

# *Economic Update*



February 5, 2004



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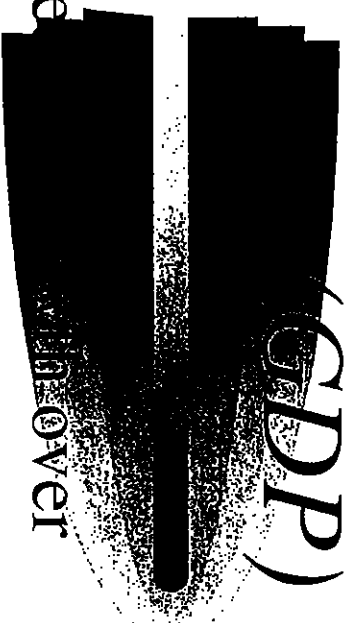
February 5, 2004

# *Presentation Outline*

- Review Key Indicators
- Local Economic Perspectives
- Small Business & Entrepreneurship
- Presentation by IC<sup>2</sup>

# *Key Indicators*

# *U.S. Gross Domestic Product*

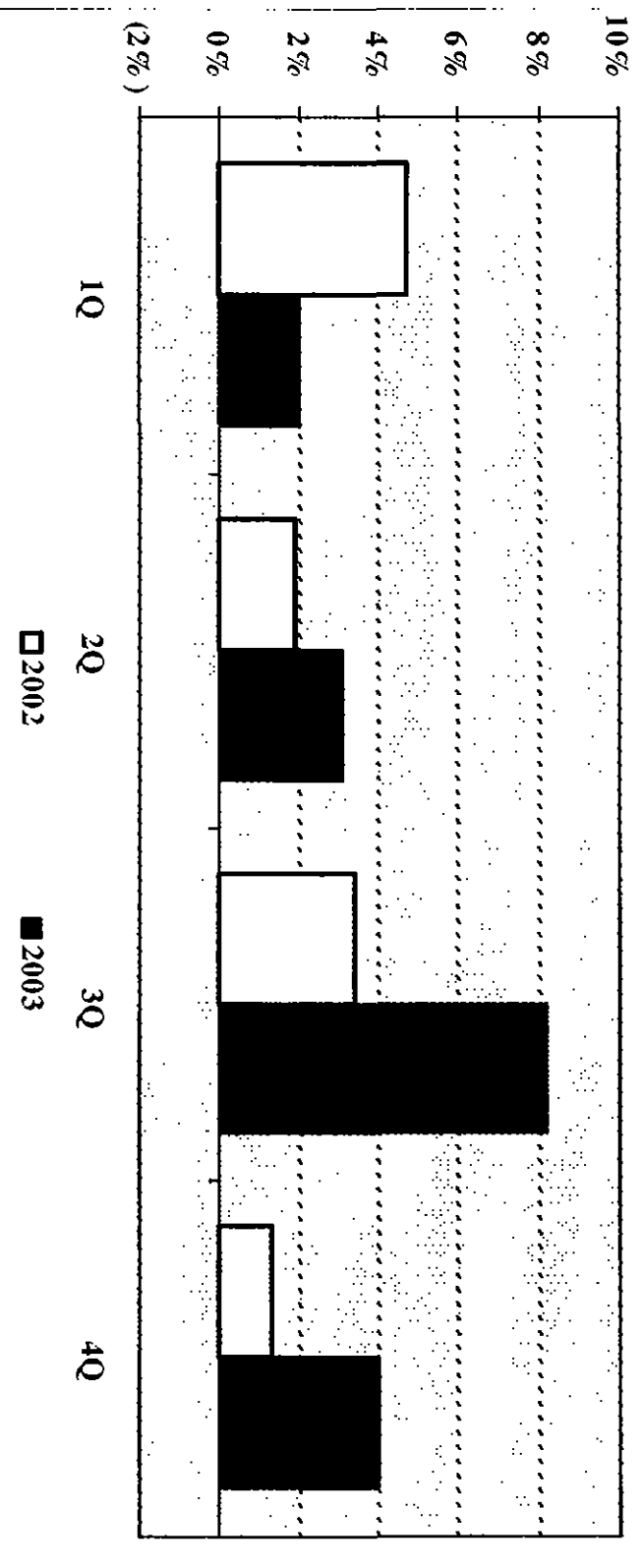


- Three consecutive quarters of increase in 2002 growth levels
- 2003 Annualized growth of 3.1% (compared to 2.2% in 2002)
- Major contributors to increase
  - Personal consumption expenditures (PCE)
  - Federal government spending
  - Equipment & software
  - Residential fixed investment

# U.S. Gross Domestic Product

(GDP)

U.S. Bureau of Economic Analysis  
2002 & 2003 U.S. Real Gross Domestic Product Growth



# *U.S. Consumer Confidence Index*

- Leading indicator – outlook months
- 2003 Ranged from a low of 61.4 in March to 92.5 in November
- January 2004 jumped to 96.8
- Consistent 110 to 130 can indicate a positive movement in economy
- Index peaked in January 2000 at 144.7

