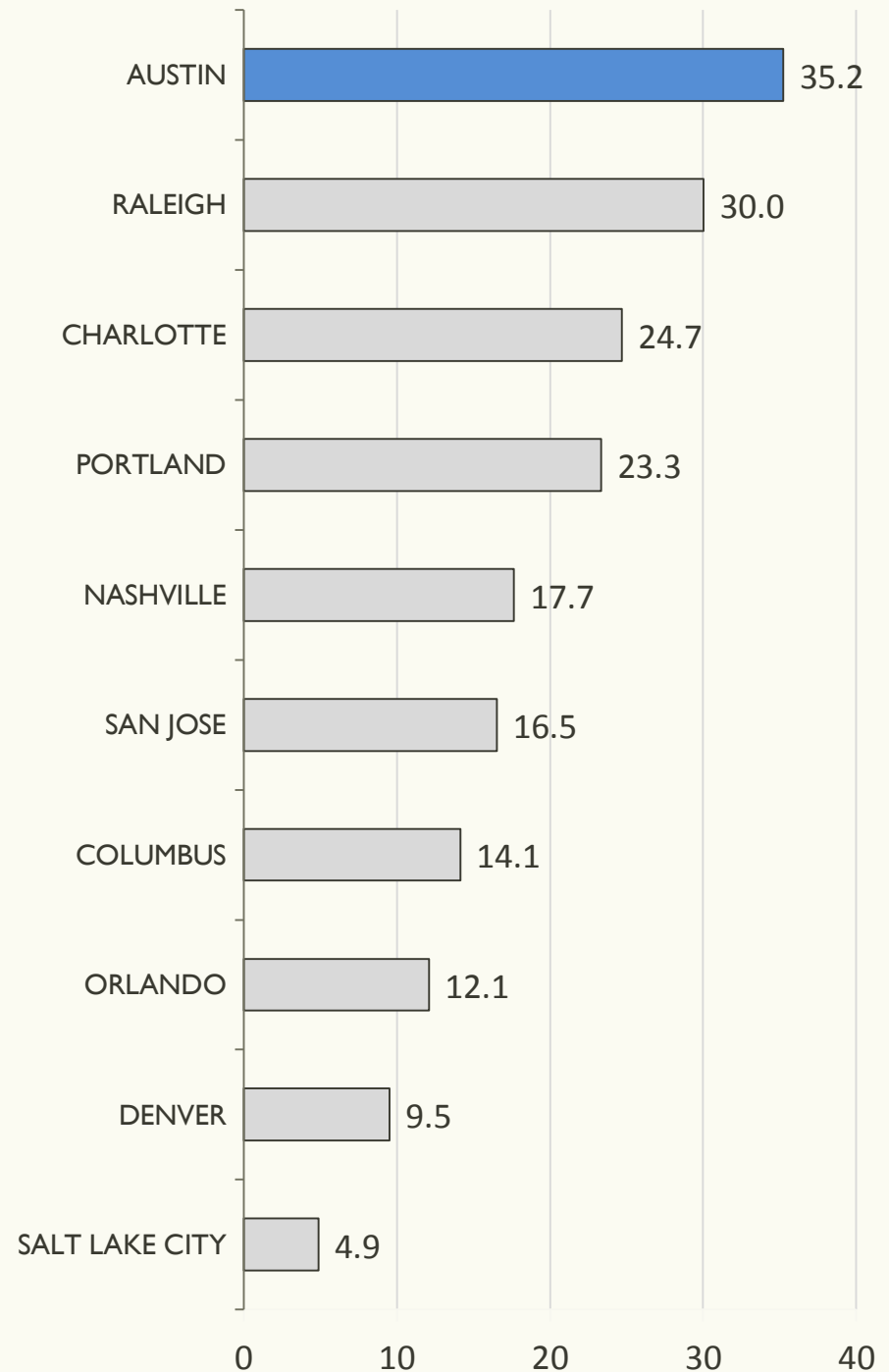
City Park Acreage per 1,000 Residents

(2011)

Austin boasts over 35 acres per 1,000 residents – an amount over 17% higher than its next-closest benchmark. The availability of Zilker Park, Lady Bird Lake and other outdoor amenities is an attractive asset for the community. With plans already underway to improve access to and the appeal of other outdoor amenities in and around downtown, Austin can be expected to maintain its competitive edge in this area.

It is important to recognize, however, that although Salt Lake City, Denver and Orlando rank at the bottom in city park acreage per capita, the access that these cities offer to nearby mountains or beaches make them highly attractive to outdoor enthusiasts.

