

ECONOMIC OUTLOOK

The US economy has emerged slowly from the recent recession that ended in 2009, however the growth of US gross domestic product has been disappointing during the economic recovery. The economic distress has been caused by continued high unemployment which has put pressure on states and local governments to spend more as federal government stimulus programs have ended. The lack of acceleration in growth and stubbornly high unemployment further indicates that a sustained economic recovery is not in full swing, more than two years after the end of the Great Recession. Even though the US avoided a downturn in 2011, local governments will need to continue to find ways to deal with tepid revenue growth while at the same time attempting to meet growing service demands. Bexar County has been proactive in addressing weaker revenue growth by identifying efficiencies and will need to continue to focus on effectively delivering services to a growing population yet with fewer resources.

NATIONAL ECONOMY

In September 2010, the Business Dating Committee of the National Bureau of Economic Research announced that the recession that began in December 2007 officially ended in June 2009.¹ The United States has worked its way through what has been dubbed “The Great Recession” through unprecedented measures from policy officials. One of the major pieces of legislation used to spur economic growth and save or create jobs was the American Recovery and Reinvestment Act (ARRA). This act included \$298.5 billion in Tax Benefits, \$213.5 billion in contracts, grants and loans, and \$212.8 million in entitlements. As of November 14, 2011 all of the \$840 billion had been paid out for projects such as bringing broadband to rural communities around the nation and two facilities that will help wounded soldiers continue recuperation after they no longer need hospital care.²

This legislation has had the effect of creating some new jobs and raising the Gross Domestic Product (GDP). In a recent report by the Congressional Budget Office, the ARRA will raise real GDP in 2012 between 0.3 percent and 0.8 percent and increase the number of people employed in 2012 between 0.4 million and 1.1 million. Based on ARRA reporting data, close to 1000 jobs in Bexar County have been funded in 2011 by the American Recovery and Reinvestment Act. According to this report, the effects of ARRA peaked in 2010 and are expected to gradually lessen as time goes on.³

Tactics to help improve the economy have not only come from the Federal Government, but from the Federal Reserve as well. During December 2008 and March 2010, the Federal Reserve initiated a program, known as quantitative easing, to buy approximately \$1.75 trillion in Treasury bonds. In November of 2010, the Federal Reserve announced a second round of monetary easing as the economy was still showing signs of weakness. The Fed has purchased an additional \$600 billion in Treasuries, while reinvesting \$300 billion. The Federal Reserve’s second round of quantitative easing was completed by July of 2011, with rumors of a possible third round dubbed “QE3”. The goal of continuing this program is to increase consumer spending and encourage business investment.⁴ Another tool the Federal Reserve has used to help jump start the economy in the past year has included maintaining short-term interest rates at historic lows near 0%, to which the Federal Reserve has pledged to remain through at least mid-2013.

While legislation such as ARRA has aided in helping the economy to recover from the recession, growth has been slow. According to the Bureau of Economic Analysis, the nation’s economy grew at a marginal 0.4 percent in the first quarter of 2011. This growth has increased to 1.0 percent in the second quarter

¹ National Bureau of Economic Research. (2010, September 20). Business Cycle Dating Committee, National Bureau of Economic Research. *National Bureau of Economic Research*.

² Recovery.org

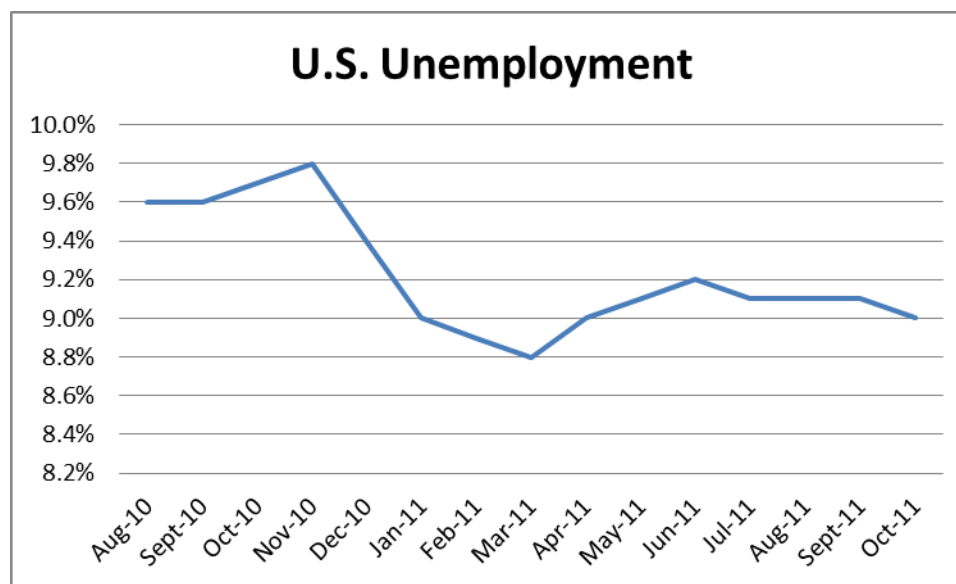
³ CBO Report “Estimated Impact of AARA”