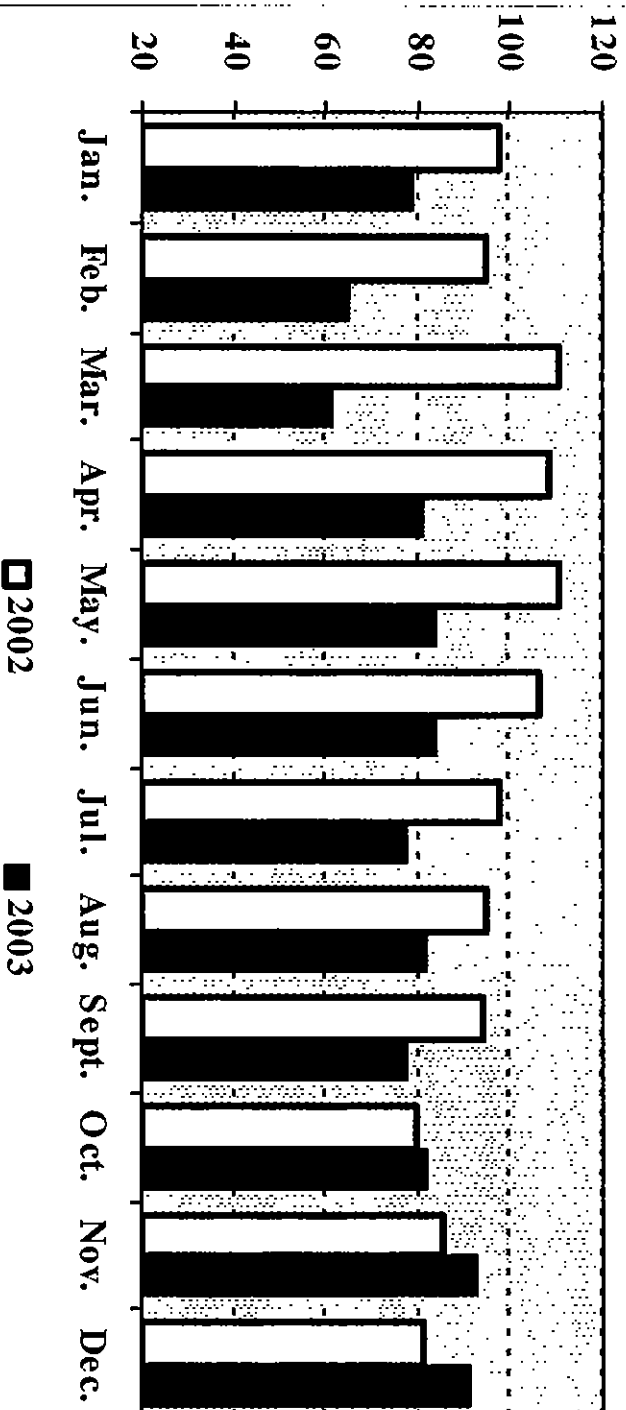
# U.S. Consumer Confidence Index

The Conference Board

2002 to 2003 U.S. Consumer Confidence Index

Index

Based on 1985 = 100



□ 2002

■ 2003



# *U.S. Consumer Confidence Index*

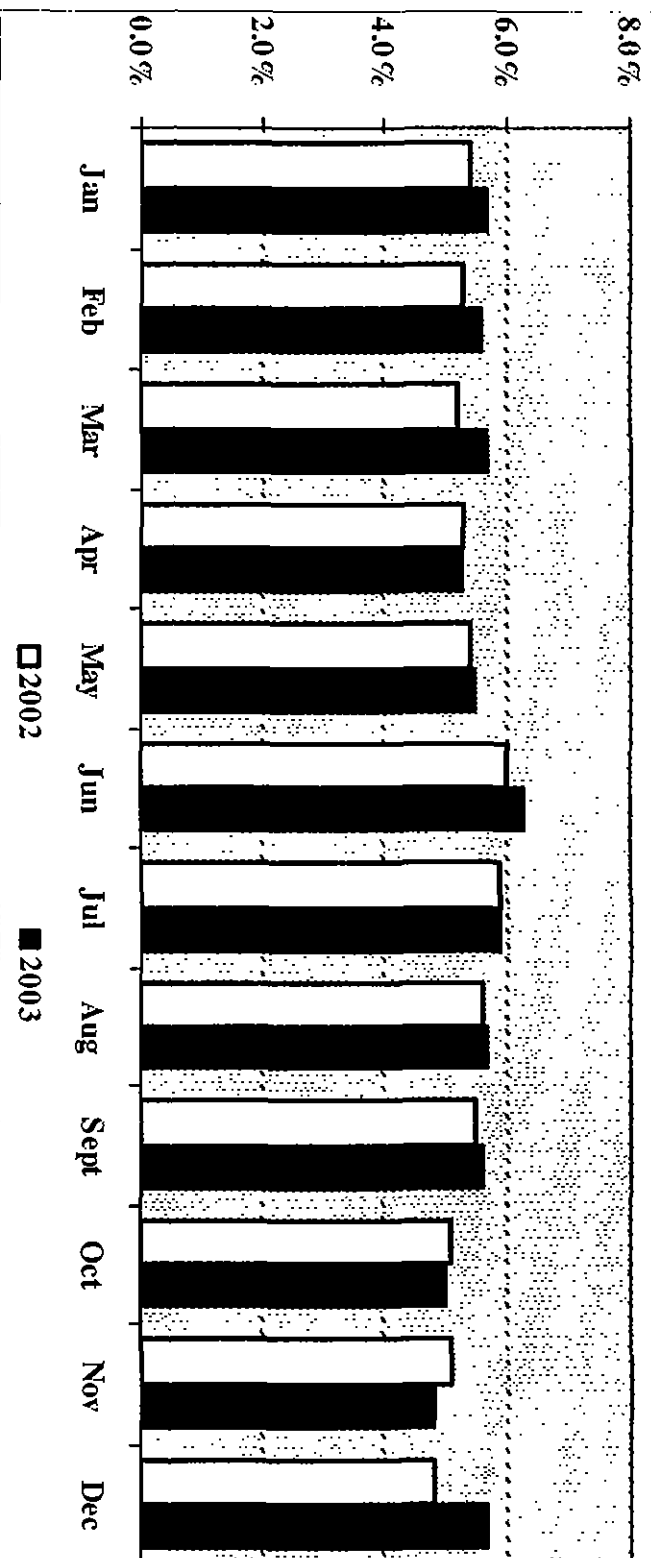
“Growing optimism about the health of the economy continues to bolster consumers’ short-term outlook. But consumers’ assessment of current conditions, which strongly hinges on improvements in the labor market, remains both weak and volatile.” – *Lynn Franco, Director of The Conference Board’s Consumer Research Center*

# *U.S. Unemployment Rate*

- 2003 National Average 6.0%
  - Peaked in June 2003 at 6.4%
- 2003 Austin MSA
  - Peaked in June 2003 at 6.3%
  - Low in December 2003 at 4.5%
- Mixed Signals
  - Some job growth
  - Job seekers giving-up (job-less economic recovery)

# U.S. Unemployment Rate

U.S. Bureau of Labor Statistics  
2002 & 2003 Unemployment Rate



# *Local Indicators*



- Looking Back
- Looking Ahead

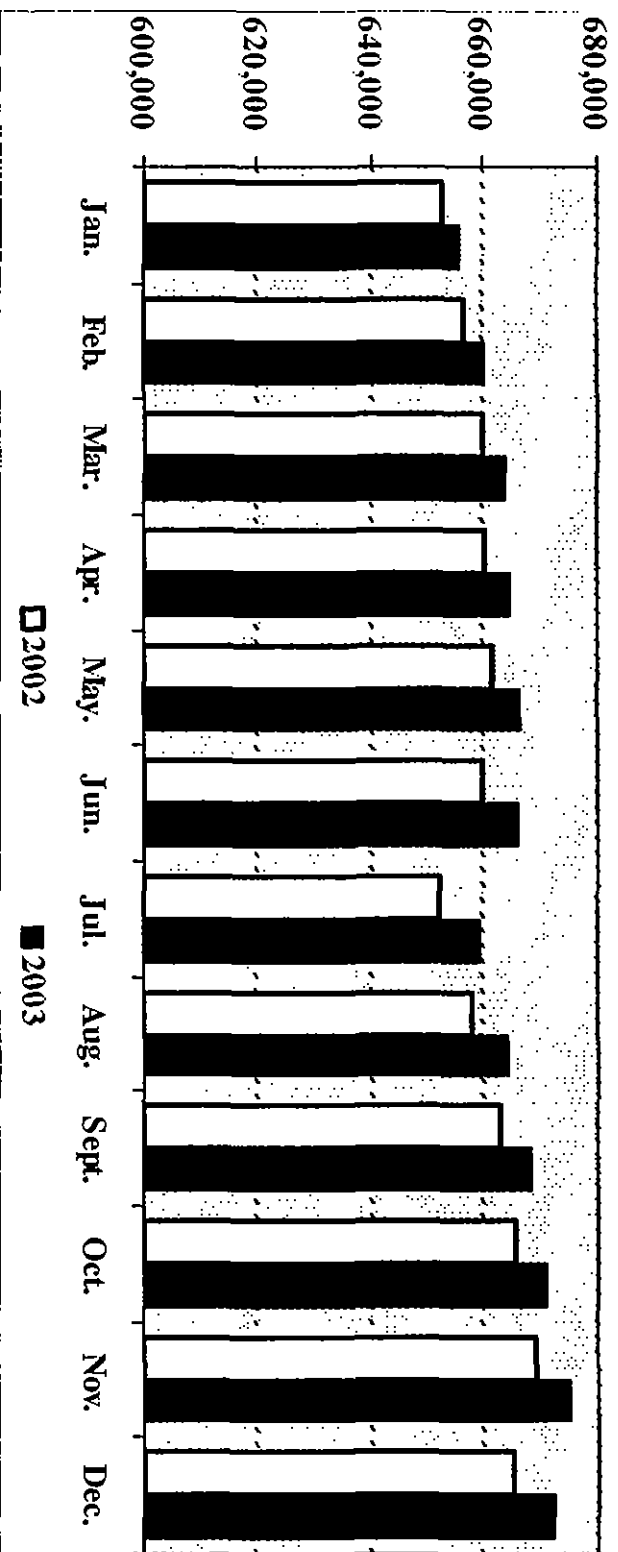
## *Austin MSA Employment*

- Reports total number of people working in the MSA (non-farm)
- 2003 Net Job Growth
  - January 655,900
  - December 672,400  
(down from 675,100 in November)
- Austin's Boom Time Job Growth:  
November 2000: 690,300 working

# Austin MSA Employment

Employees

U.S. Bureau of Labor Statistics  
2002 to 2003 Austin MSA Non Agricultural Employment  
Not Seasonally Adjusted