*(Level of Geography: City; Source: The Trust for Public Land)*



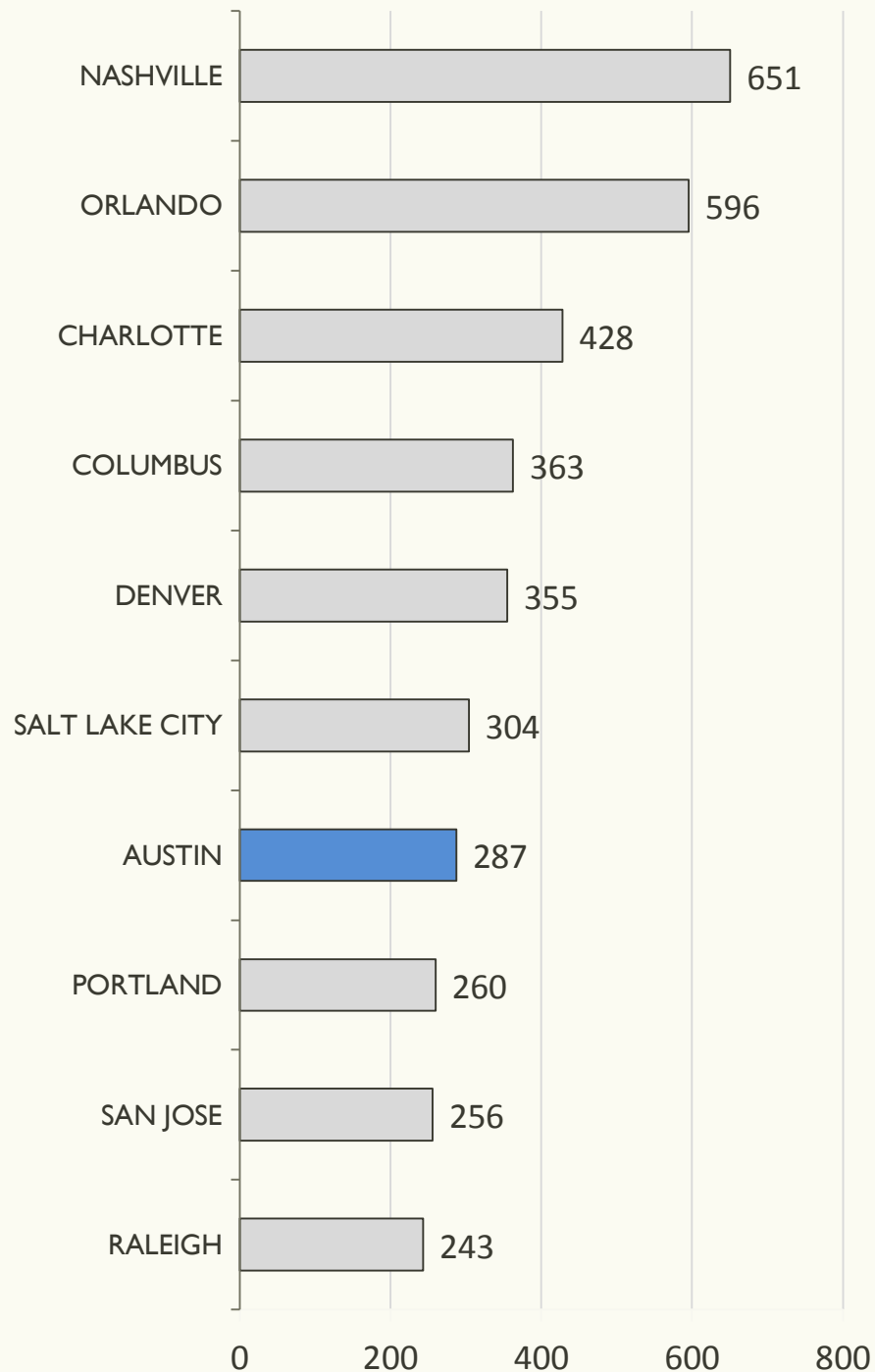
# Safety

## Violent Crime Rate Per 100,000 Inhabitants (2011)

Austin is a generally safe metropolitan area, with respect to violent crime. With a violent crime rate of 287 per 100,000 residents, Austin is in close company with the safest benchmarks. On the other hand, Nashville and Orlando stand out for their significantly higher levels of violence.

Both in perception and in reality, a community's safety has a strong impact on whether or not relocating residents and businesses will consider it as a potential destination. Austin remains in good standing along this measure.

