Economic Development
and the
American Community Survey
Presented by
Patrick Jankowski
Vice President, Research
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
## U.S. Metro Areas with the Largest Spanish-Speaking Populations

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

Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates
## SELECTED U.S. METRO AREAS AND ENGINEERING/SCIENCE OCCUPATIONS

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

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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