



Austin, TX: An Economic Prospectus

CCIM Symposium
Growing Pains of Austin
January 30, 2013

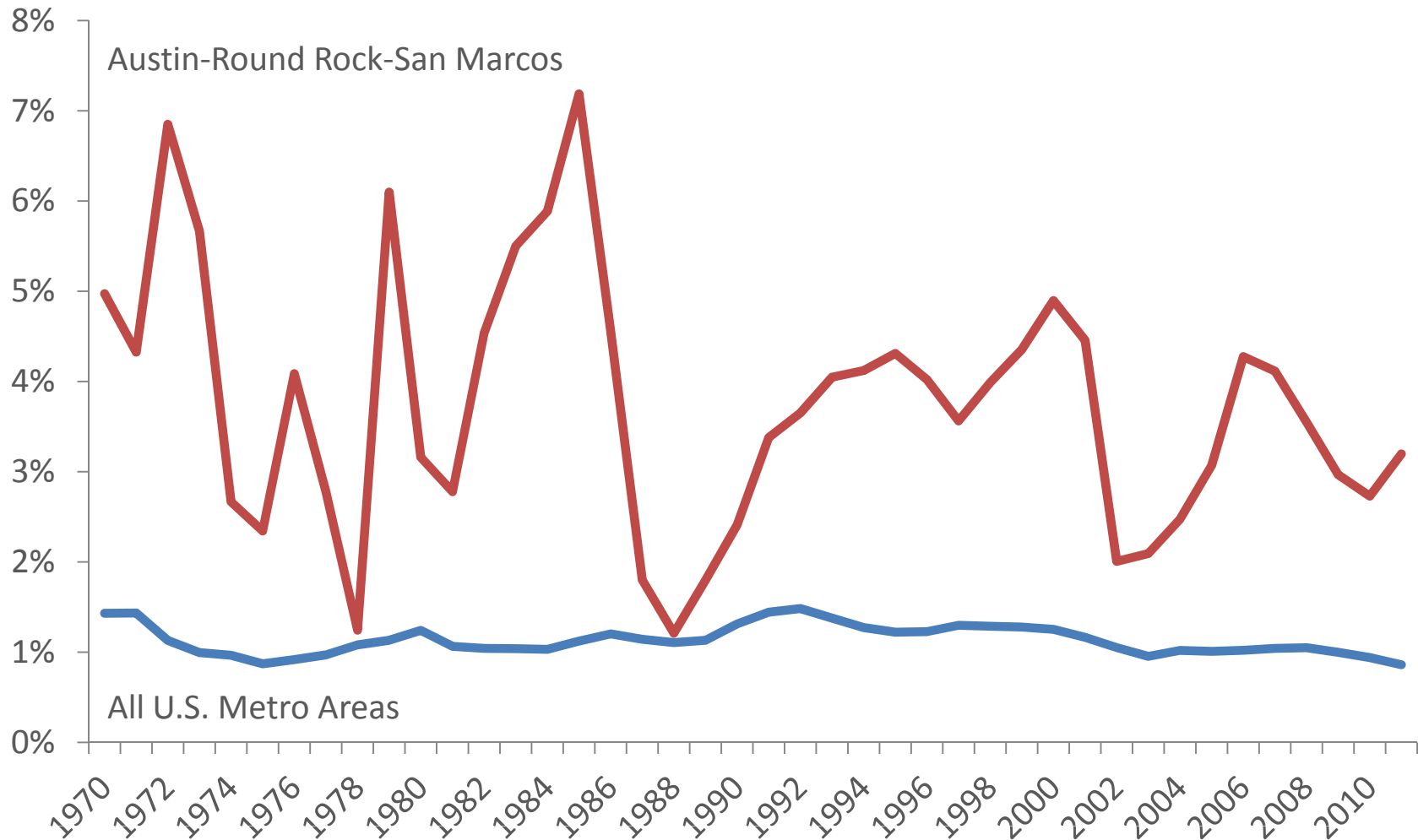


Why Choose Austin?

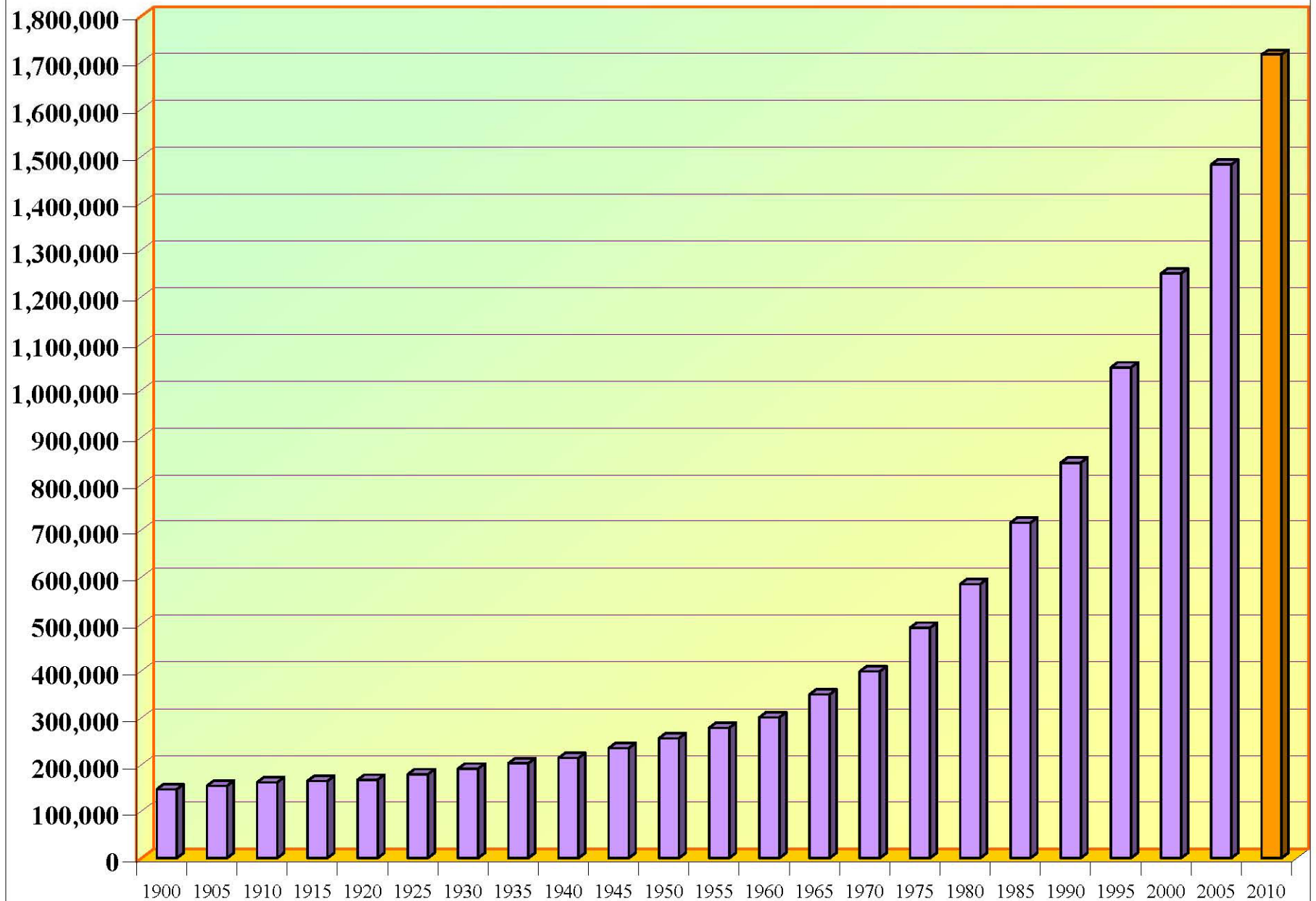
- Unique combination of big city growth rates and feel of small, “weird” university town
- Diversified economy powered by innovation, productivity, and well-developed ecosystem for supporting entrepreneurship
- Region offers great variety in quality of life at relatively affordable prices

