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Dear Client:

**One of the reasons for Austin's growth is that it has a large population of baby-making age. So, how does that compare to the number of residents who choose to move to Austin?**

The nose-counters at the USCensus Bureau refer to these two components of net change in population as "natural increase" (births minus deaths) and "net migration" (from both domestic and international locations). **With a relatively young population, logically there are more births and less deaths than in cities with an older population base.** So, if a wall was built around the city to keep out any newcomers, the city would normally increase its population.

But of course there is no wall and crocodile-filled moat, so **Austin is an attractive re-location magnet for many, for a variety of reasons.** The question becomes one of balance – how does the in-migrant total impact the population growth versus how much "natural" growth occurs in Austin.

The USCensus Bureau has a category that provides us with a rear-view mirror look at what has happened since the turn of the century. The Bureau reports that for the **2000 to 2008 period, metro Austin's population grew by an amazing 32%.** This ranked Austin as 3<sup>rd</sup> among the largest 50 metros for population growth.

Care to hazard a guess at the ratio of in-migrants to natural increase? Fifty-fifty? Or does it skew heavily in one direction? It is roughly two-thirds and one-third. **Net migration accounted for about 67% of the total increase during that span.**

Look at it from a different perspective. The USCensus Bureau calculates that **net migrants since 2000 account for 16% of 2008 total population.** This ranked the Austin metro 4<sup>th</sup> in the nation for net migration's share of 2008 population. Another interesting factoid: In 2007, **8% of Austin residents over the age of one (nearly 126,000) did not live in the metro one year earlier.** This is the highest percentage among the nation's Top 50 metros. All of this info, by the way, comes from **Beverly Kerr**, the Austin Chamber's VP/Research.

This updates and gives more detail to what we reported 3/6/09. What it means for the *future* is still an unknown. But, **if Austin suffers less and rebounds quicker from the recession than most places in the nation, you can look for the in-migration numbers to remain high.**

**Even though the Austin area temperatures have been unusually hot recently, be thankful there has been a bit of wind along with the heat. Why? It keeps air pollution lower.**

The prevailing winds in the area flow over the Austin area from the southeast – generally from the Gulf of Mexico. But, when the prevailing winds diminish to the point of *gently* bumping up against the Balcones Escarpment (the Hill Country, in popular parlance) **an inversion can occur. The air sort of “flips over” and you get a haze hovering over the city.**

Some call it smog. **O Henry**, when he lived and wrote in Austin, labeled Austin “The City of the Violet Crown,” as a result of this weather event. Heavier winds keep the particulate matter in the air moving on through. **But when the winds diminish, the particulate matter settles over the area, cooking in the heat, and this creates an Ozone Action Day.**

It’s not just the particulate matter that flows in from the Gulf – pulling emissions from oil refineries along the coast, as well as smoke from Mexico, etc. When the still air hovers over Austin, **local activities also heighten the impact to create an Ozone Action Day.** And this affects you directly. More about that in a minute.

The Ozone Season runs from April 1<sup>st</sup> to October 31<sup>st</sup>. The Environmental Protection Agency (EPA) has recently raised the federal standards for clean air. EPA says Ozone pollution is unacceptable when it reaches 75 parts per billion. Travis County is currently at 78 parts per billion. If this level is exceeded frequently, **Austin could be added to the dreaded “non-attainment” list.**

And this is where it will kick in to impact you. Not only is it a **health hazard** for those with respiratory problems, non-attainment can bring **severe penalties** with it. Federal transportation dollars that would normally go to the Austin area can be impacted and new businesses could face expensive offsets before they are allowed to create jobs in a community.

One of the pollution culprits as the winds die down and Ozone Action Days are designated is **traffic. So reduction in vehicle use helps the most during the ozone season.** Austin Energy advises that you avoid extra driving, refuel after 6 pm (to keep the gas vapors released during the day from cooking in the heat), reduce idling in a vehicle, keep your car tuned up, etc.

**Speaking of traffic, routes in and out of downtown are completely saturated at certain times, and these peak congestion periods last much longer than 15 years ago.** A new circulation study will be released soon that not only confirms this statement but it will point out that the ability to react and absorb traffic events has become more constrained. Hopefully, it will focus on recommendations to correct this, because as we pointed out some time ago, the big increase in those who live downtown, but work elsewhere, results in conflicting traffic going in and out of downtown at the same time.

