

Austin Technology Council  
2015 Tech Economic Impact Report

Austin Technology Council (ATC) and Civic Analytics publish annual statistics on the economic impact of the technology sector in the Austin-Round Rock Metropolitan Statistical Area (MSA).<sup>1</sup> This 2015 edition presents the latest available full-year (2014) estimates for tech’s footprint in Austin.

*How are we defining “tech”?*

ATC generally follows the methodology developed by Technology Councils of North America (TECNA), Computing Technology Industry Association (CompTIA), and TechAmerica for their annual [Cyberstates](#) study of tech’s impact on the U.S. economy. ATC’s definition includes 49 industries, organized into 14 market categories consistent with the Cyberstates approach, as detailed in the Appendix.

*What was tech’s economic impact in Austin in 2014?*

In 2014, tech accounted for 4,182 establishments, 108,310 jobs, and approximately \$22.3 billion in value added to Austin’s gross domestic product (GDP).<sup>2</sup> As a share of the total Austin economy, tech is roughly 9% of all establishments, 11% of all jobs, and 21% of total GDP.

*Table 1 Tech Drivers in the Austin Economy (2014)<sup>3</sup>  
Categories minimum \$100 million in value-added shown*

	Value-Added	Employment	Establishments
Computer & Peripheral Equipment	\$7,076,291,707	29,877	165
Internet & Telecommunications	\$3,452,682,902	12,149	505
IT Services & Applications	\$3,424,255,994	28,064	2,317
Semiconductors	\$3,076,214,827	10,702	54
Software	\$1,795,067,481	5,495	152
Engineering Services	\$1,307,247,733	10,729	638
Electronic Components	\$762,816,734	4,233	48
Communications Equipment	\$543,203,999	902	16
R&D and Testing Labs	\$446,365,390	4,264	222
Measuring & Control Instruments	\$368,438,739	1,591	48
<b>Total</b>	<b>\$22,301,848,459</b>	<b>108,310</b>	<b>4,182</b>

*How did 2014 compare to 2013?*

Tech employment in Austin in 2014 increased by 5,411 jobs, a 5.3% annual growth rate that exceeded statewide tech growth (4.8%) and was more than double the U.S. tech growth rate (2.6%). It was also nearly a full percentage point better than 2013 (4.4%). Tech firms were responsible for approximately one out of every seven new jobs in Austin in 2014.

IT Services and Applications was Austin’s best-performing tech category in 2014 in terms of job growth. Companies in IT Services and Applications ended the year with a net gain of 4,069 jobs, accounting for

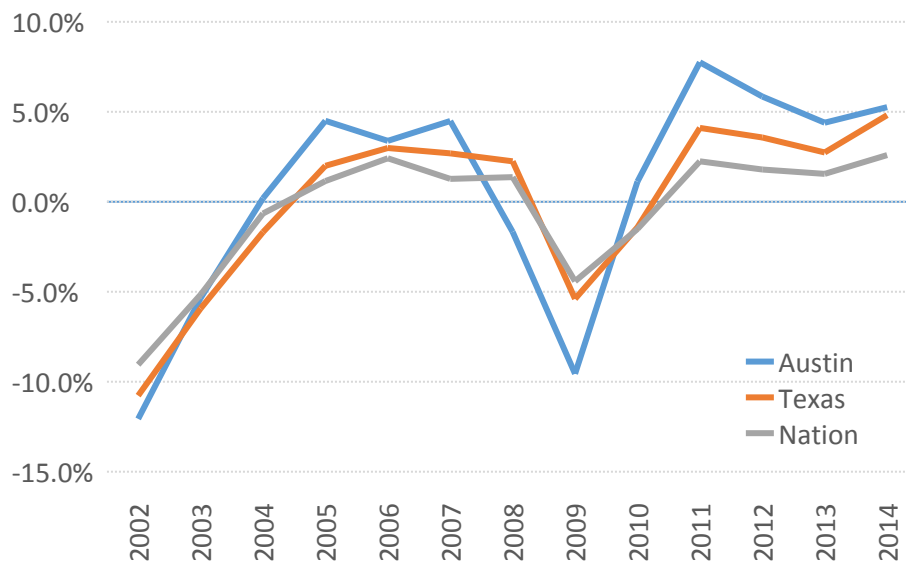
75% of total tech job growth in Austin in 2014. IT Services and Applications, which includes companies like MapMyFitness and MagRabbit, added jobs at a pace 4x faster in Austin compared to the U.S.

*Table 2 Job Growth by Tech Industry Category (2014)<sup>4</sup>  
Categories with minimum 1,000 jobs shown*

	Jobs 2014 Austin	2013-14 Austin	2013-14 Austin	2013-14 Nation
IT Services and Applications	28,064	4,069	17.0%	4.2%
Internet & Telecommunications	12,149	845	7.5%	3.3%
Computer & Peripheral Equipment	29,877	596	2.0%	3.1%
Electronic Components	4,233	320	8.2%	-1.6%
Software	5,495	226	4.3%	4.7%
Engineering Services	10,729	225	2.1%	2.8%
R&D and Testing Labs	4,264	120	2.9%	2.2%
Semiconductors	10,702	-183	-1.7%	-0.9%
Measuring & Control Instruments	1,591	-440	-21.7%	-0.7%
<b>Total</b>	<b>108,310</b>	<b>5,411</b>	<b>5.3%</b>	<b>2.6%</b>

2014 marked the fifth consecutive year that Austin’s tech job growth rate outpaced Texas and the U.S.

*Figure 1 Annual Growth Rate in Tech Employment<sup>5</sup>*



*How did tech performance in Austin compare to other leading tech regions in 2014?*

Austin ranked among the leading U.S. regions in 2014 according to job growth in the technology sector. Austin’s tech job growth rate of 5.3% ranked fifth among the regions selected for benchmark analysis in Table 3 below. And while Austin’s economy has diversified considerably since the dot-com recession in 2001, the region remains one of the most highly concentrated tech markets in the U.S., with 11.1% of