Population Growth

Source: U.S. Bureau of Economic Analysis



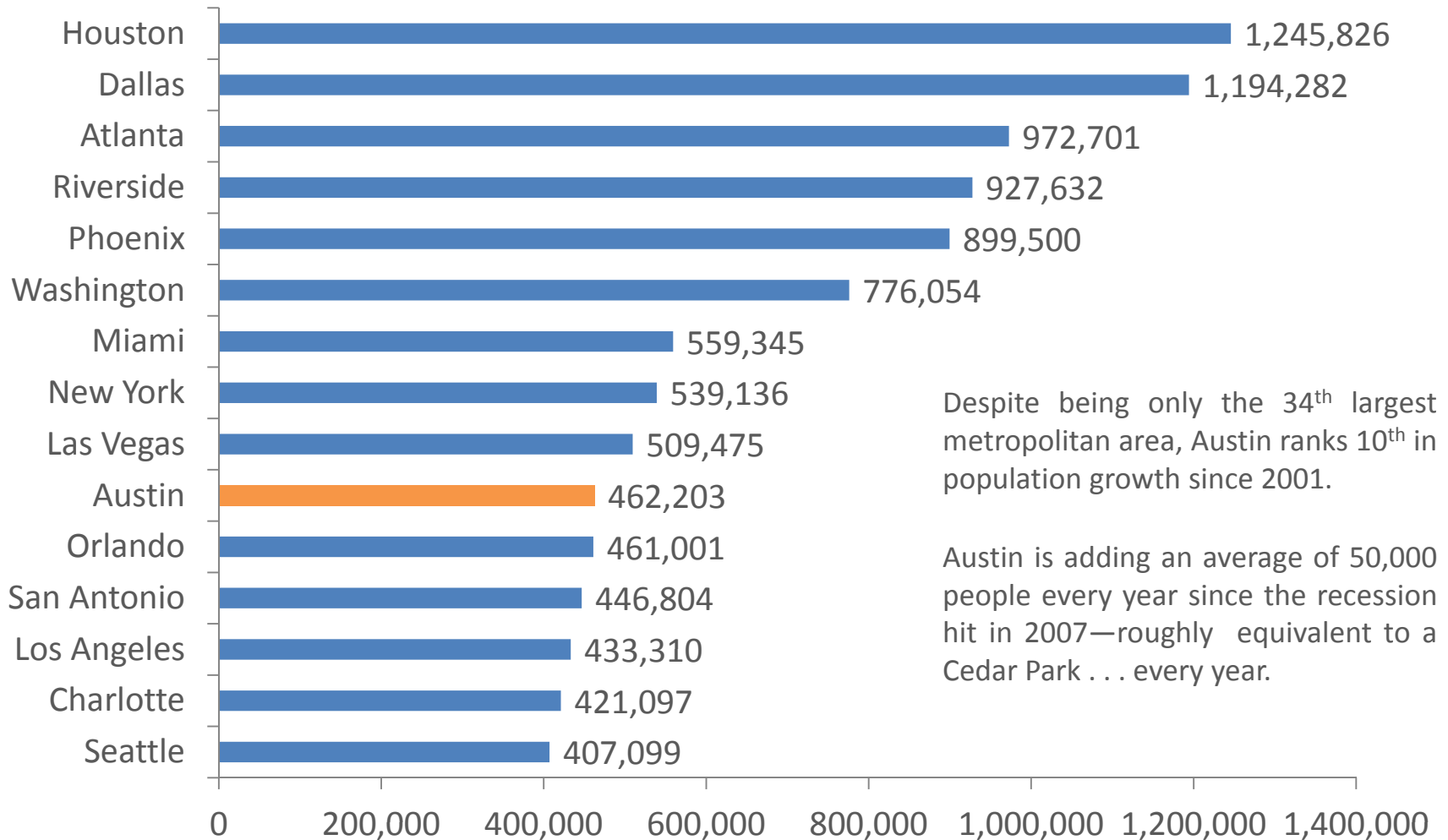
Austin MSA Population History: 1900 to 2010



Produced by: Ryan Robinson, City Demographer, Department of Planning, City of Austin. February 2011.