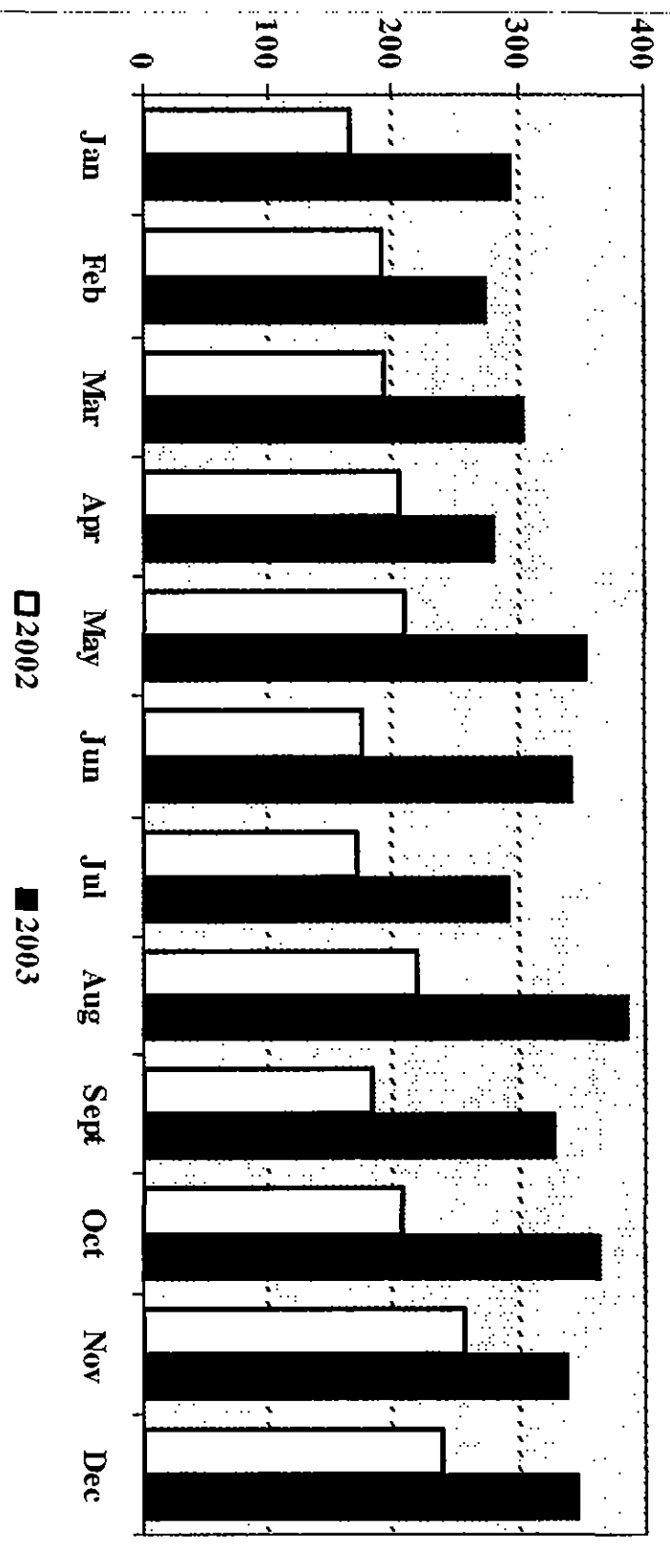
# *Foreclosures & Bankruptcies*

- Foreclosures
  - 2003: 3,906
  - 61% increase, or 1,491 greater than 2002
- Bankruptcies
  - 2003: 6,501
  - 24% increase, or 1,260 greater than 2002
- Lagging Indicator

Source: Foreclosure Listing Service & U.S. Bankruptcy Court

# Foreclosures

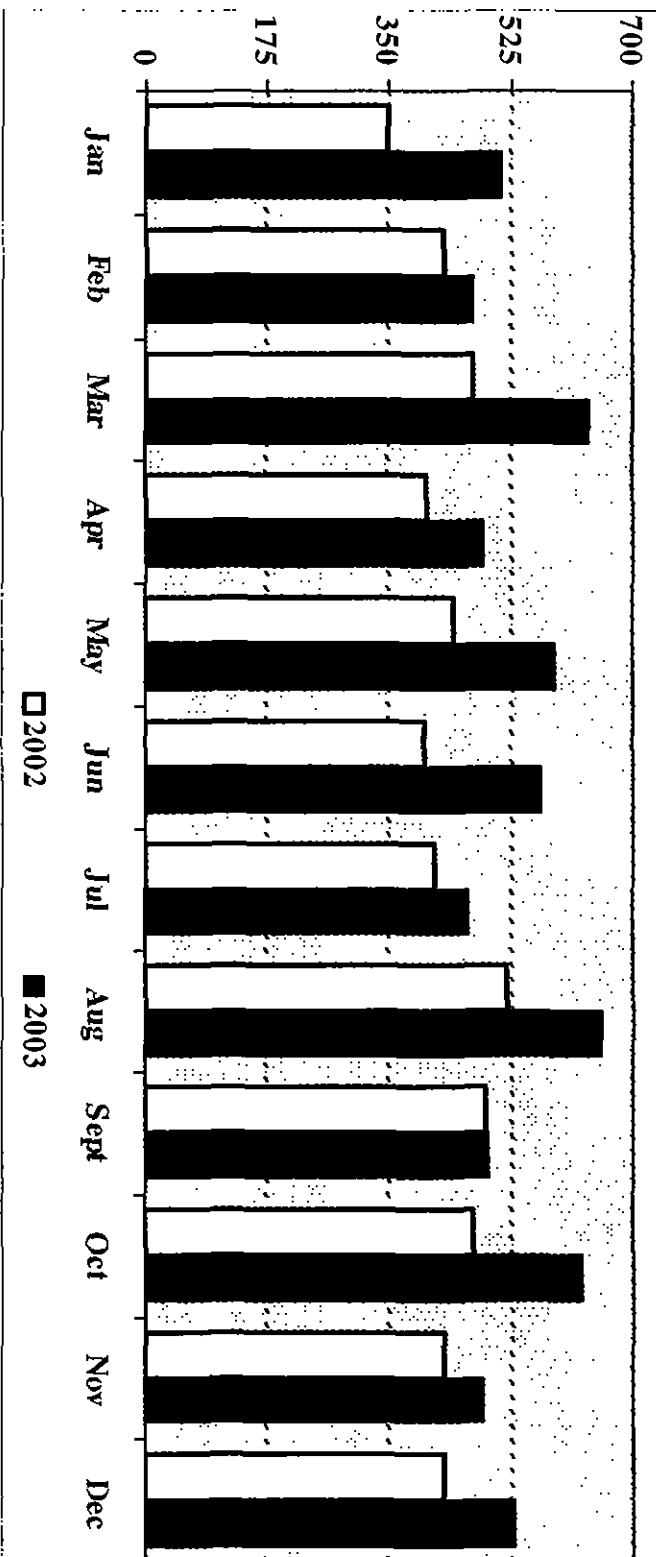
Foreclosure Listing Service  
2002 & 2003 Travis County Foreclosure Postings