⁴ “Fed to Buy \$600 Billion of Treasurys”

with predictions for third quarter growth at 2.5 percent.⁵ This growth rate has caused many economists to scale back their estimates on outlooks over the next year. The wrangling over the debt ceiling has also been cited as a contributing factor to poorer economic growth.⁶ On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term credit rating on the United States of America to 'AA+' from 'AAA'. This marks the first time in history that the U.S. has had its credit ratings downgraded and markets responded violently, with the S&P 500 Index dropping 7.2 percent within a week of the downgrade.⁷ While some have worried that this slowdown may indicate a second recession or a period of deflation, most economists remain confident in the sustainability of an economic recovery and that a second recession is unlikely.

U.S. Labor Market

Job recovery and the unemployment rate are major concerns of economists going forward. During the recession the unemployment rate rose to an extremely high 10.1 percent and shed more than 5 percent of its non-farm payroll jobs.⁸ Unfortunately, since that time, the unemployment situation has not shown signs of significant improvement. While the employment rate has come down from the high of 10.1 percent it has remained around 9.0 percent throughout 2011. In October of 2011, the unemployment rate was 9.0 percent, a change of 0.5 percent since August 2010.⁹ Many economists are not expecting this rate to change anytime soon and believe that the unemployment rate will remain around 9.0 percent through 2012 and drop to 8.5 percent by 2013.¹⁰



Source: Bureau of Labor Statistics

One of the main issues keeping the unemployment rate high is the reluctance of businesses to begin hiring new employees. Based on CBO estimates, approximately 90,000 jobs have to be created each month to keep up with the expanding labor pool. According to the Bureau of Labor Statistics, 1,288,000 non-farm jobs have been added to the labor market since October 2010. Still, even with consistent job growth, the

⁵ Bureau of Economic Analysis

⁶ Willis, B. (2011, August 3), JPMorgan Chase Cuts U.S. Third-Quarter GDP Forecast to 1.5%, *Bloomberg Business week*.

⁷ Gammeltoft, N. (2011, August 5), U.S. Stocks Sink in Biggest Drop Since 2008 on Economic Concern, *Bloomberg*.

⁸ Rampell, C. (2010, September 20), Recession May be Over, but Joblessness Remains, *The New York Times*.

⁹ Bureau of Labor Statistics

¹⁰ Congressional Budget Office Report, (2011, August), "The Budget and Economic Outlook: An Update."

net amount of jobs in the U.S. labor market since January 2008 is still -7.9 million as of September 2011.¹¹ If job creation would continue at its current growth rate, in January of 2021 unemployment will be around 7.4 percent, based on a report produced by the Heritage Foundation.¹² The report goes on to suggest that if job growth rates could be sustained at the pre-recession levels of the early 2000's (+176,000 per month), that unemployment should reach 5.2 percent by January 2018.

Consumer Confidence

Just as with the unemployment situation Consumer Confidence and Consumer Spending has also indicated a sluggish economy. In October of 2011, the Consumer Confidence Index dropped to 39.8. This is well below the 90 threshold for a stable economy and a level of 100 that would indicate an economy that was growing strongly. The reasons for the low level of consumer confidence can be attributed to high unemployment levels, volatile stock markets, and growing partisanship over public policy regarding the budget deficit.¹³ According to the Conference Board's press release in August, consumers are still very concerned about the employment situation. This has caused consumers to remain worried about the economy and until the unemployment picture improves most analysts believe that consumer confidence will remain low.

U.S. Real Estate Market

As with the rest of the economy the housing market has been slow to recover from the financial crisis and many experts believe the recovery will remain slow throughout 2012, while a full recovery may not happen until 2014.¹⁴ Experts point to several factors impeding the housing market over the next several years, including mortgage delinquencies, continued foreclosures and subsequent foreclosure sales.