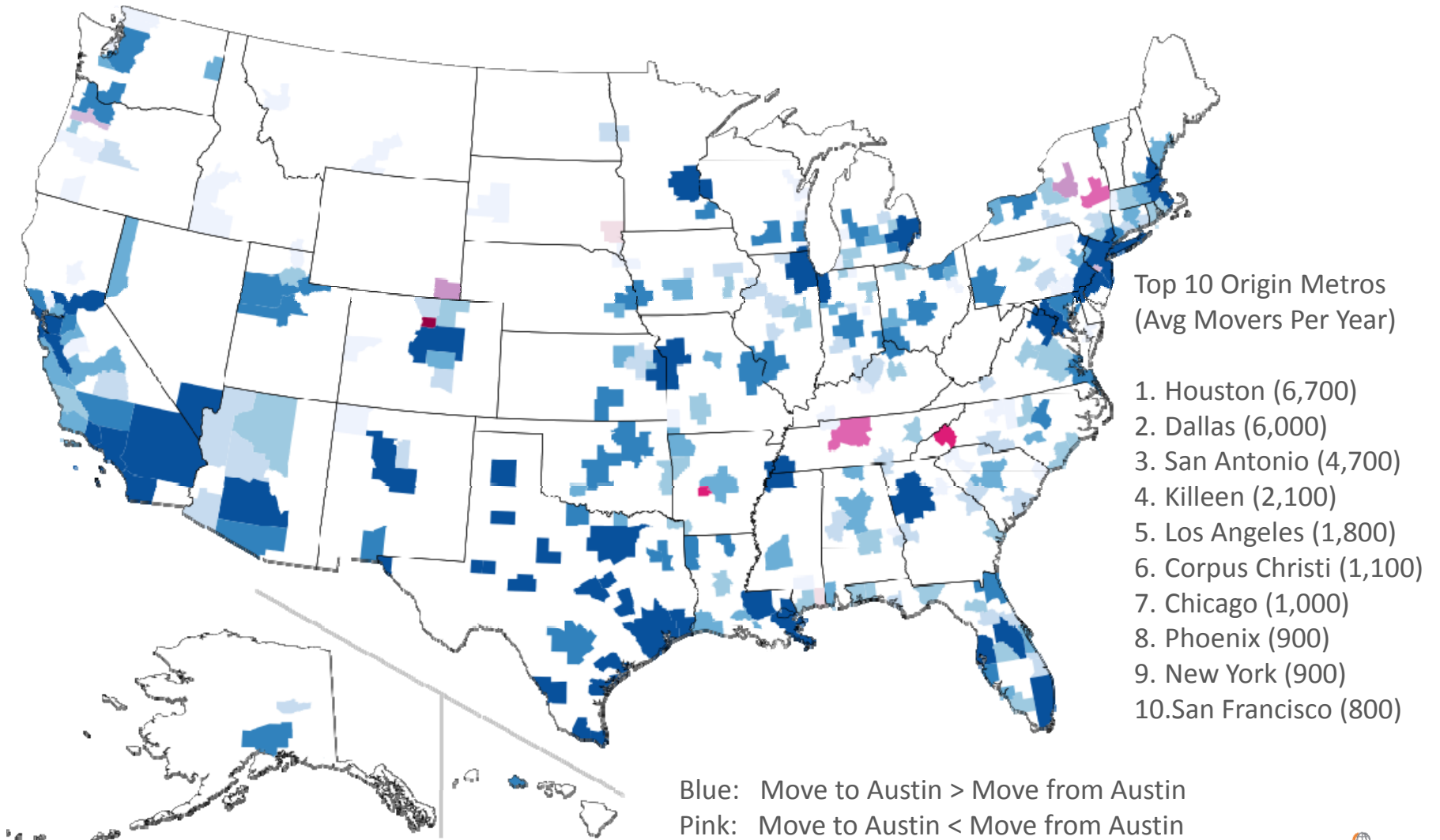
Fastest Growing Metro Areas

Source: U.S. Census Bureau, Population Change, 2001-2011



Austin: Movers Driving Growth

Source: Internal Revenue Service, 2000-2010 (MSAs only)



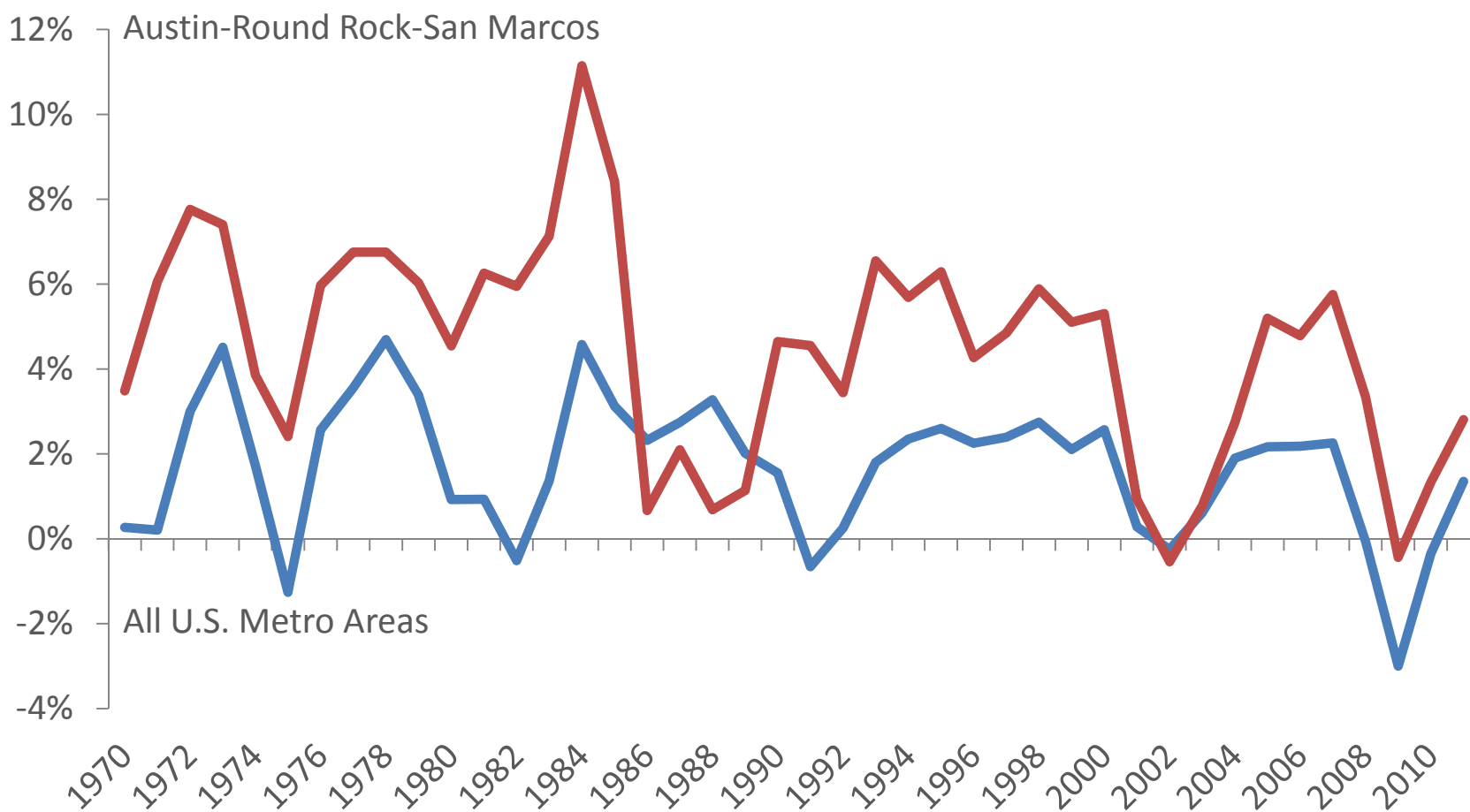
Popular Neighborhoods

Source: U.S. Census Bureau, People Moving to Travis & Williamson Counties from Out of State, 2007-2011