# Bankruptcies

U.S. Bankruptcy Court  
2002 & 2003 Bankruptcies Filed in Austin

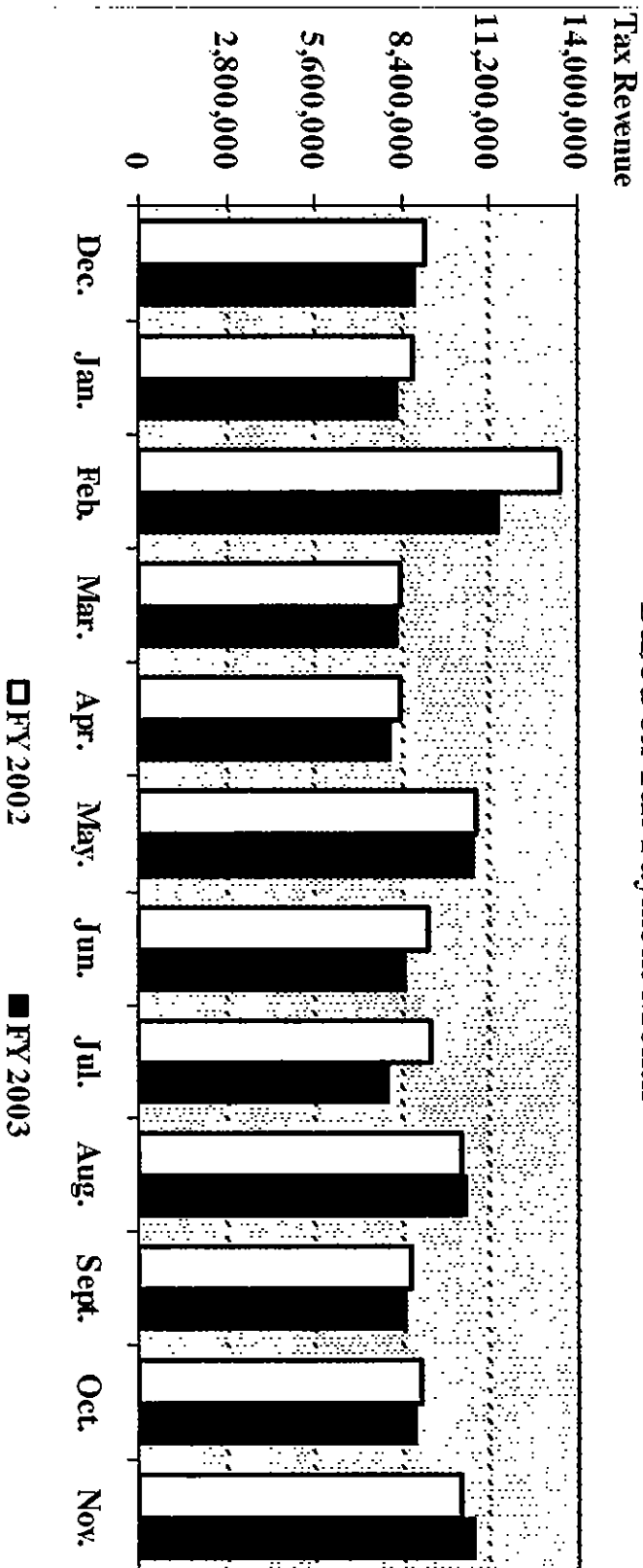


## *Sales Tax Revenues*

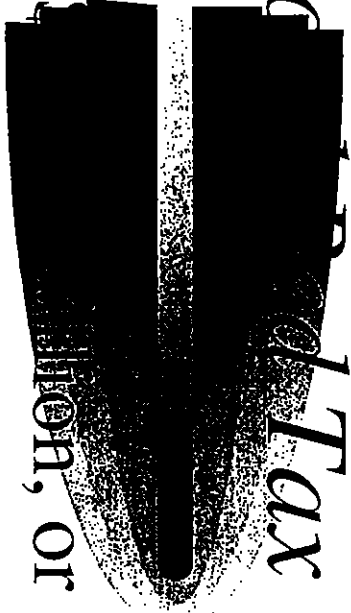
- 24% of fiscal year 2004 General Fund Resources
- Budgeted annual growth: 2%
- Current fiscal year-to-date [two months]: +3.5% growth over prior year
- Early signs of moderate sales tax revenue recovery
- Fiscal Year 2003 Sales Tax Revenues: (4.5%)

# Sales Tax Revenues

## Financial Services Department 2001-02 to 2002-03 Sales Tax Comparison Based on Tax Payment Month

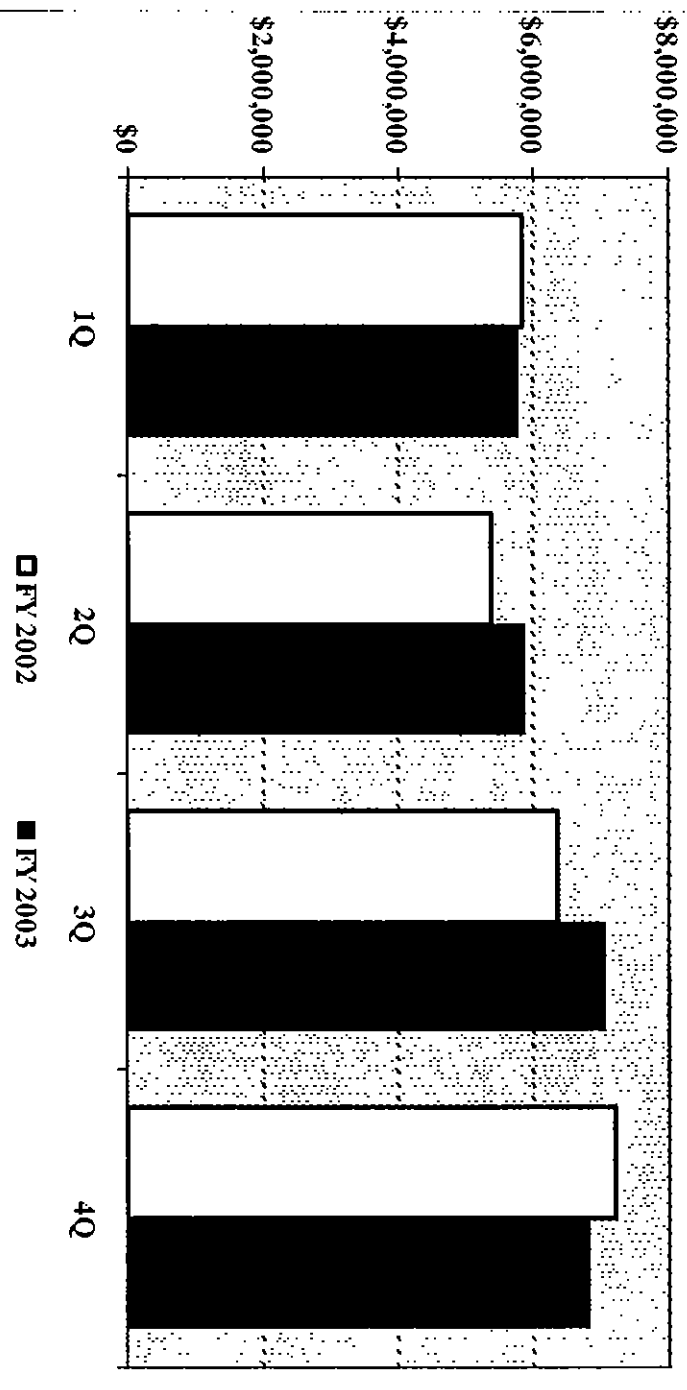


## *Hotel/Motel and Tax*

- Fiscal year 2003 Revenues  million, or 2.9% growth
- 2003 Occupancy rate: 57.9%
- Peak Time Occupancy rate in 2000: 74.9%
- Recovery from fiscal year 2002 loss of 20.5%
  - FY 2001 Revenues: \$ 31.1 million
  - FY 2002 Revenues: \$ 24.7 million
- FY 2004 Budgeted growth: 5.1%

# Hotel/Motel Tax

Financial & Administrative Services Department  
FY 02 & FY 03 Hotel/Motel Bed Tax Receipts - By Quarter