Foreclosures still make up nearly a third of the entire residential real estate market according to Realty Trac, a major home sales research firm.¹⁵ The enormous number of foreclosures on the market can have a negative impact on home prices. With so many of these houses on the market, sales and prices are not expected to improve much going forward. At the same time, foreclosure practices have been brought into question causing several states to place moratoriums on foreclosure proceedings.¹⁶ These probes are expected to center around whether the paperwork used in many foreclosure cases was accurate and filed correctly.

U.S. Stock Market

The US stock market has continued to maintain the positive growth that began in March of 2009. The stock market, however, has been sensitive to many issues, such as the growth of China's economy, continuation of the European sovereign debt problems, and even the federal government's attempts at spurring on an economy that continues to show signs of weakness. Additional interventions into the free market by the US government, as well as continued debate over extending tax cuts, have weighed heavily on the stock market. While it is ultimately difficult to predict what the stock market will do going forward there is a positive outlook for the long term so long as the stock market shows resolve and resilience to bad news in the short term. However, the Federal debt ceiling debate which took place in July and August

¹¹ Bureau of Labor Statistics

¹² Stark, J., (2011, July 5), Years of High Unemployment Ahead at Recovery's Pace. *The Heritage Foundation*.

¹³ The Conference Board Report, (2011, August 30), The Consumer Confidence Survey.

¹⁴ Brennan, M. (2011, May 19). Don't Expect A Housing Market Recovery Until 2014. *Forbes.com*.

¹⁵ NPR Staff. (2011, August 25). Foreclosures A Third Of Sales; Mortgage Rates Rise. *NPR.org*.

¹⁶ Comstock, C. (2011, September 1). Fed Launches New Formal Enforcement Action Against Goldman Sachs To Review Foreclosure Practices. *BusinessInsider.com*.

of 2011 and the subsequent downgrade of the U.S. credit rating by Standard and Poor's, sent stock markets worldwide on a downward plunge. While markets have stabilized since, it is evident that confidence in the marketplace is low and any bad news hits the market with substantial impact.

Dow Jones Industrial Average



Source: Yahoo! Finance

TEXAS ECONOMY

As with the rest of the nation, Texas was hit by the recession in 2009 and recovery has been slow. Despite the still high unemployment rate, many economists believe that Texas will lead the way in economic recovery. Most point to stable home prices and a strong business environment as reasons why Texas' recovery will continue to outpace most other states in recovery from the Great Recession.

Texas Housing Market

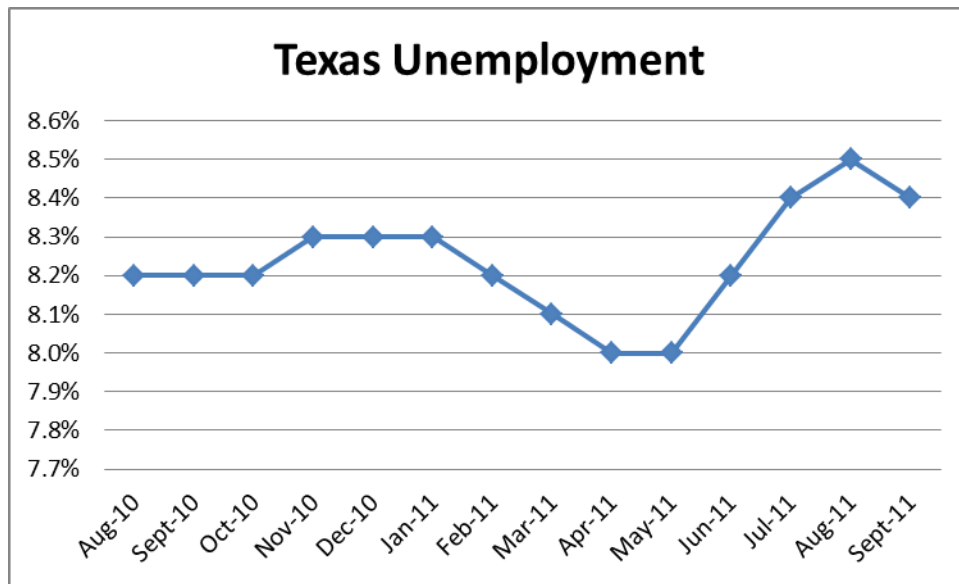
While Texas did not experience a major housing crisis like many other states in the United States, there was a slight decrease in home values during the recession yet recovery from the downturn has begun. The average cost of a home in Texas has increased 1.3 percent when compared the FY 2010-11. Thus far, Texas has weathered the national real estate crunch without significant damage to property values. A total of 5,220 building permits for single-family homes were issued in September 2011. In the 12 months ending in September 2011, 60,260 permits were issued, 8 percent fewer than one year ago. There were 1,923 multi-family building permits issued in September 2011, a 13 percent decrease from September 2010. During the 12 months ending in September 2011, 26,512 permits were issued, 59 percent more than one year ago. In September 2011, sales of existing single-family homes fell by 16 percent from the previous month, to a total of 17,640. September 2011 home sales were 14 percent higher than in September 2010.