Census Tract	General Area	Out-of-Staters	% Tract Population
17.6	Steiner Ranch	1,113	8%
6.01	UT Campus	1,030	11%
17.86	Milwood/Arrowwood	856	17%
215.07	Indian Ridge/Eagle Ridge	785	10%
203.14	2243/183 Leander	754	15%
18.49	North Burnet/Domain	708	13%

Job Growth: Total Employment

Source: U.S. Bureau of Economic Analysis



Economic Growth: GDP

Source: U.S. Bureau of Economic Analysis

Metro Area GDP ≥ \$50B	Real GDP 2001-10	Real GDP 2007-10
Portland	49%	6%
Austin	48%	10%
San Jose	43%	13%
Raleigh	33%	5%
Orlando	31%	-4%
Washington	30%	6%
Las Vegas	26%	-13%
Phoenix	25%	-7%

Austin's growing economy:

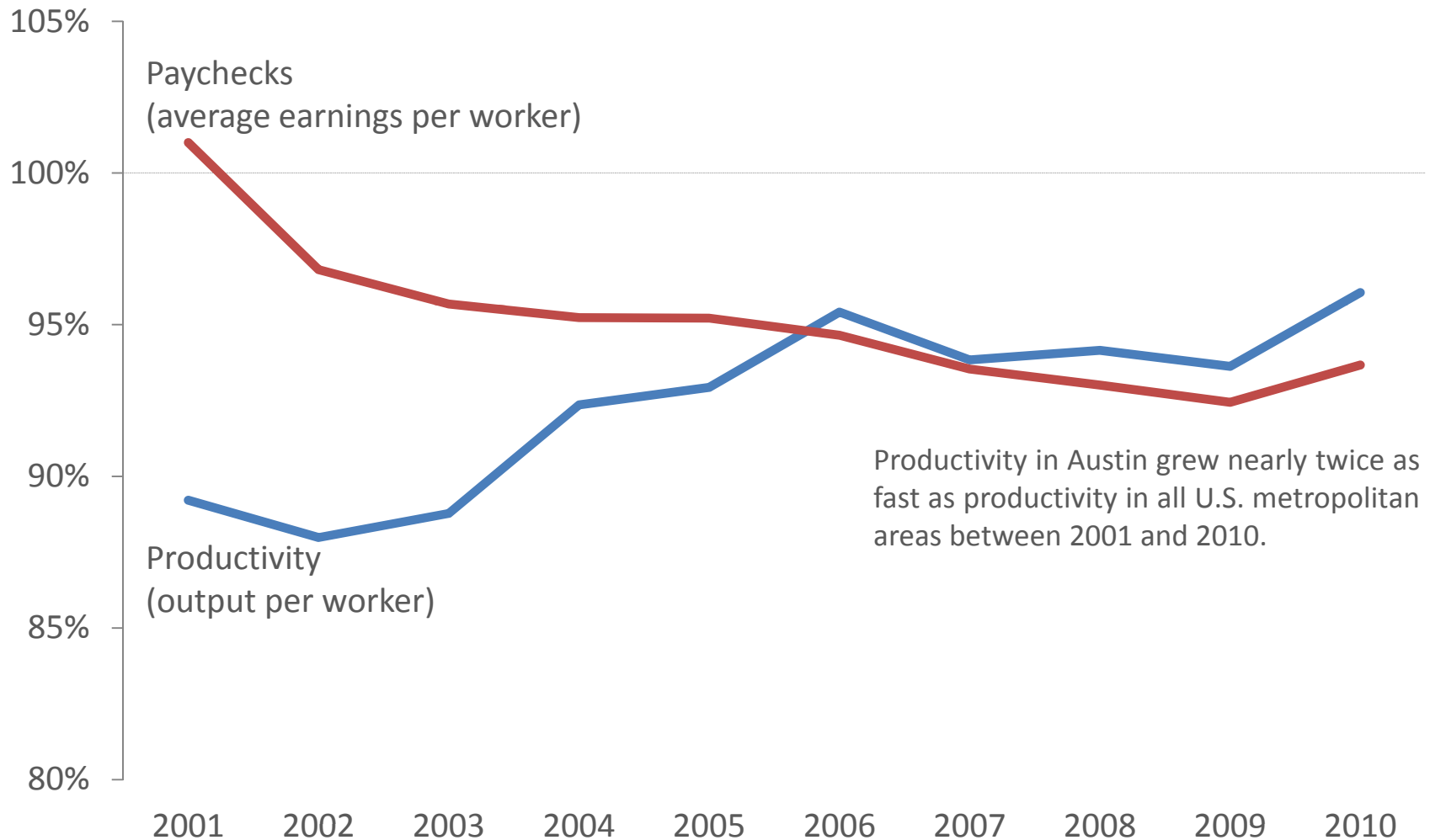
\$26.6 billion increase in GDP between 2001 and 2010, a 48% growth rate second only to Portland among large metros.

\$7.5 billion+ increase in GDP since recession hit in 2007, a 10% growth rate behind only San Jose among large metros.

GDP Per Capita, a proxy used for standard of living, has increased from 97% of U.S. to 104% of U.S.

