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Dear Client:

An important, broad-based measure of Austin's economy is the growth of your personal income. It becomes especially important when you compare Austin with other US locations because the national economy is so intertwined. It's also because companies and individuals are changing locations more frequently. So, how did you do personally, and how did Austin do nationally, in the figures released just this month?

The answer to the question is quite well, thank you. In fact according to the US Bureau of Economic Analysis (BEA), **Austin's real growth in personal income in 2014 ranks it 3rd among the 50 largest US metros.** Pretty impressive. This growth covers the most recent reporting period from 2008-2014. And, *per capita* income growth in that period was 5.0%. **Only a dozen large metros have seen larger *per capita* growth,** according to the BEA. So, you and your Austin area neighbors have done reasonably well compared to others.

Analyzing this report, Austin Chamber VP/Research **Beverly Kerr dug deeper to determine "overall price levels in Austin are 1.0% lower than the US average and also lower than Dallas-Ft. Worth and Houston."** This is significant for two reasons. First of all, it speaks to the continuing local debate about how **affordability is impacting Austinites.**

Secondly, and importantly, **income must always be measured against cost of living.** After all, what good does it do to make a buncha bucks if you don't have much left over after spending it on the essentials? (Are you listening, San Francisco and Silicon Valley cities like San Jose?)

Kerr points to this quote from US Commerce Secretary **Penny Pritzker:** "Americans looking to move or take a job anywhere in the country can compare inflation-adjusted incomes across states and metropolitan areas to better understand how their **personal income may be affected by a job change or move.**" **The same holds true for businesses considering relocation or establishing new plants.**

Austin's average prices are 1.0% lower than the US average. The BEA data includes **consumption goods** and for **services**, with services broken out into rents and other. **Goods account for about 1/3 and services for about 2/3 of household expenditures** (with rents accounting for 29.5% of that). All in all, dynamic Austin compares well with other metros.

With extensive, and rightful, focus on UTAustin’s new Dell Medical School opening in Austin, the fact that a 2nd new Texas medical school is opening (also part of the UTSytem) is often overlooked. And, the opening of UTRioGrandeValley’s med school, 300 miles from Austin, signals a major emphasis on upgrading healthcare in both areas.

Healthcare in Central Texas and the Rio Grande Valley will benefit directly. **“Both medical Schools are diligently focused on the health needs of their regions,”** says UTSytem Chancellor **Bill McRaven**. And most of the doctors who will be trained at these schools are expected to ultimately practice medicine in these two regions. First, let’s take a look at the Rio Grande Valley that has long been medically-underserved.

“The inaugural class of UTRGV’s School of Medicine is bringing hope to a region where **for too long, aspiring doctors had to leave the Valley to pursue their career goals,**” McRaven commented. “Not surprisingly, many wound up practicing medicine in urban centers where they were trained, rather than where they were raised.”

McRaven said 55 students (out of 2,800 applicants) were selected in UTRGV’s inaugural class. Of those, **50 are Texans and 20 of those are from the Rio Grande Valley.** “These future doctors’ state-of-the-art education will be complemented by a unique understanding of the region and its needs – and **because they are being trained in the Valley, they are far more likely to stay and practice medicine there.**”

The same holds true for the Austin area and DellMed. **More than 4,500 applicants were winnowed down to the inaugural class of 50 that included 46 Texans.**

“These students come from a rich diversity of backgrounds, many having achieved other advanced degrees or work experience already, and all of them are committed to transforming the way health care is delivered,” McRaven noted. And, as has been proven with other med schools, many of the new docs will elect to transform the way health care is delivered in the Austin area.

But this is more than a regional development. McRaven points out there is a **“serious shortage of doctors and other healthcare professionals in our state.** Texas ranks 42nd out of 50 states in physicians per capita and 47th in primary care physicians per capita.”

McRaven calls the launching of not one, but two, medical schools “triumphs.” For decades, Austin leaders and university leaders have jointly discussed a new medical school for UTAustin, so the word “triumph” could be a bit understated. As he put it: “decades from now, the people of Texas will remember **July 2016 – the month the UTSytem proudly opened two new medical schools and helped put Texas on a path to a healthier, stronger, more competitive future.**”

Interstate 35! There, we said it without cussing (unlike most drivers on IH35). While the maligned roadway is clearly a source of heavy congestion in this traffic-tormented city, it must also be recognized as a backbone for the future. Let's put on our traffic blinders for a moment and contemplate the bigger picture of what is going to happen along IH35.