Texas Labor Market

Compared to the United States as a whole the Texas economy has done relatively well on the job front. Between June 2009 and September 2011, 305,000 new jobs were added to the Texas economy for an

2011 annual growth rate of 2.1 percent.¹⁷ In comparison to a national annual job growth rate of 1.0 percent for 2011, the Texas economy added jobs at a more robust rate. According to the Federal Reserve Bank of Dallas, Texas has created 4 out of every 10 jobs in the U.S. over the last 3 years.

While Texas has been adding jobs, the unemployment rate remains constant following the US employment rate. In July of 2011, Texas had an unemployment rate of 8.4 percent, which is the highest it has been since July of 1987. Unemployment however has remained consistently high possibly because of Texas's high population growth; it represented the twenty-sixth straight month in which the seasonally adjusted unemployment rate in Texas was over 8 percent.¹⁸ This will be the longest streak of 8 percent or higher unemployment in Texas since data on unemployment has been gathered. The September reading of 8.5 percent was the first time this year it reached that level and was equal to the highest reading since June 1987 when it reached 8.5 percent.



Source: The Bureau of Labor Statistics

**Unemployment Rates for States
Monthly Rankings
Seasonally Adjusted
Sept. 2011**

State	Rate
NORTH DAKOTA	3.5
NEBRASKA	4.2
SOUTH DAKOTA	4.6
NEW HAMPSHIRE	5.4
VERMONT	5.8
WYOMING	5.8
OKLAHOMA	5.9
IOWA	6
HAWAII	6.4

¹⁷ Federal Reserve Bank of Dallas

¹⁸ Bureau of Labor Statistics.

VIRGINIA	6.5
NEW MEXICO	6.6
KANSAS	6.7
LOUISIANA	6.9
MINNESOTA	6.9
MASSACHUSETTS	7.3
MARYLAND	7.4
UTAH	7.4
MAINE	7.5
ALASKA	7.6
MONTANA	7.7
WISCONSIN	7.8
NEW YORK	8
DELAWARE	8.1
WEST VIRGINIA	8.2
ARKANSAS	8.3
COLORADO	8.3
PENNSYLVANIA	8.3
TEXAS	8.5
MISSOURI	8.7
CONNECTICUT	8.9
INDIANA	8.9
IDAHO	9
ARIZONA	9.1
OHIO	9.1
WASHINGTON	9.1
NEW JERSEY	9.2
OREGON	9.6
KENTUCKY	9.7
ALABAMA	9.8
TENNESSEE	9.8
ILLINOIS	10
GEORGIA	10.3
NORTH CAROLINA	10.5
RHODE ISLAND	10.5
FLORIDA	10.6
MISSISSIPPI	10.6
SOUTH CAROLINA	11
DISTRICT OF COLUMBIA	11.1
MICHIGAN	11.1
CALIFORNIA	11.9
NEVADA	13.4

Source: Bureau of Labor Statistics

Texas Industry

According to the Texas State Comptroller, the Gross State Product (GSP) for 2011 is projected to be \$1,321 billion, making Texas the world's fifteenth largest economy in the world, right behind Canada and South Korea.¹⁹ While the economic recession did have an impact on industries located in Texas, advantages such as stable home prices and a stable political environment have made Texas attractive to companies wanting to relocate.

Manufacturing

According to the Dallas Federal Reserve, Texas manufacturing accounts for almost 10 percent of the entire amount of goods produced in the United States. This is second only behind California. Production has been increasing over the course of the year however; recent developments have lowered the rate of increase. Still manufacturing remains in positive territory with revisions of lower expectations for the year.