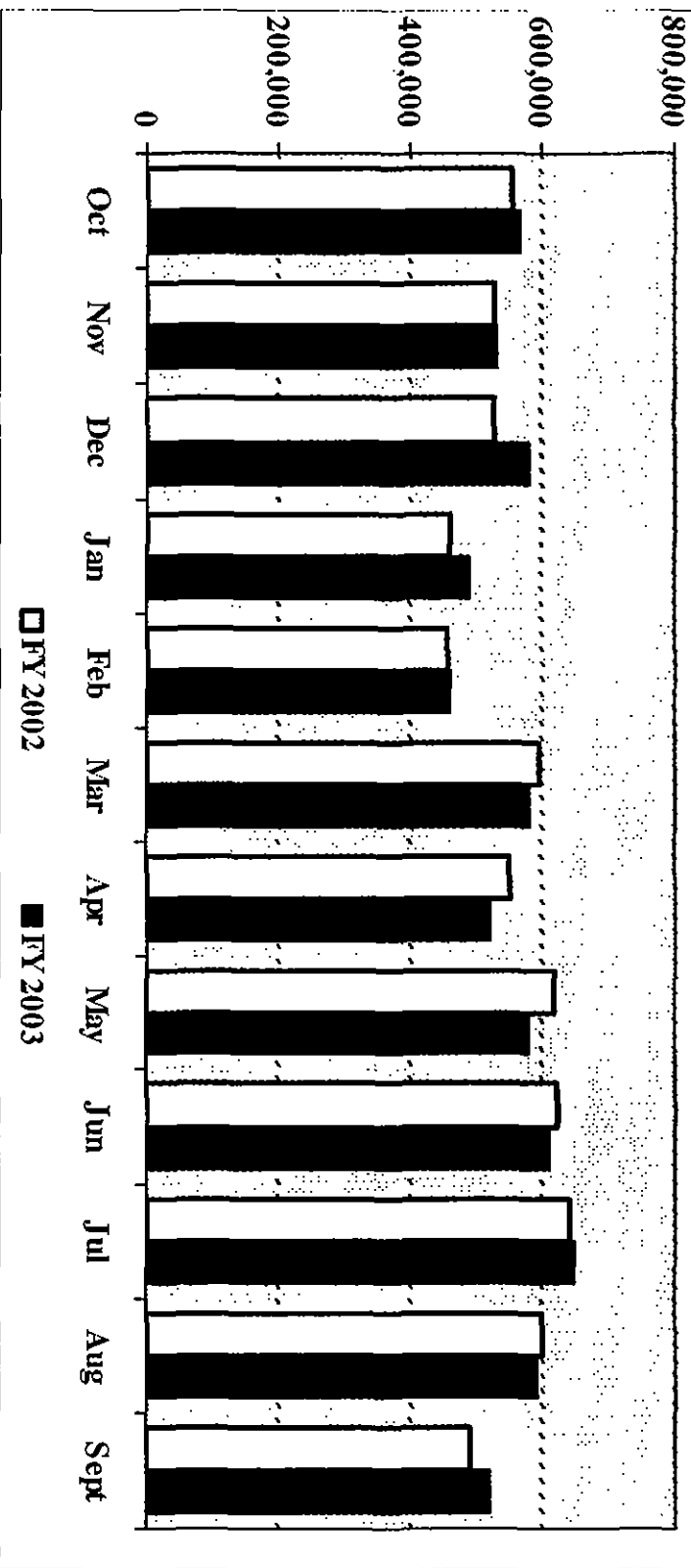


## ABIA passengers

- FY 2003 Activity remained relatively flat at 6.68 million passengers (2002 passengers: 6.65 million)
- Passenger activity peaked in FY 2001 at 7.54 million
- FY 2004 Projected passengers: 6.78 million or 1.5% growth

# ABIA Passengers

2002 & 2003 ABIA Activity - Passengers



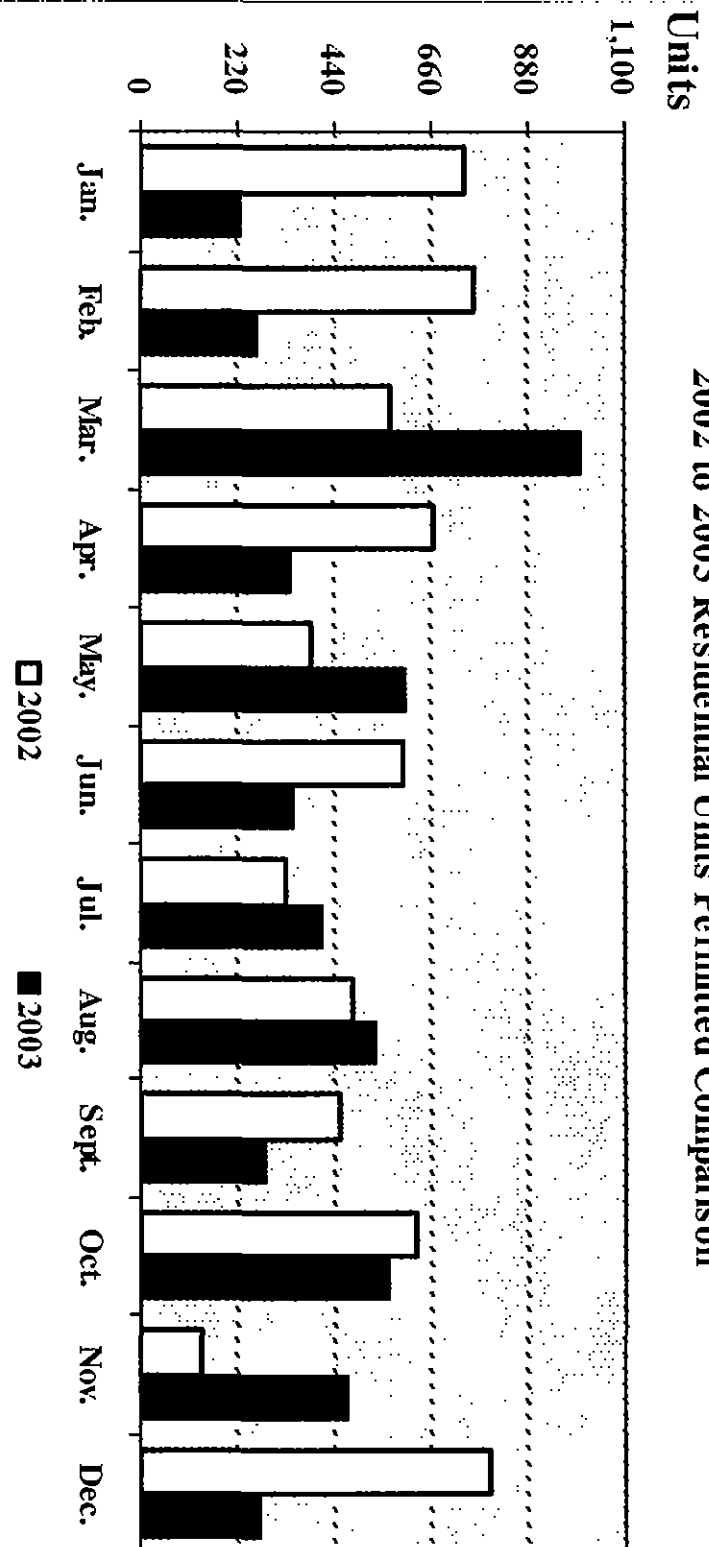
## *Residential Units Submitted*

- 2003 total: 5,314
  - 1,227 lower than 2002
- Peak 2000: 11,266



# Residential Units Permitted

Watershed Protection & Development Review Department  
2002 to 2003 Residential Units Permitted Comparison



# *Subdivision & Site Plans Received and Utility Connections*

- Subdivision & Site Plans:
  - 2003 Total: 1,539 or 4.2% less than 2002
  - Projection Indicator
- 2003 Total Water Utility Connections:
  - Residential: 2,743 (2002: 2,334 connections)
  - Non-Residential: 958 (2002: 812 connections)

# *Local Economic Perspectives*



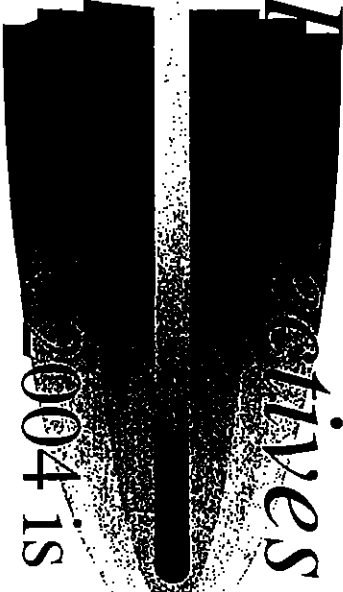
## *Local Economic Activities*

“The Austin-San Marcos Metropolitan Statistical Area should see positive economic growth through 2008 with momentum likely to grow over the short term. . . . In general, the economic picture for the Austin-San Marcos metro area is highly encouraging, with its long-term prospects being outstanding.” – *The Perryman Economic Forecast – The Perryman Group*

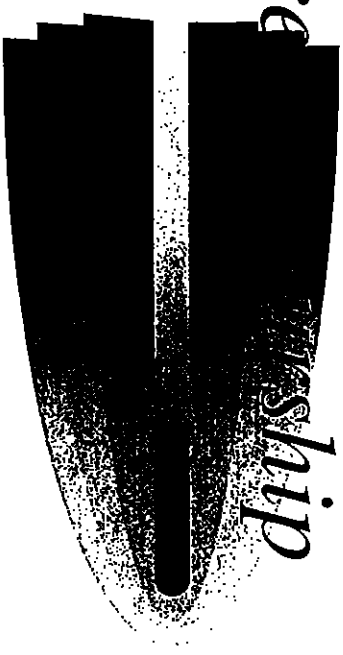
## *Local Economic Perspectives*

“Austin should expect an economy that is fully recovering at a sustainable level by the end of the year..... While the U.S. economy is recovering at a healthy rate, Austin may lag slightly behind because its economy has a stronger high tech base than that of the average U.S. city.” – *The 2004-2005 Economic & Technology Forecast – Angelou Economics*