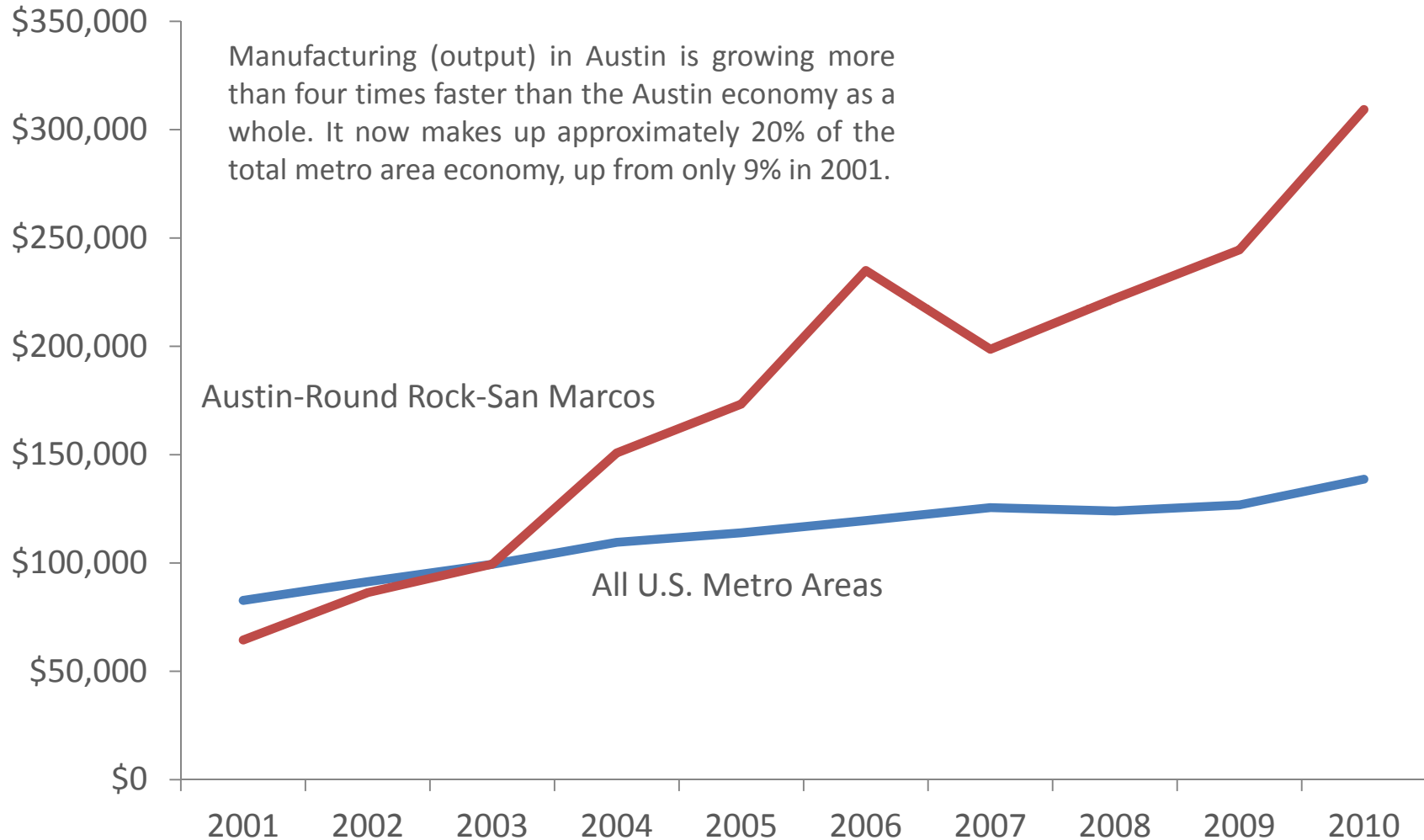
Skilled Workforce Availability

Source: U.S. Bureau of Economic Analysis, Austin MSA as % of All U.S. Metro Areas (100%)



Manufacturing Renaissance

Source: U.S. Bureau of Economic Analysis, Output Per Worker (2005 dollars)



Austin: Diversifying Economy

Source: U.S. Bureau of Economic Analysis

	Jobs Rank		GDP Rank	
	2001	2011	2001	2010
Government	1	1	1	2
Retail	2	3	6	7
Manufacturing	3	11	4	1
Prof, Sci, Tech Services	4	2	N/A	4
Health Care, Social Asst	5	4	N/A	9
Finance, Insurance	10	7	7	8
Real Estate	12	10	3	5

Note: Rank based on share of total jobs, GDP.

Innovation & Entrepreneurship

- Corporate anchors   
- Infrastructure   
- Networks   
- Connectors   

Wealth Creation

Sources, U.S. Census Bureau, Texas Comptroller

- Number of households with at least \$200K in annual income has doubled since 2000, up to 16,000 as of 2010 in city of Austin
- Inflation-adjusted retail sales in Austin metro area grew by 27% between 2002 and 2011, compared to 22% statewide, 1% Dallas
- Technology sectors (mobile, cloud, analytics) well-positioned for VC investment

Housing Affordability

Source: Zillow, Median List Price, November 2012

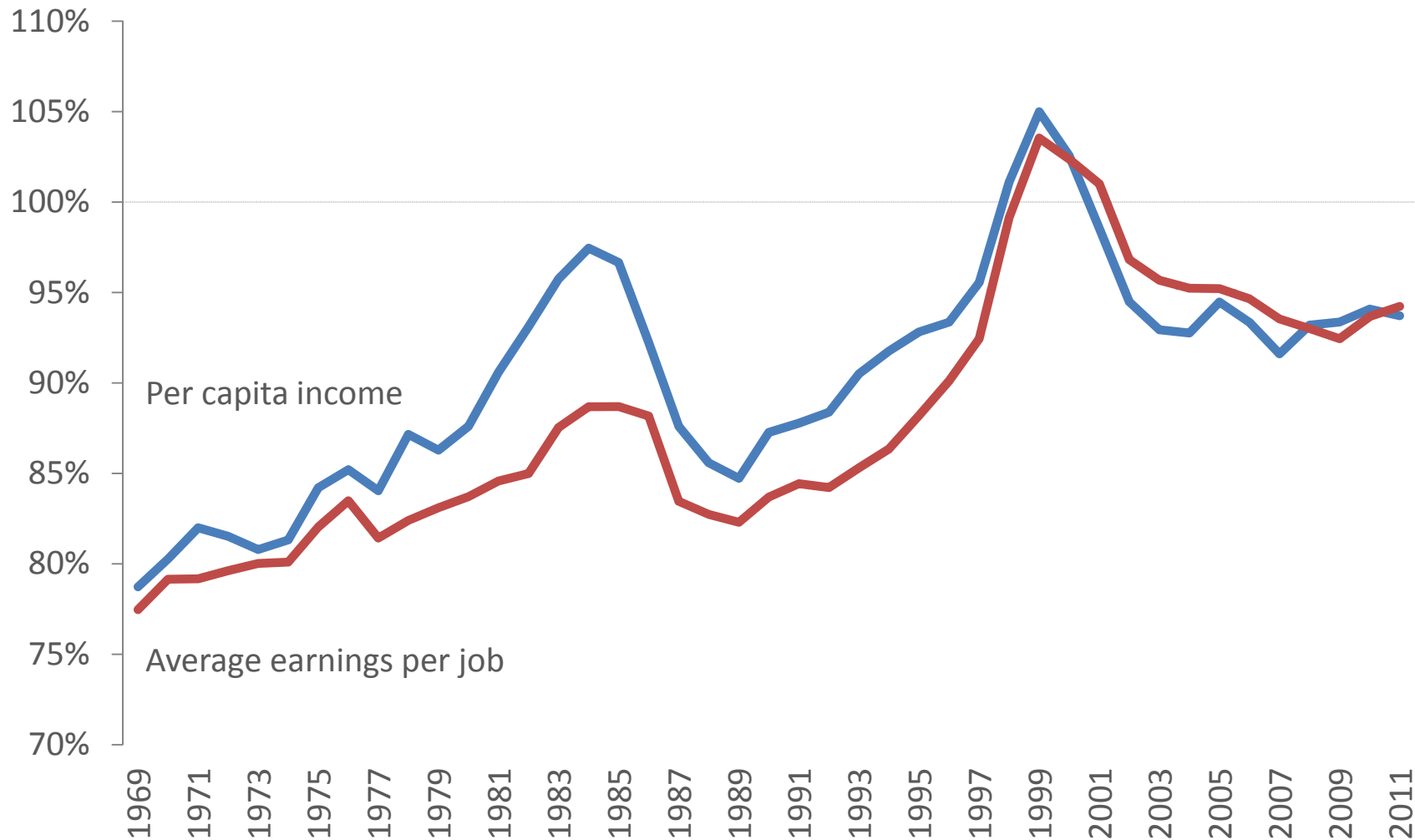
City	Price Per Sq. Ft.	Most Expensive Neighborhood	Price Per Sq. Ft.
San Francisco	\$635	Presidio Heights	\$984
Washington	\$417	Kalorama	\$757
Seattle	\$286	Downtown	\$715
Denver	\$210	Country Club	\$363
Portland	\$191	Pearl District	\$350
Austin	\$141	Downtown	\$387
Raleigh	\$107	Wade	\$218