Agriculture

The Texas Agricultural Industry is a leading part of the overall US Agriculture Industry and is the second largest resource based industry in Texas. The Texas agriculture industry, which generates more than \$100 billion a year, accounts for 6 percent of the US agricultural industry. Its top exports include cattle, cotton, sheep, wool, goats, mohair, and horses.²⁰ Overall, this year the conditions for the Texas agricultural sector have been bad. Severe drought conditions throughout the state have reduced yields and increased abandonment of crops. Livestock have also had to deal with bad grazing conditions. Agricultural losses in the state have reached \$5.2 billion as of September, and will likely continue to increase to year end. Already, losses for 2011 will surpass the record set in 2006 of \$4.1 billion.

Healthcare and Biosciences

Texas is fortunate to have some of the best medical centers in the country. However, a persistent concern in the Healthcare industry is the nursing shortage. The Texas Center for Nursing Workforce Studies and the Texas Department of State Health Services estimate that Texas will be 71,000 full-time nurses short of the number it will need by 2020. The nursing shortage is even more pronounced in rural Texas, where non-metropolitan counties in Texas have a much lower ratio of registered nurses to population than urban counties. It is estimated that in order to meet the coming demand nursing programs in the state of Texas will have to graduate 25,000 new nurses annually to be able to keep up.²¹

Energy

Texas is a leading producer of both oil, natural gas, and wind powered energy in the nation. Texas' petroleum factories can produce almost 4.7 million barrels of crude oil per day. This production makes it the single largest oil producing state in the nation, second only to Federal offshore areas. Drilling activity has steadily increased over the year, with many new rigs focused on land-based ventures primarily seeking oil. Wind resource areas in the Texas Panhandle, along the Gulf Coast, and in the Trans-Pecos region offer some of the greatest wind power potential in the United States. With over 2,000 wind turbines in West Texas alone it leads the nation in wind powered generation capacity.²²

¹⁹ Comptroller's Economic Outlook

²⁰ Texas Department of Agriculture Strategic Plan FY 2011-2015

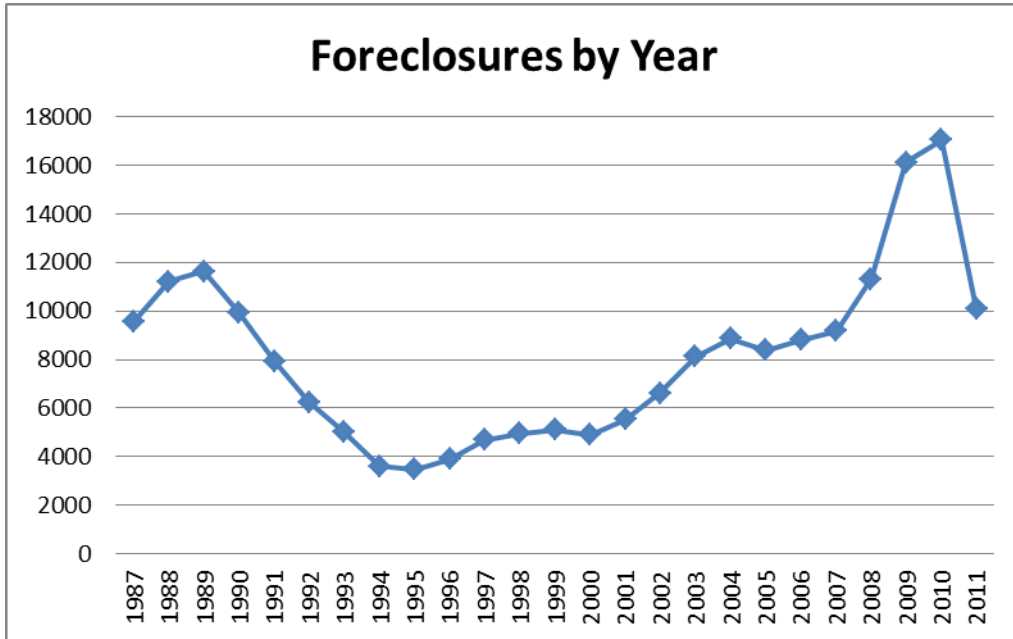
²¹ Texas Comptroller of Public Accounts, Texas in Focus: A Statewide view of opportunities

²² US Energy Information Administration, State and Energy Profiles

BEXAR COUNTY ECONOMY

Bexar County Real Estate Market

As was the case the last two years, foreclosures remain a top concern in Bexar County. Last year Bexar County hit 17,058 foreclosure notices, which is the second year in a row of the highest filings in over 2 decades. Between January and August of 2011, Bexar County issued 10,077 foreclosure notices and appears likely to stay in line with the 2010 total. This represents a 10 percent decrease over this time last year but still puts the County on track for a year of high foreclosure sales.