## *Local Economic Perspectives*

“If Austin hit bottom in 2003,  2004 is the transition to what comes next for the local economy. Low interest rates (at least through next Fall), a focus on economic development and corporate recruitment, a pick-up in venture investing, strong tourism, and a number of projects coming on-line all bode well for the future.....” – *Texas Perspectives*

# *Small Business & Entrepreneurship*

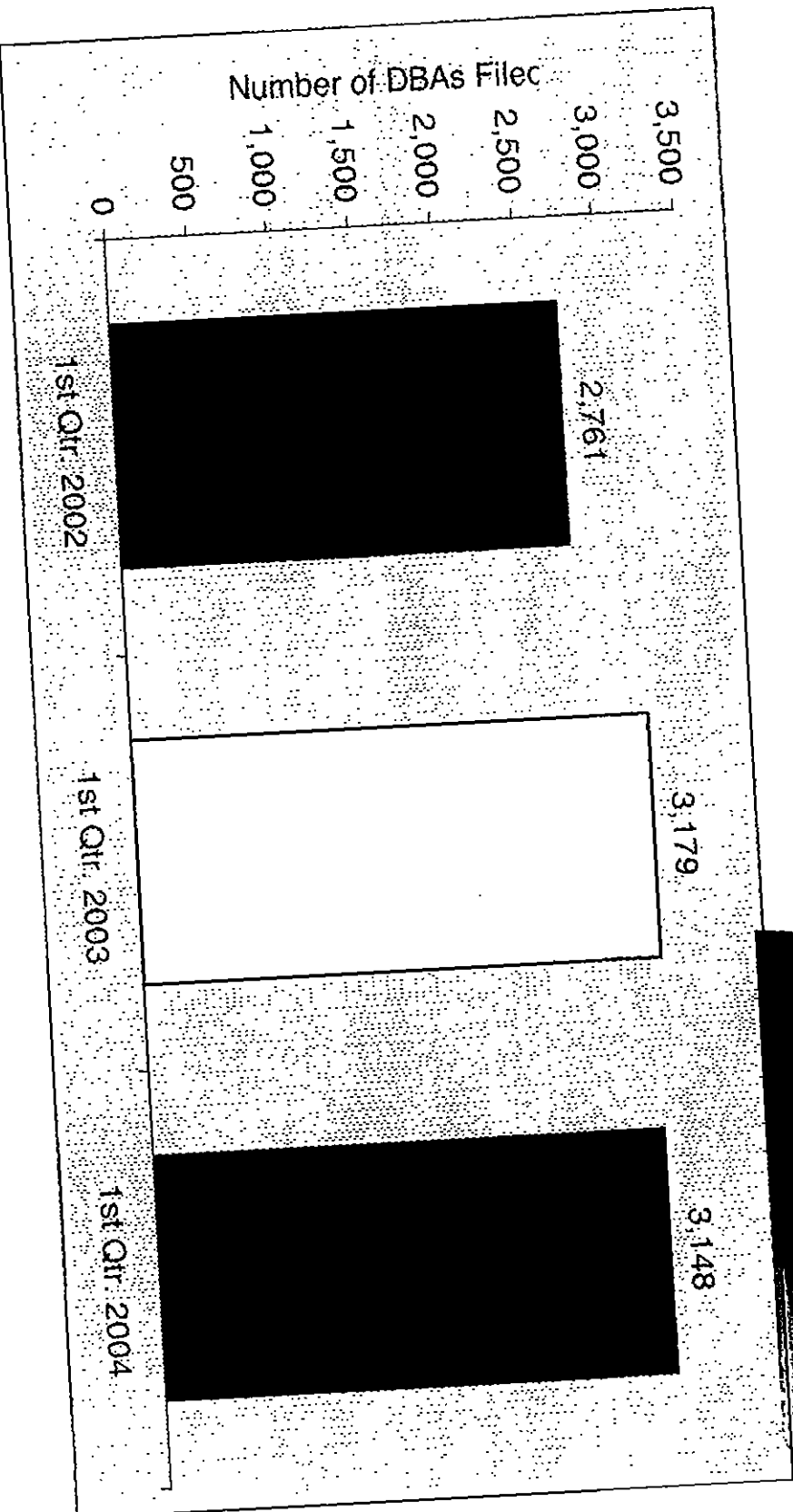


# *The Future of Business*

“An entrepreneurial mindset is essential for a community to successfully generate new jobs and revenue in the coming years. Economic development will rely increasingly less on the recruitment of companies...in the future, a large majority of economic growth will be entrepreneur based.”. – *The 2004-2005 Economic & Technology Forecast – Angelou Economics*



# New Business Start-Up Activity “DBA’s” Filed in [REDACTED] County



Source: Travis County Clerk's Office

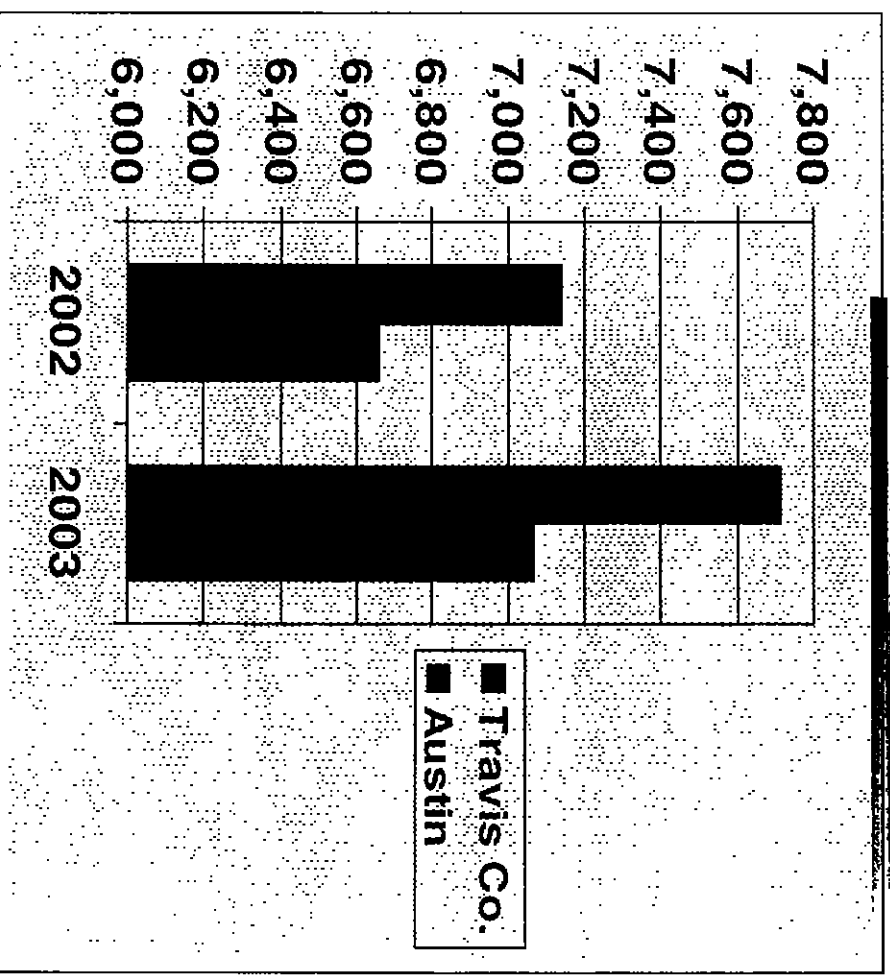
# New Sales Tax Permits

## FY 2002

- 7,141 new sales tax permits issued in Travis County
- 6,660 new sales tax permits issued in Austin

