

March 7, 2011



**Economic Development
and the
American Community Survey**

Presented by

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Greater Houston Partnership

Background

- Greater Houston Partnership (GHP)
 - 2,000 members
 - Serves Houston Metro Area
 - Mission statement “. . . dedicated to building regional economic prosperity.”
- GHP Research
 - Seven-member team that provides the economic, demographic, business and policy analysis GHP uses to pursue its mission



Economic Development

- Adds/retains jobs
- Expands the tax base
- Increases business activity
- Grows incomes

Bottom line: Economic development creates prosperity.

Economic Development

- Relies on . . .
 - Policies that encourage growth
 - Retention of existing businesses
 - Recruitment of new businesses

Relocation/Retention Decisions

- Data driven
 - Business costs (wage rates, taxes)
 - Demographics (workforce, target markets)
 - Infrastructure (transportation, support services)
 - Real estate (cost, availability)

Changing Times

- 25 Years Ago
 - Decisions based on real estate, infrastructure
 - Census long form (data up to 10 years old)
 - The Industrial Age
- Today
 - Decisions based on cost, demographics
 - American Community Survey (current data)
 - Information Age and Global Competition

Demographics

- Found in the American Community Survey
 - Age groups
 - Available occupations
 - Commute times
 - Educational attainment
 - Ethnicity
 - Language availability
 - Population size
 - Race

ACS Reliability

- Sacrosanct
 - Government funded
 - Objective data
- Sound
 - Well-developed, tested methodology
- Current
 - Updated annually

ACS Currency

- What's behind the population growth?
 - Population change since 2000 Census
 - 4 metros added 1+ million
 - 6 added 500,000+
 - 48 added 100,000+
 - 51 lost population
 - How is the population different?
 - Race/Ethnicity/Age/Income/Education



Without the ACS, business decisions would be based on very old data.

Competition

- Between U.S. metros
 - Consultants, corporations require ACS data
 - Apples to apples comparisons
 - No questions of data integrity
- Between U.S. and foreign metros
 - ACS data vs. bad data or no data
 - ACS wins out

Typical ACS Comparison



U.S. METRO AREAS WITH THE LARGEST SPANISH-SPEAKING POPUATIONS		
Rank	Metropolitan Statistical Area	Population
1	Los Angeles-Long Beach-Santa Ana CA	1,291,330
2	New York-Newark-Edison NY-NJ-PA	1,205,097
3	Miami-Fort Lauderdale-Miami Beach FL	736,851
4	Houston-Sugar Land-Baytown TX	500,671
5	Riverside-San Bernardino-Ontario CA	478,911
6	Chicago-Naperville-Joliet IL-IN-WI	433,125
7	Dallas-Fort Worth-Arlington TX	376,915
8	Phoenix-Mesa-Scottsdale AZ	283,179
9	San Antonio TX	281,593
10	San Diego-Carlsbad-San Marcos CA	224,214

Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates

Typical ACS Comparison



SELECTED U.S. METRO AREAS AND ENGINEERING/SCIENCE OCCUPATIONS			
Rank	Metropolitan Statistical Area	Occupations	
		Architecture and Engineering	Life, Physical and Social Science
1	Chicago-Naperville-Joliet IL-IN-WI	78,359	41,169
2	Houston-Sugar Land-Baytown TX	77,368	30,709
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	67,987	60,510
4	Dallas-Fort Worth-Arlington TX	66,236	18,171
5	Seattle-Tacoma-Bellevue, WA	53,437	21,101
6	Phoenix-Mesa-Scottsdale AZ	45,205	11,856
7	Atlanta-Sandy Springs-Marietta, GA	44,611	22,504
8	San Diego-Carlsbad-San Marcos CA	39,173	24,603

Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates

Examples

- Back office Operations
 - Commute times
 - How long will it take their employees to get to work?
- Call centers
 - Number of Spanish and Chinese speakers
 - Does Houston have the population to staff an international call center?
- Japanese companies
 - Size of the Asian community in Houston
 - Will their expat workers be comfortable in Houston?

Examples

- Manufacturing concerns
 - Population with high school diploma or associates degree
 - Does Houston have enough semi-skilled workers to meet the company's needs?
- Manufacturing concerns
 - Size of the Hispanic population
 - If we prefer to hire Hispanics, where should we locate our business?
- R&D Operations
 - Number of engineers and scientists
 - Can we find the talent we need in Houston to develop new products?

3- and 5-year averages

- Data down to the smallest unit
- Use in Geographic Information Systems allows for even more accurate decision making
- Examples:
 - Residents with college degrees within a 30-minute commute
 - Spanish-speaking population within a five-mile radius

Summary

- ACS data
 - The most important tool in the data kit
 - Good data leads to good decisions
 - Has helped attract dozens of companies to Houston

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