Source: Bexar County- County Clerk

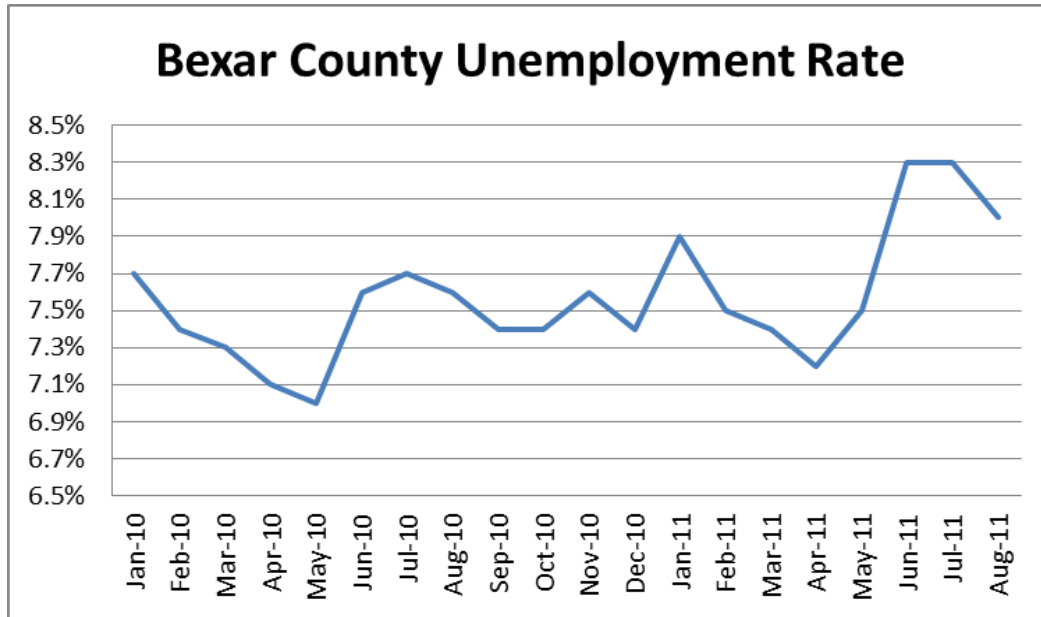


Source: Bexar County - County Clerk

Another major issue that has been affecting the Bexar County Housing Market is falling appraisal values. The Net Taxable Base for FY 2011-12 is \$97,400,452,480 which is flat when compared to FY 2010-11, however this is due to new construction in the amount of \$1.46 Billion. Existing values declined \$1.6 Billion.

Bexar County Labor Market

San Antonio unemployment rate in August 2011 is 8 percent. While this is down from a record of 8.3 percent, which had been reached the previous two months, it is still near historical levels. This marked the twentieth month of unemployment above 7 percent in the San Antonio area, something that has not been seen since 1990; however it remains lower than the Texas and U.S. rates.



Source: Bureau of Labor Statistics

On a positive note, since the beginning of the global financial crisis, the County has played a significant role in a number of major projects, as listed below. These three projects alone have created over 14,000 new jobs for Bexar County.

Economic Development Highlights

Project	Number of New Jobs Created
Toyota Tacoma Production	1,000
Medtronic, Inc.	1,400
BRAC Realignment	12,500
Total	14,900

Bexar County Industry

Bexar County is home to a wide variety of industries, which consists of biosciences, medicine, aviation, tourism, aerospace, military and information technology sectors. The local economy is a healthy mix of business services, biomedical technology and research, a diversified manufacturing sector, a rapidly growing information technology industry, and a thriving military community. Many companies continue to choose San Antonio due to its geographic advantages, high quality of life, affordable housing, and low cost of living.

Military/Defense

Bexar County has a strong military presence and remains “Military City, USA,” home to Fort Sam Houston, Lackland Airforce Base, Randolph Air Force Base, Brooks City-Base, Camp Bullis, and Camp Stanley, as well as leading government contractors such as Boeing, Lockheed Martin, Pratt & Whitney, General Electric, and Sin-Swearingen.