## FY 2003

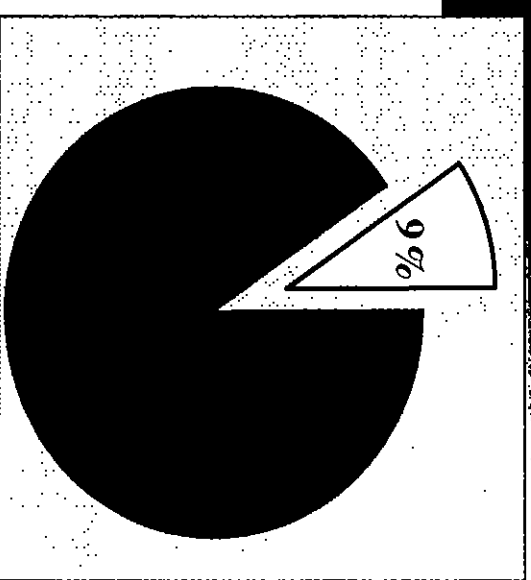
- 7,713 new sales tax permits issued in Travis County
- 7,066 new sales tax permits issued in Austin



Source: Texas State Comptroller's Office

# *SBA Loan Activity FY 2003*

- **Total Number of SBA Loans to businesses in Travis County - 275**
- **Total Number of SBA Loans to Austin businesses - 249**



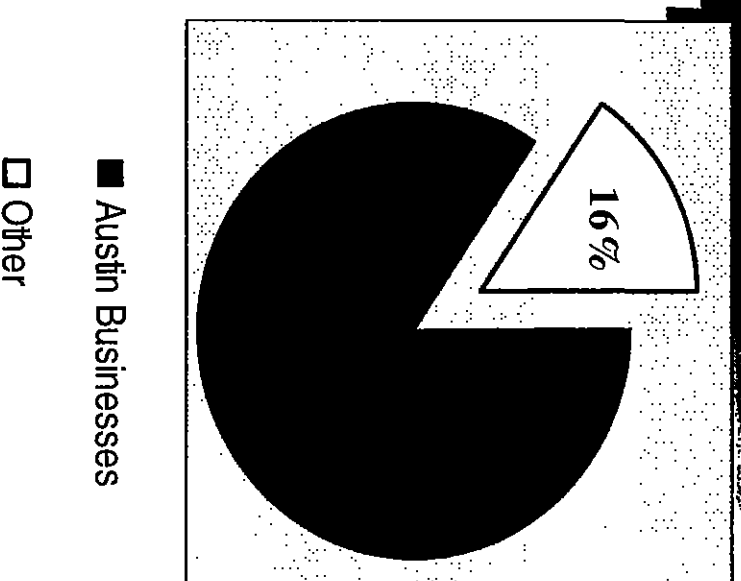
■ Austin Businesses

□ Other

Source: U.S. Small Business Administration, San Antonio District Office

# *SBA Loan Activity FY 2003*

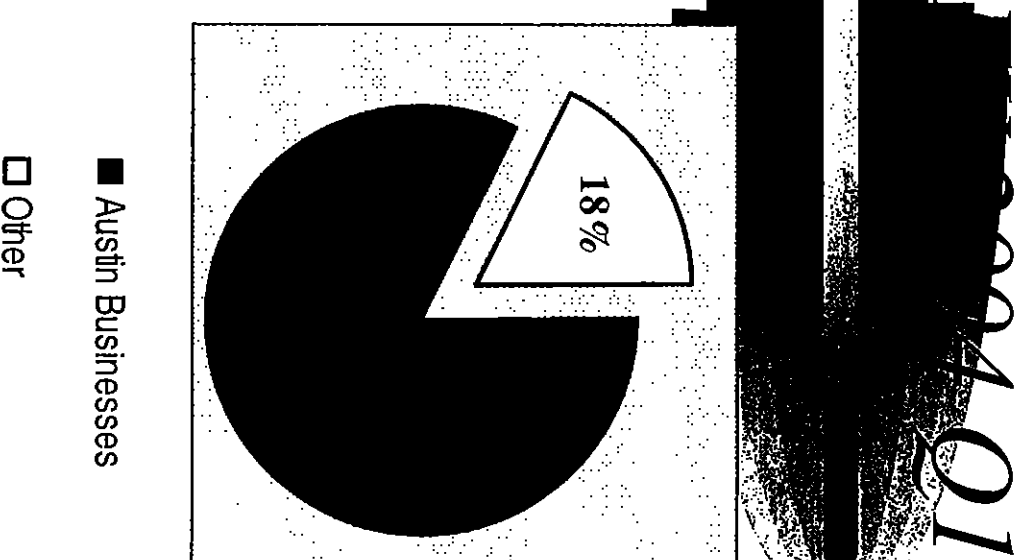
- Total Amount of SBA Loans to businesses in Travis County - \$50.5 M
- Total Amount of SBA Loans to Austin businesses - \$42.6 M



Source: Small Business Administration, San Antonio District Office

# *SBA Loan Activity*

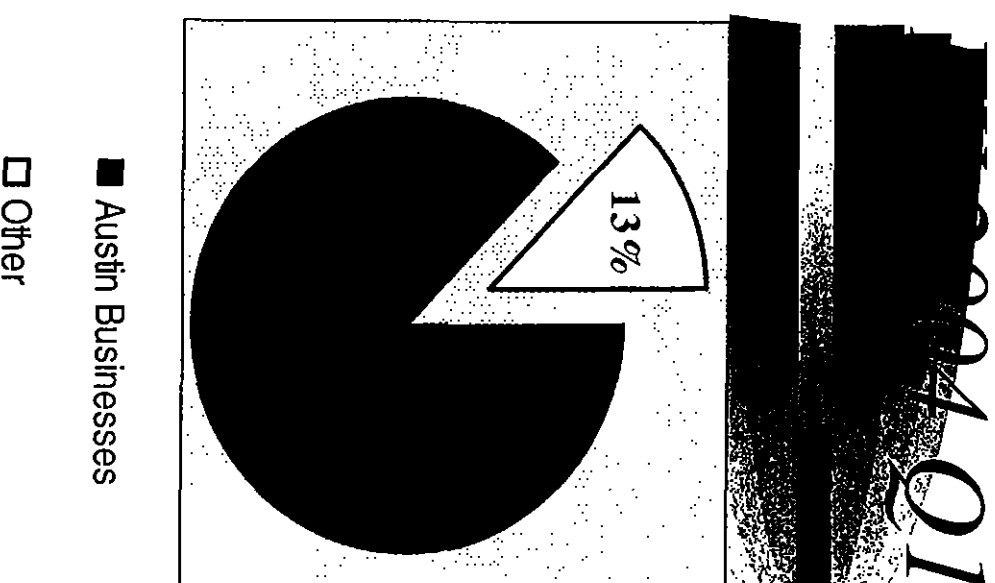
- Total Number of SBA Loans to businesses in Travis County - 84
- Total Number of SBA Loans to Austin businesses - 69



