

DATA POINTS

By
THE CAPITAL AREA
COUNCIL OF GOVERNMENTS



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JUNE 2011

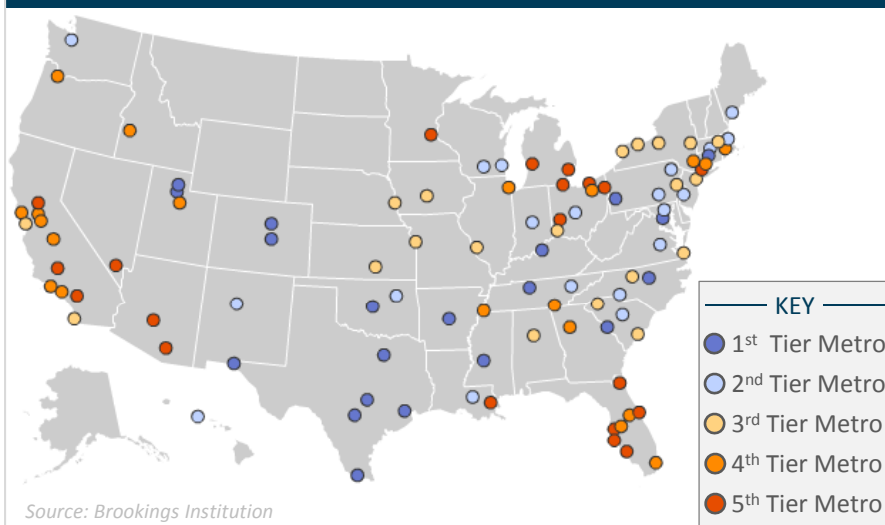
AUSTIN ECONOMY CONTINUES TO PERFORM WELL

The Brookings Institution recently released its 2011 first quarter MetroMonitor report, a comprehensive examination of the recession and recovery in America's 100 largest metropolitan areas. Overall, the MetroMonitor report revealed that despite increased indications of economic recovery, the pace of job growth has slowed. Perhaps more troubling, however, was the performance of the housing market. According to the Brookings Institution, "in all 100 metropolitan areas, home prices in the first quarter of 2011 were lower than at any time since their previous peak." While the magnitude of the housing crisis has varied widely among individual regions, price declines have spared no one.

Despite the largely lackluster report, the Austin metropolitan area continued to perform comparatively well across a host of economic indicators:

- Austin is one of only 12 of the 100 largest metropolitan areas that have recovered more than 50 percent of the jobs they lost between their employment peak and the post-recession employment low point. According to federal statistics, employment in the Austin metropolitan region peaked in September 2009 at 778,400. A year later, total employment within the region had fallen to 754,700—representing a loss of nearly 24,000 jobs in just 12 months. Since then, employment in the Austin metropolitan region has rebounded and will likely surpass the previous record by year's end.
- Helped by sustained increases in state and local government employment, Austin was one of 20 metropolitan regions to enjoy job gains in each of the last four quarters. Given recent state and local budget cuts, however, growth in government employment within the Austin metropolitan region is unlikely to continue in the months ahead.
- Housing prices in the Austin metropolitan area remain approximately 10 percent below their pre-recession peak. Despite the decline, the Brookings Institution ranked Austin as one the best performing real estate markets in the country.

METROMONITOR OVERALL PERFORMANCE (Q1 2011)



EMPLOYMENT UPDATE - APRIL

6.5% CAPCOG UNEMPLOYMENT RATE
-0.4% CHANGE SINCE APRIL 2010
+ 10,384 JOBS GAINED DURING PAST YEAR

COUNTY	UNEMPLOYMENT	JOBS + / -
Bastrop	7.5%	269
Blanco	5.4%	-84
Burnet	6.2%	113
Caldwell	7.7%	109
Fayette	5.6%	-82
Hays	6.4%	652
Lee	6.0%	364
Llano	7.4%	-299
Travis	6.3%	4,895
Williamson	6.7%	1,269

SOURCE: Texas Workforce Commission

RETAIL SALES TAX COLLECTION - JUNE

COUNTY	TOTAL	CHANGE SINCE JUNE 2010
Bastrop	\$461,221	5.63%
Blanco	\$43,796	-4.53%
Burnet	\$713,555	4.39%
Caldwell	\$253,482	18.59%
Fayette	\$216,099	4.36%
Hays	\$2,170,712	14.77%
Lee	\$123,262	6.79%
Llano	\$65,599	-2.41%
Travis	\$13,356,989	5.10%
Williamson	\$8,580,485	8.02%

SOURCE: Texas Comptroller

AUSTIN METRO REAL ESTATE - MAY

	MAY '11	MAY '10	CHANGE
Sales	2,077	2,286	-9.1%
Average Price	\$263.7K	\$237.6K	11.0%
Total Listings	11,033	12,786	-13.7%
Inventory (Months)	7	6.9	1.4%

SOURCE: Texas State Realty Center

For questions about Data Points, please
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THE IMPORT OF TALENT