Key Questions

- Can Austin maintain its cost advantage given the region's current growth trajectory?
- Will we make the necessary investments in public services, infrastructure (water), and amenities to keep up with growth?
- Is it possible to make the region's economic development more inclusive?

Middle Income Stagnation

Source: U.S. Bureau of Economic Analysis, Austin MSA as % of All U.S. Metro Areas (100%)

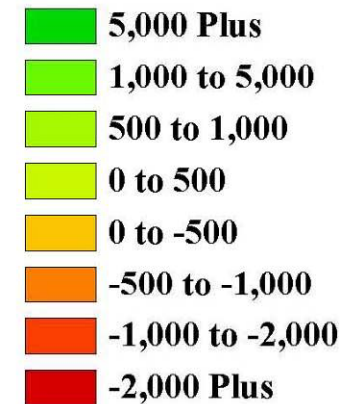
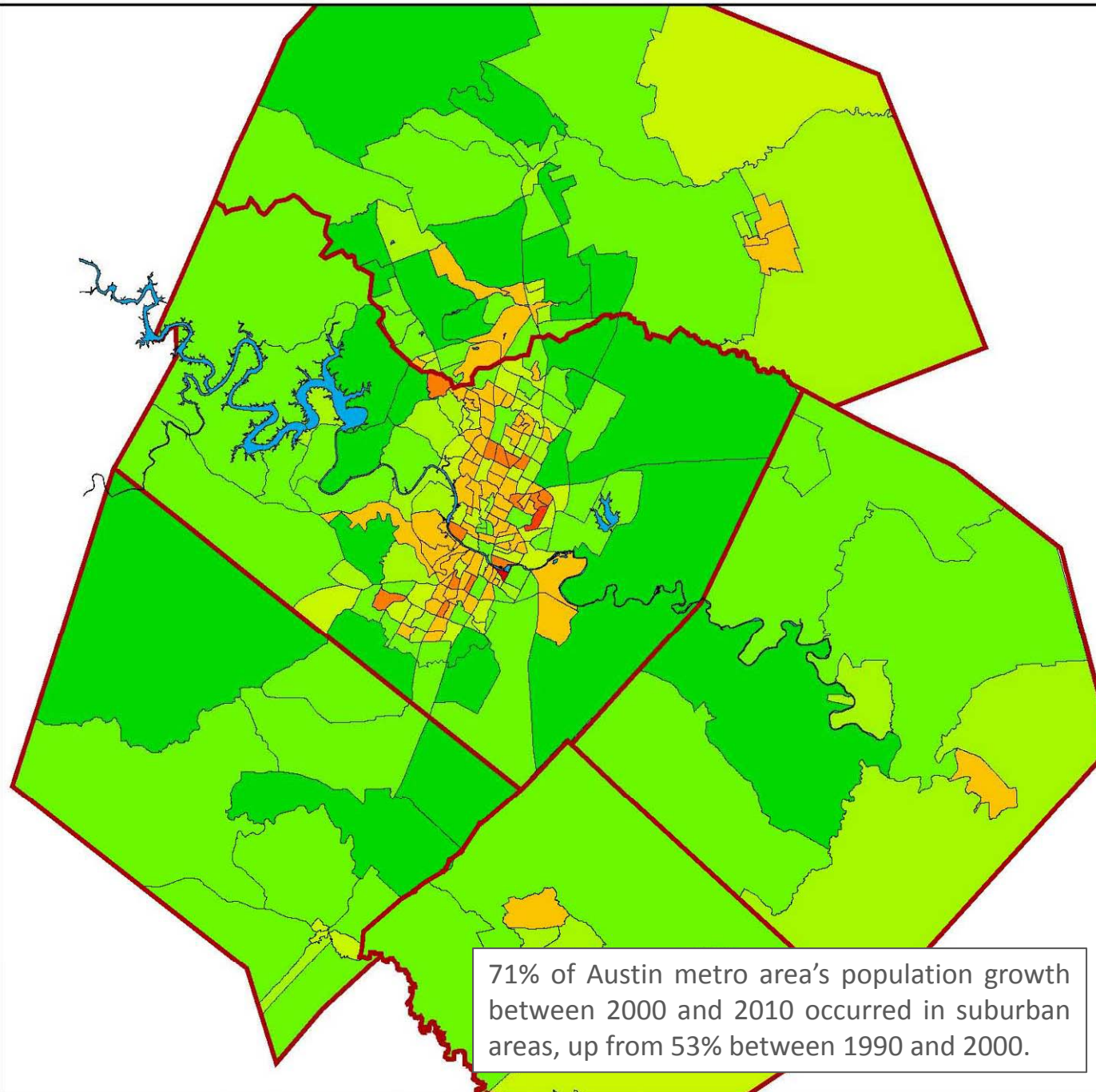


