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Dear Client:

**You probably know Austin is one of the most technology intensive metro economies in the US. But do you know how many tech employers are in Austin? Employees? How many tech firms are in manufacturing and how many are nonmanufacturing? Average annual salaries for tech-sters? How all this compares to other Austin jobs? And how these numbers have been changing? We've got answers for you.**

To start with a perspective: the tech economic phenomenon in this state government/state university area is relatively recent. The tech surge began when a tech research consortium, composed of the US's leading technology businesses, picked Austin in 1983 as HQ for a high-stakes gamble to regain world tech dominance. So, how far has Austin come in 33 years?

First of all, the big picture. There are **5,485 high tech employers** in the Austin metro. And employed/self-employed **workers in tech industries total nearly 132,300**, or 13.3% of all jobs in the metro – and this represents an increase of 6.0% over the previous year. These numbers, and the subsequent deeper dive into more detail that is coming up, were compiled by the Austin Chamber's VP/Research **Beverly Kerr**.

Over the past five years, the number of firms has grown 33.1% in high tech industries, compared to 24.7% overall. **In Austin, among tech firms, 5.4% (297) are manufacturing and 94.6% (5,187) are nonmanufacturing.**

Okay, step back a minute. Look out the window. Rub your eyes a bit, 'cause a whole buncha numbers can make your eyes glaze over. But these tech numbers are important to understand what is happening to the Austin economy. So, let's keep going and talk about **paychecks – money that goes into the jeans of these tech-sters**, money that they spend all over town.

**High tech payrolls in 2015 totaled \$13.3 billion – or 23.3% of the Austin metro's total payroll of \$57.1 billion.** This is a huge number. And tech payrolls have shown better gains than employment. **The gain for tech industries (7.4%) exceeds the gain for all industries (5.6%).**

For all industries, **the average annual salary in Austin is \$54,678, while the average salary across all tech jobs is \$100,625.** Impressive. Bear with me, there's more info in the next item.

**Austin employs workers in the tech sector at more than two times the national rate. Within that group, the computer and electronics manufacturing industry employs workers at 4 times the national rate. But just what is a tech job? It's more than computers and electronics. Tech jobs are found broadly, some may say surprisingly, throughout the Austin area.**

It's easy to spot a tech job in the obvious places – such as Dell. Or in a manufacturing facility such as Samsung. **But nonmanufacturing tech industries include subsectors of trade, information, professional and business services – even education and healthcare.** Here's how the Austin Chamber's VP/Research **Beverly Kerr** breaks it down in a new report.

It's a long list. Let's dissect it. Let's talk about tech jobs in the information industry. The number of Austin firms in each category are in parentheses: **software publishers** (148 Austin firms) ... **motion picture and sound recording** (200, believe me this sector is all about tech these days) and **telecommunications** (119). How about **data processing, hosting and related services** (126) and **Internet publishing, broadcast and web portals** (147).

Oh, there's more, much more: Other IT-related industries include **computer systems design and related services** in the professional and business services sector (a whopping 2,499 firms), and **computer training** (30) in the education sector. See what we mean about how the tech tentacles reach throughout the Austin area economy.

Because we're afraid of tossing too many numbers at you, we haven't even mentioned **architectural and engineering services ... environmental consulting services, scientific R&D services and medical and diagnostic laboratories.** These are all tech-driven and tech-dependent. And they are a critical – and growing element – of the Austin economy.

There is one area we need to mention to keep all this in perspective – **how Austin compares to the fastest growing US job markets.** Again, without dwelling on the eye-glazing detail let's talk only about ranking US metros by **average annual job growth over a five-year period, and over the most recent one-year period** for which hard data is available. We promise, this is the last of the number-crunching.

In these categories, the **Austin metro ranks #2** behind #1 **San Francisco** and ahead of #3 **San Jose** ... #4 **Dallas** ... #5 **Denver** ... #6 **Orlando** ... #7 **Charlotte** ... #8 **Houston** ... #9 **Riverside** and #10 **Nashville.**

Okay. That's it for the number-crunching. Promise. But we needed to tie this together to stress what this means for the Austin metro. **The Austin tech economy is important, very important. But it is volatile** (look back to the dot-com boom/bust). And don't forget: **Austin is fortunate to have a state government/state university economic underpinning.** In the past it has kept Austin's economy steady. Now it is keeping Austin's economy more secure.