Source: Small Business Administration, San Antonio District Office

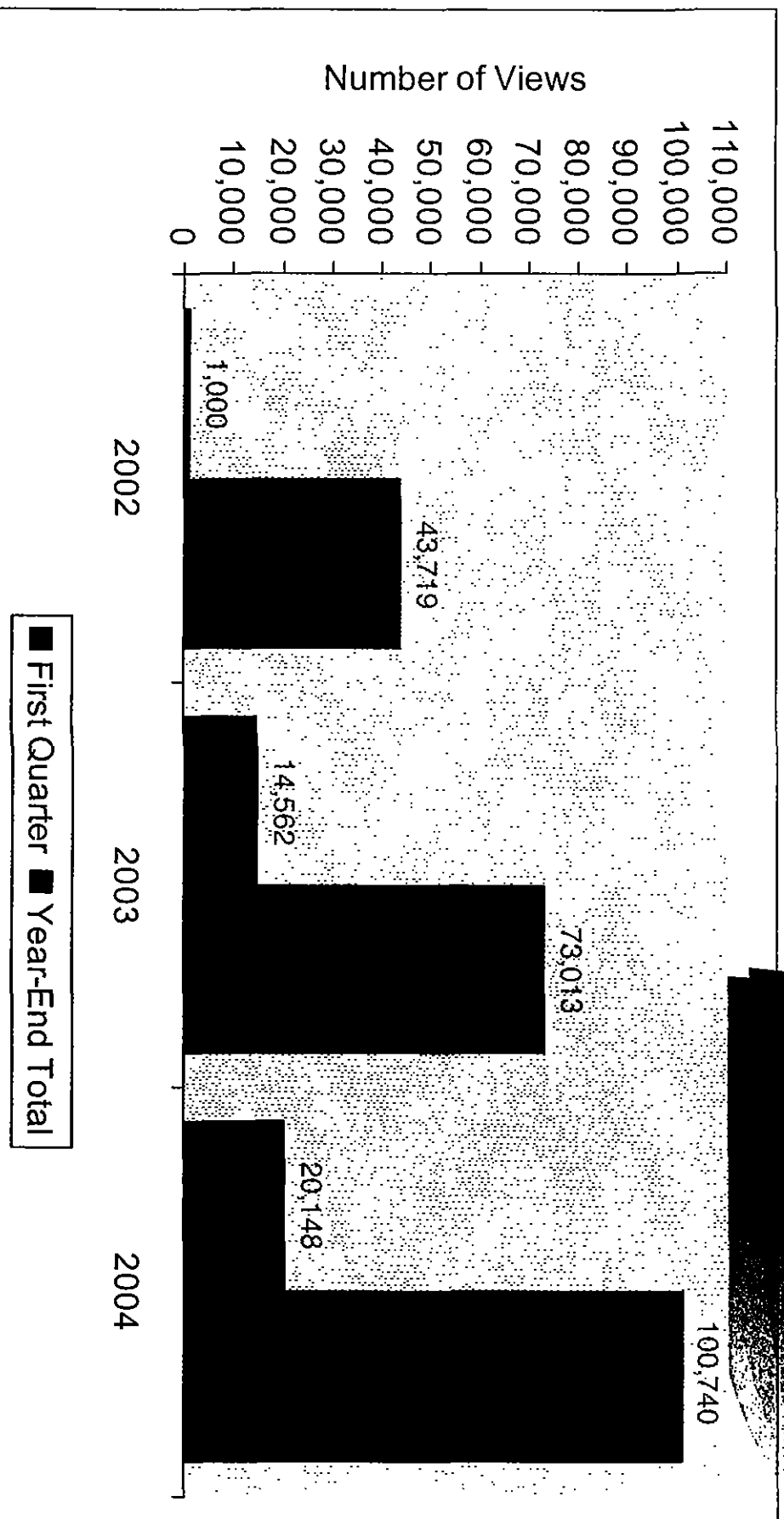
# *SBA Loan Activity*

- Total Amount of SBA Loans to businesses in Travis County - \$16.3 M
- Total Amount of SBA Loans to Austin businesses – \$14.3



Source: Small Business Administration, San Antonio District Office

# SBDP Web Page Views



# *Business Development Web Page*

*Q1 FY2019 Views*

<b>Web Page Section</b>	<b>No. of Views</b>
<b>Community Resources</b>	<b>8,988</b>
<b>Events &amp; Training Opportunities</b>	<b>2,675</b>
<b>On-Line Library &amp; Download Documents</b>	<b>2,165</b>
<b>On-Line Plan Room Project List</b>	<b>889</b>
<b>Other</b>	<b>5,431</b>
<b>Total Views</b>	<b>20,148</b>

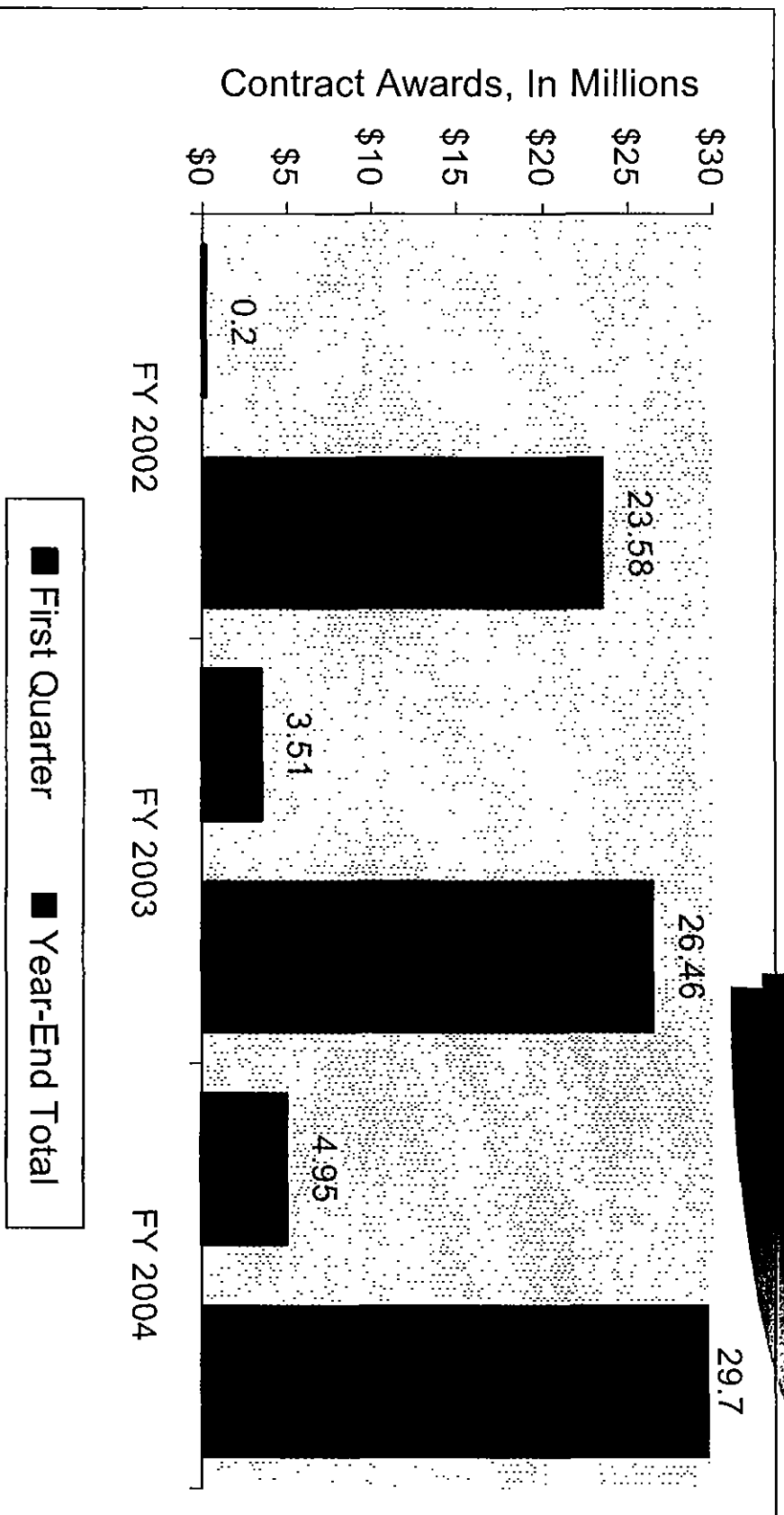


# *Referrals Made For Business Development Assistance*

 2004

Type of Assistance Needed	No. of Referrals
Business Management	143
Financing Assistance	140
Start-Up Issues	128
All Other	446
Total Referrals	857

# On-Line Plan Room Contracts Awarded To Customers



# On-Line Plan Room Activity

Companies that attended an orientation class	190	168
People that attended an orientation class	263	224
Companies that used the On-Line Plan Room (monthly average)	27	62
Bids submitted	883	1,633
Total amount of potential work bid (in millions)	\$75.5	\$166.9
Contracts Awarded	142	307
Total amount of contracts (in millions)	\$23.6	\$26.5
On-Line Plan Room usage rate (hours)	2,131	2,711

# *Economic Activity of On-Line Plan Room*

1/2/03

- Total Value of Awarded Contracts - \$59.84 Million
- Total Sales - \$90.5 Million
- Total Labor Compensation - \$24.6 Million
- Total Employment – 858 Jobs Created
- Total City of Austin Tax Revenue - \$988, 476

Source: Texas Perspectives

# Industry Specific

## Start-Up Expenses

“Opening a [REDACTED] Business  
Restaurant in [REDACTED] Beginnings”  
Austin”

No. of Participants	92	67
No. of Speakers	15	13
No. of Exhibitors	18	15

# ***EGRSO Collaborations***



- **U.S. Small Business Administration**
- **U.S. Green Building Council**
- **National Association of Women In Construction**
- **Central Texas Lawyer Referral Services**
- **Austin Minority Chambers of Commerce**
- **Metz Neighborhood Community Rally**
- **Women Supporting Women**
- **Texas Economic Development Forum**