The Base Realignment and Closure process is nearing completion in San Antonio. The United States Base Realignment and Closure Commission’s decision to consolidate all field medical training for all Armed Services branches at Ft. Sam Houston in San Antonio. The realignment will bring the largest training facility for medical technicians in the world to Fort Sam Houston in San Antonio, Texas. The Military Transformation Task Force (MTTF) estimates that 12,500 new jobs will come to San Antonio, including 4,000 trainees and 8,500 military and Department of Defense (DOD) personnel. The potential economic impact is estimated to be nearly \$8.3 billion with the majority of that attributable to construction of the facility which will continue through 2011. Ongoing economic impact post-construction is estimated to be nearly \$1.6 billion annually. The economic impact of this project is expected to be \$621 million per year. Included in the construction is an aircraft taxiway at Randolph Airforce Base, an urban assault course at Camp Bullis, and building renovations at Lackland Airforce Base.

Aerospace and Aviation

The aerospace and aviation industry is growing faster in the San Antonio MSA than the national average, and far outpacing the growth of larger and more established industries in Dallas, Phoenix, and major cities in California. This industry includes establishments that are engaged in one or more of the following areas: manufacturing complete aircraft, missiles or space vehicles; manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; developing and making aerospace product prototypes; aircraft conversion; complete aircraft or propulsion systems overhaul and rebuilding; flight training; air transportation and support activities for air transportation. The 13 aerospace companies at Port San Antonio have created nearly 9,000 jobs and account for about \$1.46 billion in annual economic activity for the San Antonio region. A 2010 study indicated that 4,300 area residents are directly employed by aerospace companies at Port San Antonio. Most of them work in aircraft repair, maintenance and overhaul. Also, the aerospace companies create indirect or induced employment for an additional 4,500 people. Combined, this local workforce earns \$487 million annually. (San Antonio Economic Development Foundation)

Auto Industry

In August 2009, Toyota announced it would shift production of its Tacoma Pickup from its NUMMI Plant in California to San Antonio. Production commenced for the Toyota Tacoma on August 6, 2010. The shift involved new direct investment of \$100 million in investment and the addition of a 1,000 jobs to the Bexar County economy. Production of the Tacoma pick-ups in San Antonio returned the plant to two shifts and means that 80% of Toyota’s pickups will be made in San Antonio.

Throughout these developments, Bexar County has been working to address the needs and realize the opportunities of our automotive industry. Since 2008, Bexar County has lead the development of the Texas-Mexico Automotive SuperCluster (TMASC) initiative, which aims to preserve and grow existing industry, recruit foreign direct investment, spur innovation in new technologies, and develop the human capital necessary of a next-generation workforce. Bexar County continues its commitment to improve the local economy by working creatively and collaboratively to advance this initiative.

Healthcare and Biosciences

The industry includes both direct and indirect healthcare services. Direct healthcare services include care provided in hospitals, physicians' offices, nursing homes, offices and clinics of a variety of other healthcare providers, and various other outpatient and ambulatory care settings. Indirect related industries complement and support the provision of medical and healthcare. These industry sectors include health insurance carriers, pharmaceutical companies, medical equipment producers and manufacturers, civilian and military medical education, biomedical research organizations, residential care and social service providers, and a variety of related endeavors. In 2009, according to a Greater San Antonio Chamber of Commerce study, the economic impact of the Bioscience and Healthcare industry was more than \$24.5 billion. The industry paid \$6.5 billion in wages and salaries to 141,251 employees in 2009.

The most recent growth in this industry was in 2009 when Medtronic's new Diabetes Therapy Management & Education Center began operations in San Antonio. When fully staffed, Medtronic's San Antonio center is expected to generate more than \$700 million per year in economic impact for the city and state, according to an impact study generated by SAEDF. In May 2010, BD opened their North American Professional Services Center Headquarters with plans to hire 300. This is the first of four professional services centers planned across the globe.

Another recent win for San Antonio's bioscience sector is the opening of InCube Labs, a local branch of a life science incubator based in the Silicon Valley of California. InCube expects to bring up to five biomedical startup companies and a locally-focused venture capital fund to San Antonio. The first three companies were announced in the fall of 2010. (San Antonio Economic Development Foundation)

Eagle Ford Shale

The Eagle Ford Shale is rapidly becoming one of the largest domestic crude oil and natural gas discoveries in more than 40 years. Roughly 50 miles wide and 400 miles long, the Eagle Ford spreads across Texas from the Mexican border covering 24 Texas counties. It is a hydrocarbon producing formation of significant importance due to its capability of producing both gas and more oil than other traditional shale plays. The shale contains a high amount of carbonate which makes it brittle and easier to use hydraulic fracturing to produce the oil or gas. The oil reserves are estimated at 3 billion barrels with potential output of 420,000 barrels a day. The Eagle Ford is a booming shale play with results indicating there will be development activity for a long time to come.