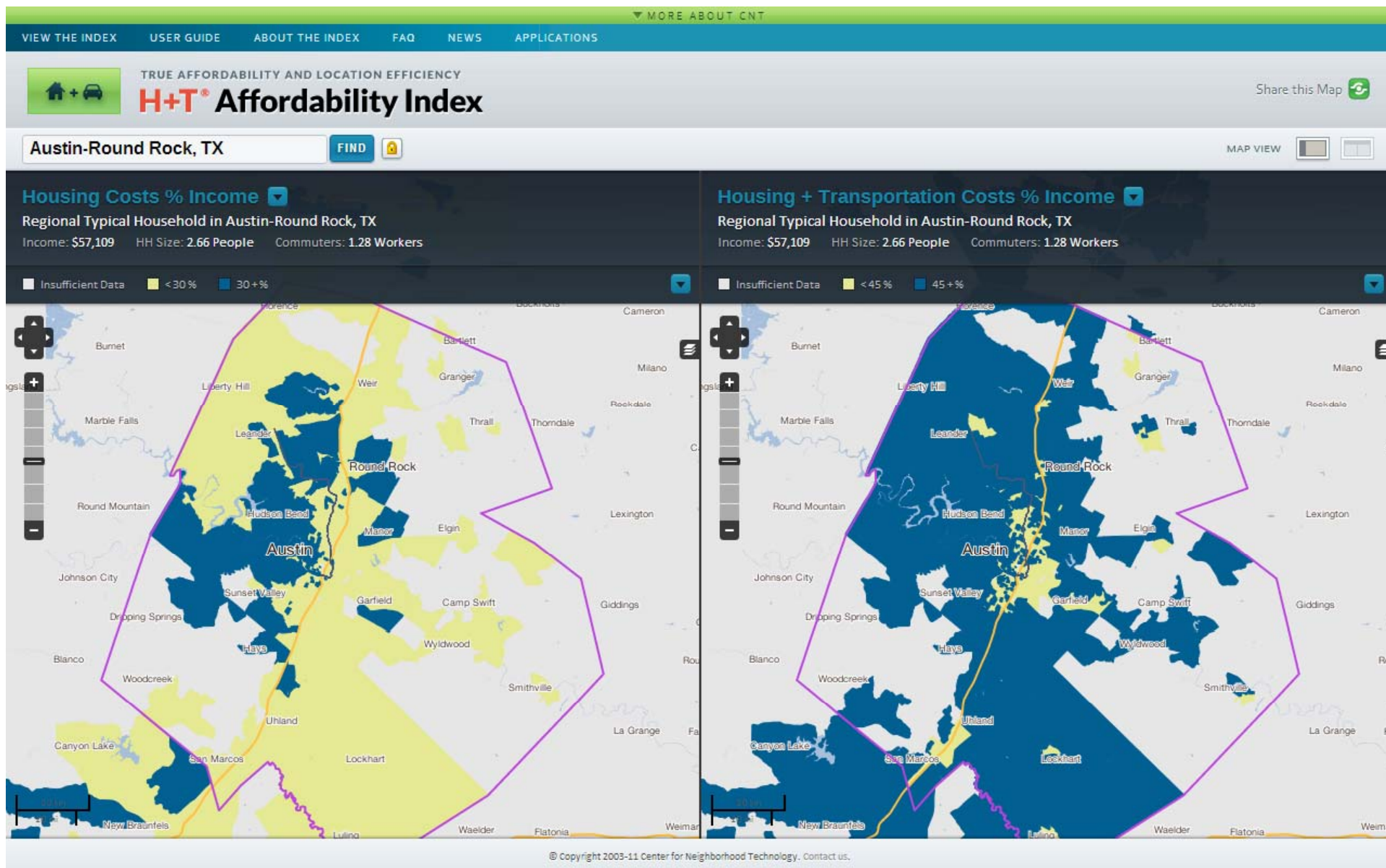
Population Growth and Decline: 2000 to 2010