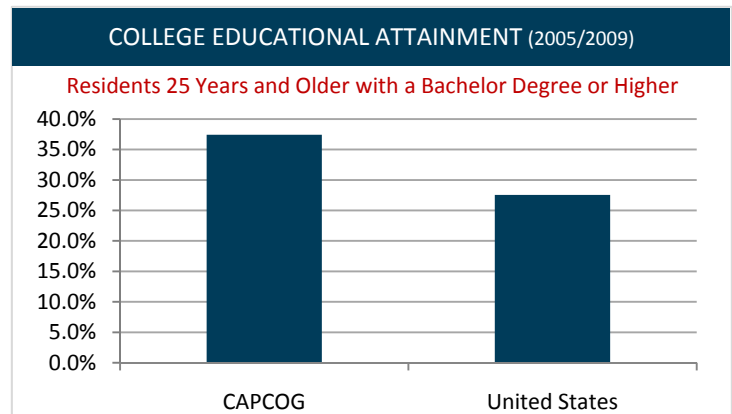
The Texas Capital region is among the most educated places in the U.S. More than 37 percent of CAPCOG residents over the age of 25 possess a bachelor's degree or higher—10 percentage points higher than the national average. In today's increasingly knowledge-based economy, the CAPCOG region's wealth of human capital is fundamental to sustained economic competitiveness and prosperity.

Notably, the CAPCOG region has succeeded in becoming exceedingly well-educated despite its location in a state characterized by low high-school educational attainment. Nationally, approximately 85 percent of Americans over the age of 25 possess a high school diploma. In Texas, this figure is just 80 percent—trailing every state in the country as well as the District of Columbia. Within the CAPCOG region, 86 percent of residents age 25 and older have a high school diploma. While outperforming the rest of Texas, the CAPCOG region's high school educational attainment level barely exceeds the national level. Given this reality, how has the Texas Capital Area managed to support such high levels of educational attainment at the college level?

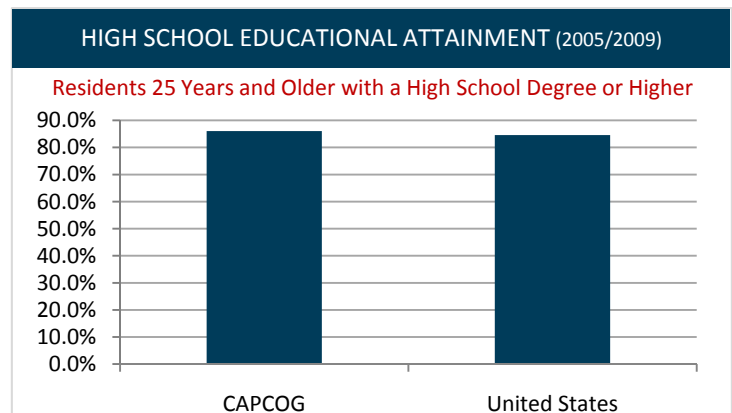
The Austin metropolitan area has remained one of the country's most educated regions largely through its unparalleled ability to attract college educated migrants. Between 2007 and 2009, of the 52 metropolitan areas with populations exceeding one million persons, Austin posted the highest average annual net migration of adults with a bachelor degree. During this period, 49 percent of all adult residents who moved to the Austin metropolitan area from another state possessed a college diploma.

In many regards, the ability of Central Texas to import human capital on such a massive scale is a testament to the region's underlying attractiveness. Few places in the country offer such a compelling mix of economic opportunity, relative affordability, and enviable quality of life. At the same time, however, the Austin metropolitan region is effectively outsourcing the education of much of its current workforce. Young, educated professionals are a highly mobile cohort. This population can react quickly to diminished employment prospects, a harsh lesson learned by former boom towns such as Atlanta, Phoenix, and Las Vegas.

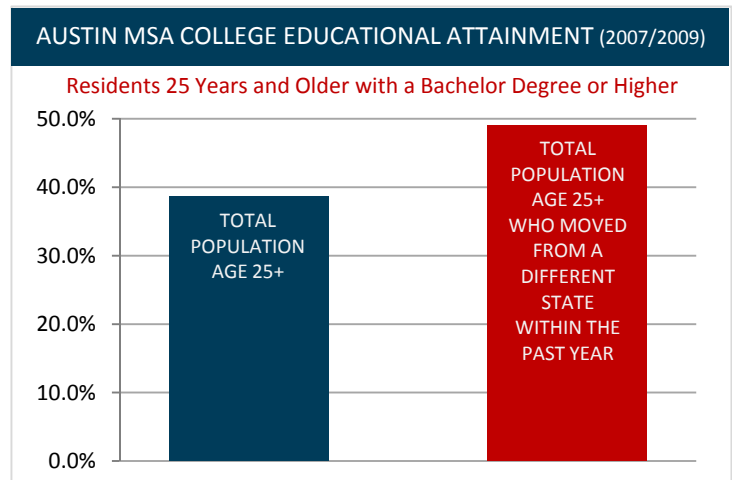
Simple demographic math suggests that the Central Texas region is at risk of becoming even more dependent on migrants for human capital infusions. Currently, severe disparities in educational attainment exist among individual ethnic and racial groups. While more than 45 percent of White residents in the CAPCOG region 25 years and older possess a bachelor degree, the figure among Black and Hispanic residents is 20 and 12 percent respectively. According to estimates from the Texas State Data Center (based on projecting recent population trends), during the next quarter century the Black population of the CAPCOG region will grow 86 percent while the Hispanic population is expected to increase 193 percent. During the same period, the White population is anticipated to increase just 40 percent. Without significant improvements in the educational attainment of existing residents—especially minority residents—it may be difficult for Central Texas to maintain one of its strongest competitiveness



Source: US Census Bureau



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Source: US Census Bureau