**Dust-ups involving Austin’s City Manager Marc Ott and Austin Police Chief Art Acevedo continue to be discussed in this city famous for its civic involvement. A City Councilmember has called for Ott’s firing. The City Manager has cited the Police Chief for insubordination. City policies implemented by Ott have long been cussed. And under Acevedo, minorities have criticized police shootings of blacks. So, where does job security stand for Ott and Acevedo?**

That question is timely because City Manager Ott is nearing the end of a somewhat protracted job review. **He is hired by the Mayor and City Council and they control his destiny. Police chief Acevedo’s destiny is controlled by the man who hired him, Ott.** And both men assumed their jobs years ago, when a smaller, vastly-different City Council was setting policy.

First, the city manager. When **Mayor Steve Adler** was asked in front of 600 people this week about Ott’s job security, **the mayor flatly declared Ott was not going to be fired.** End of question. End of answer.

Now, the police chief. It is Ott’s decision – and Ott’s alone – to determine Acevedo’s job security. **When Ott recently called out Acevedo publicly for insubordination, public reaction appeared to side with Acevedo.**

**It is not likely Ott will fire Acevedo.** In fact, it is probably more likely that Acevedo – who has been courted by other major cities -- will be hired away before he would be fired.

It should be noted that **Ott has served about eight years as Austin’s City Manager, longer than many of his predecessors. And a previous city manager, not Ott, hired Acevedo.** Also, five of the ten new City Council positions are coming open for voter consideration in November. **Ott and Acevedo could be election fodder over the next six months.**

**TexasA&M announced last week it was building a \$150 million research and development campus on 2,000 acres that once was a former military base in Bryan, near the Aggieland main campus. You may have missed the fine print that could have a major impact on roadways. Driverless cars and vehicles that can communicate with each other will be an integral part of that campus’s mission.**

An initial \$12 million will be set aside for the Advanced Research in Transportation Technology Building. **Private sector companies will be invited to use the facility to design and test automated and “connected” vehicles.**

Safety will be an objective, where **driverless cars and vehicles can “read” road conditions or communicate with traffic signals.** And, there are still several unknowns about how such technology could impact congestion and suburban sprawl. But, hey, it’s a start.

**Austin-Bergstrom International Airport (ABIA) is in the midst of its most extensive makeover since it opened 17 years ago (almost to the day -- May 23, 1999). Add it up: a new hotel onsite, new parking and rental car facilities, new departure gates, new shops and re-location of others. This activity is occurring amidst record-breaking ABIA travel. Here's an update.**

There is no way you can miss all the construction when you use ABIA. While this is progress, **you need to allow for the inconvenience.** Take a gander:

**Hyatt Place Hotel.** The 139-room facility is located between the Hilton Austin Airport and the Cell Phone lot. **Estimated to be completed in 2017**, the foundation has been poured and utility service pipes are visible.

**New covered parking.** Near the airport entrance, you can see concrete pier supports that will support the **canopies for 2,000 new covered parking spaces.**

**That big hole.** Near the covered parking construction site is a big hole. What's that? **It will be a water quality pond to collect/filter storm water runoff.**

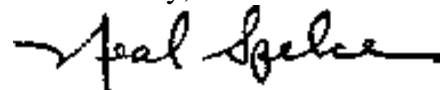
**Store relocations.** Most of this indoor terminal activity is around **Gates 8, 9 and 10.** The movement of the shops serves to **improve the system for passengers exiting** from the Barbara Jordan Terminal concourse.

**Nine new departure gates.** These gates are being added to the east side of the terminal (some call it the "Southwest Airlines side of the building"). These gates will **increase the number of boarding bridges from 24 to 33.** Quite an increase.

For more detail, click on the "Archives" button at the top of this edition and go to our 1/8/16 issue where we reported this **much-needed expansion isn't costing taxpayers a dime.**

**Dr. Louis Overholster** observes that it's great living in the 21<sup>st</sup> century, where deleting history has become more important than making it.

Sincerely,



Editor/Publisher