There have been numerous recent announcements by oil and gas companies concerning their plans to bring new jobs to Bexar County. Oil-field-services giant Halliburton Co. began work in November 2011 on a \$50 million base of operations in San Antonio and plans to hire 1,400 workers to support its operations in the Eagle Ford Shale. Baker Hughes Inc. also has plans to build a \$30 million operations center and administrative headquarters in southeastern Bexar County to support drilling in the shale and will look to employ 400 people. Weatherford International Inc. and Schlumberger Ltd. are two other oil-field-service companies that plan to build to facilities in southern Bexar County and will be looking to hire 120 and 200 workers, respectively. Other companies that plan to establish sites in Bexar County and contribute to the Eagle Ford Shale job growth include Chesapeake Energy, Cudd Energy, EOG Resources, Inc., Marathon Oil, and Platinum Energy.

In February 2011, the University of Texas at San Antonio released an Economic Impact Study which showed that, as of 2010, Bexar County benefited from its proximity to the Eagle Ford Shale with close to \$104 million in total output, around \$58 million in total gross state product, and almost \$28.3 million in payroll for 590 employees. Projections for Bexar County showed that by 2020, involvement in the Eagle Ford Shale would result in close to \$703 million in total output, around \$394.5 million in total gross state product, and almost \$191 million in payroll for 3,924 employees.

These calculations have recently been updated and the study's main author now believes that the Eagle Ford Shale will help create close to 6,000 jobs by 2020. Since the study's 2010 release, Eagle Ford Shale related employers have announced plans for at least 2,800 new positions in the Alamo City. This number is roughly two thirds the amount the UTSA study predicted they would generate by 2020.

Information Technology

The Information Technology (IT) industry plays a major role in San Antonio. The economic impact of IT and cyber business already measures in the billions: \$10 billion in 2010, with conservative estimates of growth to \$15 billion by 2015. The industry itself is both large and diverse, including IT and Internet-related firms that produce and sell information technology products. San Antonio is particularly strong in information security. In fact, San Antonio has come to be recognized as a national leader in this vital field, with the U.S. Air Force's Air Intelligence Agency, a large and growing National Security Agency presence, and the Center for Infrastructure Assurance and Security at the University Of Texas at San Antonio.

The state of Texas is #2 in the nation for science and technology. And San Antonio is firmly established as #2 in the nation in cybersecurity. The city's association with the military and with scientific research has helped create a unique combination of cyber resources useful to many business operations. The recent choice of San Antonio for Air Force Cyber Command (24th Air Force) was both highly prestigious and highly publicized. The city offers the kind of network connectivity needed to support all security levels of Global Cyber Operations such as the Joint Worldwide Intelligence Communication System and the National Security Agency Nets, DISA GIG Network (Defense Information Systems Network) and GIG-BE (Global Information Grid Bandwidth Expansion, which helps link major government intel community sites). San Antonio also has the # 2 concentration of data centers in the U.S. and 80-plus companies specializing in defense technology. (San Antonio Economic Development Foundation)

SUMMARY

A summer of stock market gyrations, the financial turmoil in Europe, and the debt limit debate in Washington has led to a modest drag on economic growth. The lack of acceleration in growth, which normally occurs during an economic recovery, has been caused by the persistently high number of unemployment in the US and, furthermore, the slow rate of growth is insufficient to decrease the large number of long-term unemployed. Consumer spending, which accounts for seventy percent of total economic output, is positive but a decline income and a lack of lending by financial institutions has affected the consumer. Businesses continue to keep large amounts of cash on their balance sheets and until a sustainable economic recovery sets in preservation of capital will continue to be a priority.

Texas and San Antonio, on the other hand, are rising above most national standards and continue to be leaders in the recovery as businesses continue to choose Bexar County, specifically, as a place to relocate existing operations or begin new initiatives. The ManpowerGroup recently named San Antonio the country's best city for job seekers, while Forbes ranked it eighth among "best places for business and careers" and fourth among the "next boom towns in the U.S." Bexar County's ability to attract businesses is a major factor in the area's lower unemployment as compared to other parts of the county and has led to numerous families choosing Bexar County as their new home. This subsequent growth of population within Bexar County has led to the increase in demand for services. The fiscal pressure placed on Bexar County due to plateauing property tax growth, along with a tightening of fiscal policy at the federal and state level, necessitates that Bexar County continue to find efficiencies in its business processes and new innovations in order to remain a leader of the economic recovery while still providing valuable services to a growing population.