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Dear Client:

**The Austin area and the State of Texas are “sticky.” You’ve seen the population-increase figures. They generally refer to those who move here and those who are born here. But another big reason is their “stickiness.” Once here, you can’t get rid of them. They “stick.”**

More than likely, you know those who fit into this category. It manifests itself in many ways – those who **turn down great job opportunities elsewhere** ... those who’ve lived elsewhere and **never want to leave now that they’ve “discovered” Austin and Texas** ... the comments from residents all over the US who tell you they’ve **heard so many good things about this area** (reinforcing your personal “stickiness”). Most of these anecdotal references cite different reasons for sticking here.

So, with **relatively little out-migration, the in-migration numbers swell significantly** and boost those population-increase stats. And **those who were born here** may be the stickiest of all. As a matter of fact, **more than three-quarters of adults born in Texas still live in Texas** – the highest percentage in the nation. (Or as one wag put it: “Texas knows how to hold ’em” – a reference to the popular poker game called *Texas Hold ’Em!*)

How do we know all this? Using USCensus data, the Pew Research Center’s Social & Demographic Trends project created a typology that groups all 50 states and Washington DC to determine their “stickiness” (no need to bore you with the methodology). Result: **Texas is the “stickiest” and Alaska the least “stickiest.”**

A number of conclusions can be drawn from this project. But let’s focus on just one for purposes of this discussion: **as far as Austin is concerned (and to a lesser extent the state), this represents a sea change on career opportunities.**

As we have reported over the years, it wasn’t that long ago young Austinites had to leave this area to pursue better careers. After all, **prior to the 1980s, this economy was driven by governmental jobs** (education and state government). Other career opportunities were limited.

Now, **those born and raised here have job opportunities that were not even dreamed about just a few decades ago.** The born-here/raised-here group is as “sticky” as they come.

**Just what *is* it about Austin? Why all the fuss? For a well-respected perspective, we turned to “one of the world’s top five trendspotters” for her views. Her observations are fascinating.**

“I’ve written a lot about how places make *us* and *we* make places – cities like San Antonio, Providence and Pittsburgh reinventing themselves and becoming newly trendy,” says **Marian Salzman**, CEO of Havas PR North America. **“But then there are those places that have been trendy for decades. Or rather, are just so plain cool that they transcend trendy. I’m thinking about Austin.”**

Salzman says Austin has remained true to its “Keep Austin Weird” bumper sticker spirit for years and years, but which suddenly seems to be having a moment. **“It’s not just the Texas capital of cool, it’s a national epicenter of aspiration. We’re in the grips of Austin envy,”** noted the New Yorker.

Strong words from a pro who won awards for a **series she wrote on the brain**. As a PR practitioner she’s also won top recognition for her **positioning of products as diverse as Pepsi and America Online**. She obviously gushes about Austin, while still figuratively scratching her head wondering what *is* it about Austin.

She has some thoughts about this: “The quirky quality of life is hard to argue with (August temperatures notwithstanding). **The city’s appeal goes far deeper than warm winters and good Mexican food**. It’s home to **techies and hipsters**. The **culture is laid-back but successful**. Industry flourishes, but it’s not a one-industry town. **The business climate is friendly. It attracts smart people who don’t want to be slaves to the grind**. And its innovation power is only growing.”

And for someone who has been correctly predicting trends for years, she has an inevitable – and favorable – comparison to trend-setting California places.

**“If you took the best qualities of Palo Alto and Berkeley and put them together** – minus the former’s overambitious striving and exorbitant cost of living, and the latter’s business-unfriendliness and occasional burnout factor – **you’d end up with a place like Austin. Austin has characteristics that don’t quite add up but somehow work together,**” she concludes.

**“If there is anything that symbolizes Austin envy, it’s SXSW**. The festival, which ran for the 27<sup>th</sup> time this past March, has managed to **remain cool while becoming commercial**. What started out as a scruffy festival attended largely by college kids and music fans” has grown to where “the real glamour is at SXSW Interactive, a must-make stop on the global digerati circuit,” she observed, then added: **“I’ve had countless conversations with placemakers in other cities recently (in the US and abroad) and we’re still trying to decode the Austin secret sauce -- barbecue sauce, if you will – that has made it desirable, trendy and magical, but ensured that demand outpaces supply.”**

**Southwest Airlines has come thisssssss close to marking a milestone at Austin-Bergstrom International Airport (ABIA). The milestone? Carrying 40% of all ABIA travelers.**

Talk about dominance. **The Texas-based air carrier boarded 39.6% of all passengers at ABIA during the month of April 2013.** This more than doubled the airline in 2<sup>nd</sup> place – American Airlines that held an 18.6% market share during April. Third place is Delta Air Lines, way back with a 12.4% share of April's passenger traffic and United Airlines came in fourth with 8.3%.