**UTAustin quietly planned for a couple of years to launch a massive \$3 billion fundraising campaign. Not long after announcing the campaign, the economy tanked. So, how is the money-raising going?**

The dollar amount obviously indicates it is a massive campaign. And it has exceptional aspirations. In fact, UTAustin president **Bill Powers** says **“the capital campaign is critically important to fulfill UT’s aspiration to become the best public university in the nation.”** No one ever claimed that UT didn’t set grand goals. The campaign is set to run until 2014 – so it is a long-term project whose ultimate success will be measured in about five years. Having said that, it is still important to measure *progress*.

Powers said the effort is “off to a strong start.” How does he define that? “We’ve raised more than \$833 million from September 2006 through the end of March 2009,” he said. **This is 27.8% of the \$3 billion goal.**

Well, if that is the case, how do you measure the *pace*? “We’ve completed 2.5 years of the campaign, which makes us 31.25% of the way to our finale in 2014,” said Powers. **So, 27.8% of the money has been raised, yet 31.25% of the target time has lapsed.**

Again, this raises the question of what needs to be done to reach the goal by the target date. “At this rate, **we need to raise about \$425 million per year to complete our campaign on time,**” Powers calculated. If this is the case, it means UTAustin has a lot of work to do.

How does this fund-raising pace compare to past UTAustin efforts? Has raising \$425 million per year been accomplished by UTAustin in the past? **“Our biggest fundraising year ever was 2007-2008, in which we raised \$360 million.** We will need to top that amount by \$65 million per year if we are to reach our campaign goal on time,” Powers said.

Okay, so how is it going so far this fiscal year – in the midst of extremely uncertain economic times? **“We are on about the same pace as last year,”** noted Powers, “having raised about \$203 million by the end of March.”

Enough of the questions. Powers points out that **during the 1930s, as the economy was sinking into the Great Depression,** UTAustin alumni banded together in a capital campaign to raise money for the construction of the Texas Union, Gregory Gymnasium, Anna Hiss Gymnasium and Hogg Auditorium. “Four magnificent buildings that changed the face of the 40 Acres, all completed between 1930 and 1933,” said Powers.

“Even though we are in uncertain economic times, **we ought to remember what was accomplished during even harder times,**” Powers concluded.

**As you are probably aware, rates to mail a letter increased Monday. A first class stamp now costs you 44 cents. The rate hike underscores the dire financial situation at the postal service.**

The US Postal Service (USPS) reported a \$1.9 billion loss for the 1<sup>st</sup> quarter 2009. This is the continuation of a trend. For instance, a year ago the USPS lost \$707 million in the 2<sup>nd</sup> quarter. It is compounded further by the fact, the service handled 43.8 billion bits of mail during the most recent quarter and that was down by 7.5 billion items from the same quarter a year ago. **This represents the biggest fall in the volume of mail USPS handles since 1971.**

A number of factors are at play here – not the least of which is the national recession. For instance, magazines are charged by *weight* when the USPS delivers them to your address. The problem is that advertising revenue is down dramatically during this national recession, so the pages in most magazines have dropped precipitously. **As a result of fewer ad pages, the average weight (read: revenue) of periodicals is down 10.4% year-over-year.**

Also **fast, aggressive competitors like FedEx and UPS** have had a major impact on the USPS. And email? **Fewer and fewer people send letters these days. The advertising supplements and circulars sent by businesses have fallen off** significantly. The long-term trend of hard copy correspondence and transactions being diverted to electronic media has reduced USPS revenue tremendously.

The USPS has already let its work force shrink due to attrition and it has cut some workers' hours. It has proposed major steps to stem these negative trends, including even **eliminating one day of mail delivery per week.** There is no question USPS is facing a very steep hill to climb. A venerable service that you use almost daily is being bombarded by a double whammy of changing times and a recession. **It's a tough time for them – and, as a result, for you.**

While driving around Austin this weekend and being bombarded by “Keep Austin Weird” slogans, **Dr. Louis Overholster** saw two bumper stickers that brought a chuckle: The 1<sup>st</sup> said: “Keep Lubbock Flat.” The 2<sup>nd</sup> read: “South Austin: We're all here, because we are not all there!”

Sincerely



Editor/Publisher