Of the 15 fastest-growing cities in the US from 2014 to 2015, **four of them – Georgetown (#1), New Braunfels (#2), Frisco (4th) and Pflugerville (11th) – were on or near IH35**, and all were on the fringes of bigger cities – offering their residents easy access to massive amenities. We've told you plenty about how the Austin area's growth is exploding.

Well, the same thing is happening in nearby San Antonio. One example: **nearly a third of the new Alamo City area's housing starts between the 3rd quarters of 2014 and 2015 were in the vicinity of IH35.** Also according to the *Dallas Morning News*, New Braunfels, Schertz and Selma are booming as well.

The *Dallas News* summed up a lengthy analysis by commenting that, one day, there will be a **tightly-packed megalopolis from San Antonio to Austin, with no distinction from one city to the next.** That isn't all. The newspaper said these places are beginning to merge into an **even larger megaregion all the way north to include the Dallas area.** The common denominator is IH35. This reinforces the moves to dramatically expand the capacity of IH35.

Speaking of transportation connections, another high-speed passenger rail is being proposed that will go through Austin, as it connects Oklahoma City to South Texas along IH35. This is different from the privately-financed bullet train proposed to connect Dallas and Houston, with expansion later to include Austin. (More about that in a minute.)

The proposed Edmond, Oklahoma to Brownsville, Texas bullet train is in the early stages. But its genesis goes back to 2013. **And, as many as 10 different routes have been identified.** Also, the Texas Department of Transportation (TxDOT) and the Federal Railroad Administration are **moving ahead with environmental impact statements.** An open house presentation is scheduled for August 10th.

Now an update on the Houston-Dallas high speed rail we have been telling you about: the backers have added a heavyweight transportation expert to its leadership team. **Jeff Mosely stepped down as a TxDOT Commissioner just a few weeks ago.** He will be state vice president for the company.

One of his duties will be to **communicate info to public officials in counties and cities along the route.** This is a key position, because as we told you last week, opposition has surfaced with **nine of the 11 counties involved opposing the railway.** He has his work cut out for him. Bullet train activity is picking up. But both projects are a long way from becoming a reality.

As a fun item a month ago, we listed some of the unusual small town names in Texas. They were part of a list compiled by the TexasA&M Real Estate Center. The list probably included a number of names you never, ever heard of. But they were legit. Well, the Center is conducting a little contest to pick the “favorite” name. And the list has now been narrowed to a final ten.

To see a lengthy list we culled down in the interest of space, go to our 6.24.16 edition. Just click on the “Archives” button at the top of this newsletter. At that time, we told you we had **actually visited four of the cities. And three of those made the Top Ten.**

But we didn’t go to the trouble to list **all of the names we’d never heard of, much less visited, even though we have lived in and traveled extensively around Texas for more than six decades.** There were simply too many unusual names. Some of these names will cause you to shake your head in wonderment at how they came to be.

The Real Estate Center calls its contest “Small Towns, Great Names.” It has gone through two rounds of voting. Let’s get right to The Top Ten – tah-dahhhh!: **Cut n Shoot ... Dime Box ... Ding Dong ... Granny’s Neck ... Gun Barrel City ... Happy ... Hoop and Holler ... Lick Skillet ... Muleshoe and Shiner.**

Nearly 550 people voted in the second round, working from a list that had been narrowed to 20 Texas town names. This vote total was an increase of more than 220 from the first round. Can you just feel the excitement!

The third round of voting is underway and the deadline is Monday, July 25th. Which name in the Top Ten is your favorite? To vote go to: <https://www.surveymonkey.com/r/PNPLP8Z>.

Dr. Louis Overholster, in the midst of being bombarded on all sides by TV coverage of the national political conventions, says he is feeling a bit depressed. It’s not so much the heated rhetoric or funny costumes and signs, but it was his discovery that his Universal Remote Control did not, in fact, control the universe – not even remotely.

Sincerely,



Editor/Publisher