Add 'em up. **Southwest carried more ABIA passengers in April than its three nearest competitors combined.** And the margin appears to be widening. For instance, in April, **Southwest increased its monthly total by 12%** compared to the same month a year ago. **#2 American actually carried fewer passengers – 4% below the passengers carried in April 2012.**

All this is occurring at the same time **ABIA passenger traffic records are being broken.** In fact, total passenger traffic for year-to-date, January-April 2013, is up 5% over the number of passengers in the same months in 2012.

**Of the electricity used over an entire year by the average Austin resident, almost half is used during these next four months – June through September. Stand by for big monthly bills. How much higher? How about two-to-four times what you pay during spring and winter.**

The City of Austin's Austin Energy will tell you that **air-conditioning is the culprit.** But this is only one of the reasons, even though the increased A/C electricity usage is quite dramatic (the average monthly A/C usage doubles from March to August). Yet, this is only one aspect of your high monthly bill. There are two other factors at play.

Number one: The Austin City Council in its wisdom for years has **charged a higher rate for electricity during the summer when energy usage is at its peak.** Their logic: if we charge you more, maybe you will conserve and not use as much -- even though it may be a few degrees hotter'n Hell. Hmmm.

The other factor: again **the City Council significantly, and controversially, revised all electric rates earlier this year** – on top of the already-higher summertime tariff. So your electric bill will be battered by a Perfect Electric Storm for the next few months: 1) high usage, 2) higher rates during summer months, and 3) overall higher rates just voted in this year. Hang onto your wallet.

Oh yeah, **your bill could be even higher if you live in a 15-20 year-old home.** Austin Energy says the average home of that age is wasting 20% to 30% of its power through inefficiencies.

**It's already started – the rumble-thunder of tens of thousands of motorcycles descending upon the Austin area. One of the largest motorcycle events in the US will peak publicly tonight (Friday) in downtown Austin where 200,000 spectators are expected to watch 50,000 motorcycles roar up Congress Avenue.**

What the Guinness Book of World Records calls the “**Longest Parade of Motorcycles Known to Mankind**” leaves the Travis County Exposition Center in East Austin at 7:30 pm and rolls 11 miles to the State Capitol downtown. It's the annual Republic Of Texas Biker Rally (ROT Biker Rally). ROT organizers say “**enthusiasts come enjoy the amazing motorcycles, the Austin nightlife and the beautiful Texas women.**” What's happening besides the parade?

Well, there's the “**Miss ROT Swimsuit Competition.**” Miss America, it's not. The rules include these words: “**We want our contestants to be very sexy.** However, contestants who show too much, will be disqualified. No nudity! **We want girls who know how to have a good time and know how to encourage others to have a good time.**” Miss ROT 2013 gets \$300 cash.

And what would a motorcycle event be without a **Tattoo Expo**. ROT's publicity states “it's understood that **motorcycles and tattoos share the same allure: Enjoyment of the Extreme.**” It refers to individuals who “love making a mark that doesn't just wash away.”

What else? Concerts (Los Lonely Boys, **Vince Neil** of Motley Crue, **Ray Wylie Hubbard** – who wrote “*Up Against The Wall, Redneck Mother*” – Twisted Sister, etc.). Comedians (**Steve Trevino**). Bars (Paradise Bar, where the swimsuit competition is held each night). Custom bike builders, stunt riders, vendors, showers, etc. help create the atmosphere. While not on the official schedule, **hundreds of bikers hit the Hill Country roads around Austin**. Also not on the schedule: motorcycle accidents that occur each year. ROT ends at noon Sunday, 6/16/13.

Speaking of motorcycles, **Dr. Louis Overholster** says you won't ever see a motorcycle parked outside a psychiatrist's office!

Sincerely,



Editor/Publisher