**Austin--Round Rock
MSA**

**Decennial data from
the US Census Bureau**

**Change in a Census
Tract's Total Population
from 2000 to 2010
at the 2000 tract-level**





Source: Center for Neighborhood Technology <http://htaindex.cnt.org>

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Human Capital Investment

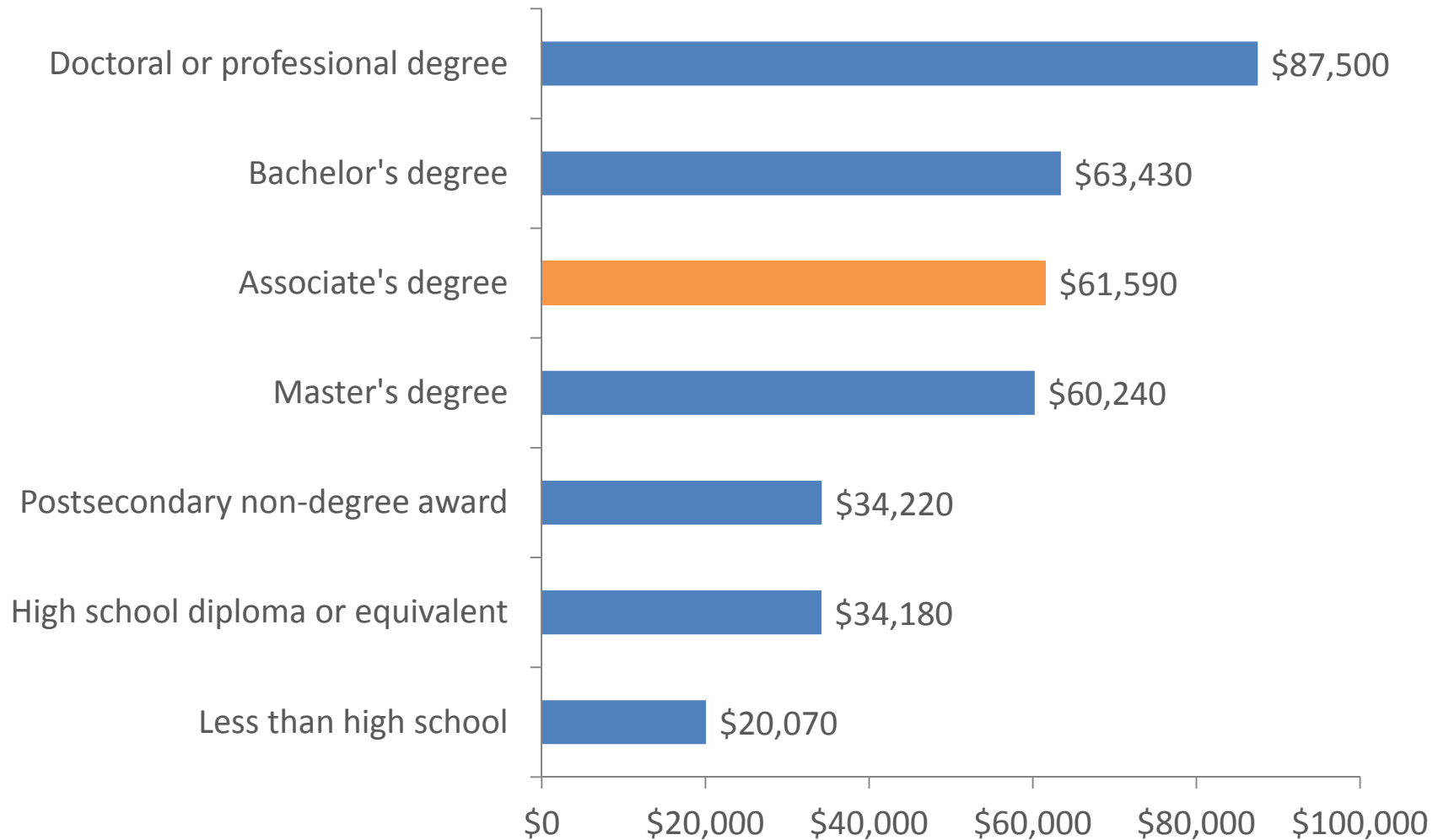
Source: U.S. Bureau of Labor Statistics

- 37% (7.5M) of all new jobs in U.S. expected by 2020 will require postsecondary degree
- 16 out of top 25 fastest growing occupations in U.S. will require postsecondary degree
- 91 out of top 100 highest paying occupations in U.S. require postsecondary degree

Note: Postsecondary here means certificates, associate's degrees, and up.

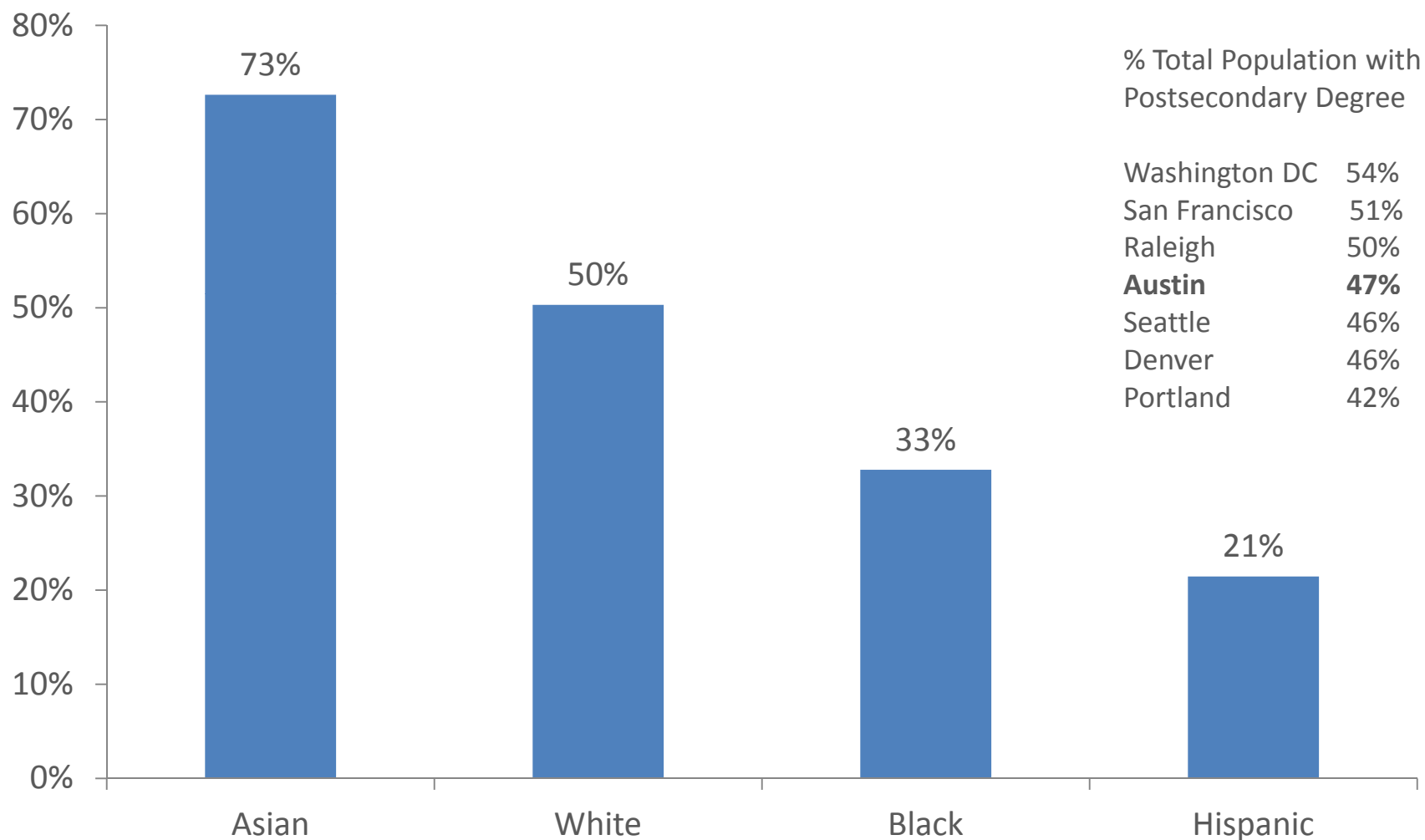
Human Capital ROI

Source: U.S. Bureau of Labor Statistics, Median Wage for U.S. Occupations by Education Required, 2010



Austin: The Challenge Ahead

Source: U.S. Census Bureau, % Population Age 25+ in Austin MSA with Postsecondary Degree, 2011



Summary

- Austin's reign atop metro area rankings should continue if we continue to think big, take risks, and invest in economic competitiveness
- Growth pressures will test our commitment to regional thinking—avoiding a zero-sum game mentality will be a critical success factor
- Creating stronger links between education and workforce development is a top priority

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