*(Level of Geography: MSA; Source: FBI)*



# Health Insurance Coverage

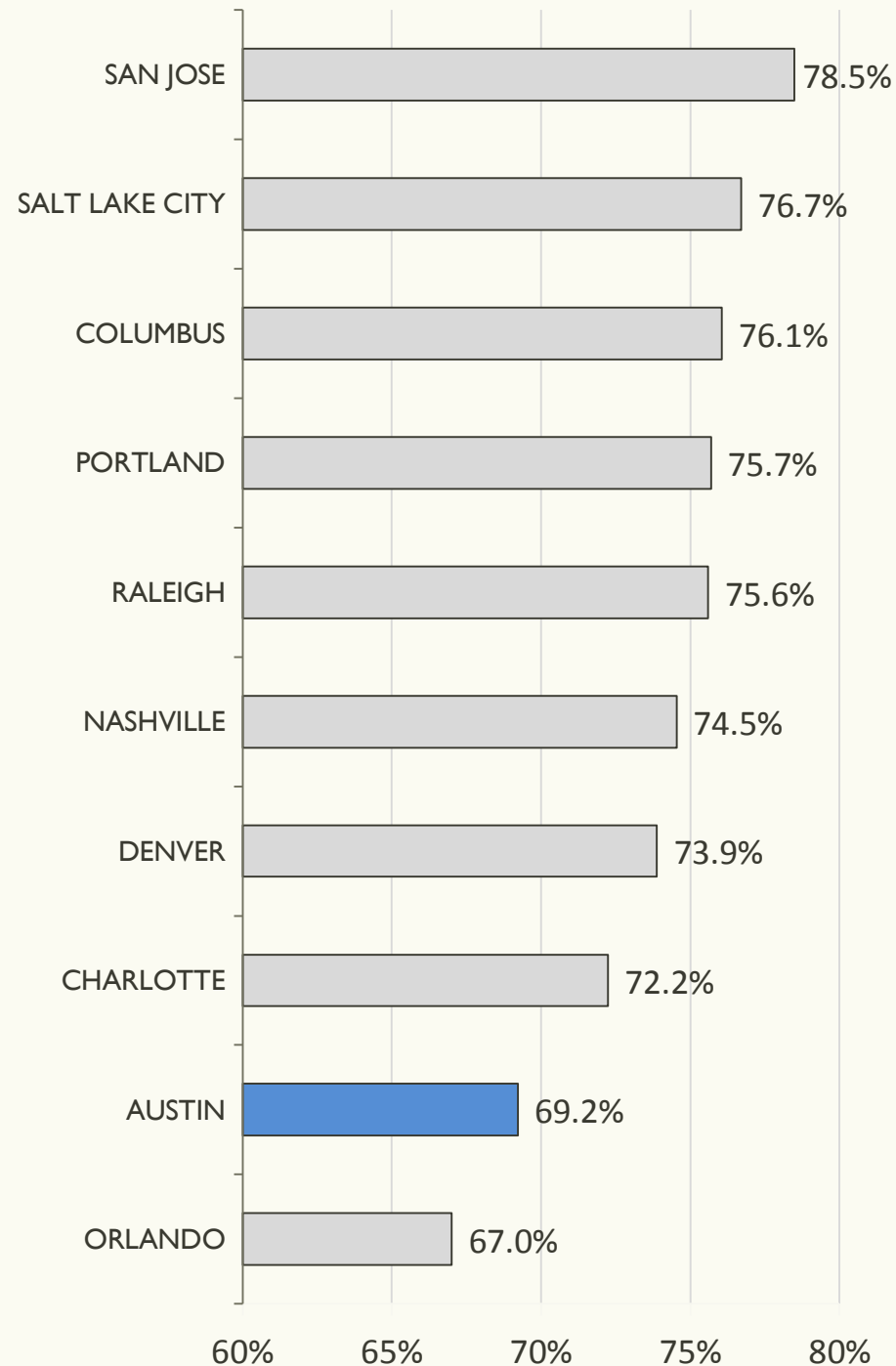
Percent of Population Age 18-64  
With Private Insurance Coverage

(2008)

Despite the overall strength of the Austin economy in recent years, residents are far less likely to be covered by private health insurance than in the benchmark communities. The lack of private health insurance can lead many to turn to government health insurance where available (placing additional demands on public resources). Many more simply do without and place themselves at risk of facing severe financial challenges as a result of a medical event.

As the effects of the Affordable Care Act continue to take place, it will be important to monitor the impact that is had on the number of individuals with health insurance in Austin.

*(Level of Geography: MSA; Source: U.S. Census)*



# Commute Times

Percentage Commuting 45 min. Or More

(2008)

Nearly 15% of commuters travel at least 45 minutes to reach their place of work. Although efforts to attract residents to downtown have been effective in recent years, it has been steadily outpaced by growth in surrounding suburbs.

Not only is population growth in the Austin area tending to be stronger outside of the central city, but many who choose to live in downtown still find themselves commuting to businesses that are located in the suburbs. These combine to place upward pressure on the number of those with long commutes. As these trends continue, transportation infrastructure will be an increasing challenge for the region and its ability to support further growth.

*(Level of Geography: MSA; Source: U.S. Census)*

