

MEMORANDUM

TO: Allstate
FROM: FTI Consulting
DATE: 07 / 14 / 2015
RE: Allstate/National Journal Heartland Monitor Austin Metro Supplement Key Findings

This memorandum outlines key findings from a survey of adults conducted July 8-12, 2015 in the Austin metro area, including the counties of Travis, Williamson, Hays, Bastrop, and Caldwell. This survey investigates area residents' views on the local economy and institutions, innovation, and Austin's future and is a continuation of similar studies conducted in Denver and Detroit. The survey was conducted among a sample of 400 adults age 18+ living in the Austin metro area, with 200 reached via cell phone and 200 reached via landline. Respondents were given the choice to take the survey in English or Spanish. The margin of error for a sample of 400 is +/- 4.9 in 95 out of 100 cases.

SUMMARY OF FINDINGS

These survey results tell the story of a region with a culture of technological innovation and growth, with a musical soundtrack that makes Austin unique from other cities. There is a high level of optimism that surpasses what we've seen elsewhere in the country, but there is also significant anxiety about the implications of population growth. Austinites are innovators who have come up with numerous advances for the high-tech, biotech, and clean tech industries. Now, the city is looking for innovative ideas and solutions to keep their city moving forward.

KEY FINDINGS

- 1. Perceptions of the Austin economy are overwhelmingly positive, and there is significant optimism about continued growth.**
 - More than a quarter (27%) of those living in the Austin area rate their local economy as excellent and nearly an additional half (47%) say it is good, bringing the positive economy rating to 74%. While only twenty-three percent (23%) say it is just fair and only 3% of Austinites think the economy is doing poorly.
 - These are the highest scores for the local economy we have tested across our recent polling, including our February national survey (42% excellent/good, 39% fair, 18% poor) and our May Detroit survey (40% excellent/good, 40% fair, 19% poor).
 - Austin's rating is even higher than we measured in the Denver area in February (12% excellent, 51% good, 29% fair, 7% poor).
 - Local economic perceptions are positive across the Austin region. More than seven-in-ten residents living within the city limits of Austin (72%) and also outside of the city (76%) see their local economy as excellent or good.
 - Nearly half (48%) believe that their local economy will improve over the next year, while 45% think it will stay the same and 6% think it will become worse.



- Residents outside of Austin proper are more likely to believe the local economy will improve than city residents (54% to 42%).
- Young men (age 18-49) are the most optimistic about the local economy's future. Their 58% positive rating is significantly higher than how young women (44%) view the local economy, and also higher than the rating given by both men and women 50 years of age and older (42%).
- Austin's one-year economic positivity (48%) is on par with Denver (48%) and higher than it was in Detroit (40%) or the across the nation (35%).
- Looking ten-years into the future, six-in-ten (60%) say the Austin economy will have improved by that point, while 22% believe it will be about the same. The remaining 15% say it will become worse.
 - Young men again are very optimistic. Nearly a third (32%) think the economy will be improved. Only 9% of young women agree.
- Nearly half (47%) feel that high technology is the most important industry for Austin's economic future, with other industries like clean energy (11%), music and arts (10%), and biotech (8%) rating far lower.

2. Economic positivity aside, Austinites have mixed feelings about the impact that a growing population will have on their local area. Most feel the area is unprepared to handle this growth.

- In response to the information that the Austin metropolitan area is among the top five fastest growing cities in the nation in terms of population growth, residents are divided on the impact (47% positive, 44% negative).
 - Only four-in-ten (39%) of those living inside the city limits say the population growth will have a positive impact. Those living outside the city are much more likely to view the growth in a positive light (55%).
 - Older men (50+) are hopeful about this growth (49% positive), older women are less so (35% positive).
- More than two-thirds (68%) feel that Austin is unprepared to handle this growth compared to 31% who feel the city is prepared. This sentiment is shared throughout the region and across different demographic groups.
- Austinites think the principal reasons for this growth are high-tech and biotech jobs (39%), the quality of life (25%), and low taxes and fewer regulations on businesses (16%).
- More than half (52%) consider traffic and other issues related to growth as the biggest challenge facing the local area.



3. Metro area residents express pride and positive feelings about their community.

Interestingly, there is a sharp divide in how those in the region identify themselves.

- Almost three-fourths (73%) think their local area is headed in the right direction, including 67% of city residents and 79% of those outside of the city.
- More than six-in-ten (62%) approve of their local political leaders.
- Nearly two-thirds (65%) consider the music and arts scene as the one thing that makes Austin unique compared to other metropolitan areas.
- When asked to identify themselves as a Texan or an Austinite, 49% choose the former while 44% choose the latter.
 - This data differs considerably (and predictably) by geography – 57% of those living within the city limits say they are an Austinite, while 61% of those outside of the city consider themselves a Texan.
 - Differences also exist across party lines – Republicans and Independents pick being a Texan (72% and 51% respectively) and 62% of Democrats say they are an Austinite.

4. More than we have seen in any other metro areas or nationally, Austinites believe their area is more innovative than other cities. However, the majority still believe their local institutions offer ideas that are merely adequate, and they recognize that significant obstacles exist.

- One-in-three (34%) metro area residents say that institutions in their local area are offering ideas and solutions that are “new and forward-thinking.”
 - This is higher than we have seen across the nation (28%) and in other metro areas – Denver (29%) and Detroit (21%).
- Yet, this is overshadowed by the 41% who say the offerings are “adequate but unremarkable” and the 18% who say ideas are “old and outdated.”
- Seventy-one percent (71%) would prefer “trying new ideas and solutions, even if the outcomes may be uncertain” rather than “relying on tried and tested ideas and solutions, even if it means a lack of new thinking (18%).”
 - This is on par with the nation (71% new ideas); however, Austin lags slightly behind the Denver area (78%) and Detroit area (74%) in their preference for new ideas.
- Three-in-ten (30%) believe Austin is more innovative than other cities.
 - This is much higher than the 10% of Detroiters who felt the same about their local area.
- Nearly half (48%) feel Austin is just as innovative or more innovative than other cities, but held back by local challenges. The remaining 15% feel that Austin is less innovative than other cities.



5. Austinites believe that state and local institutions are more likely than national institutions to come up with new ideas and solutions to economic and social challenges. However, they do not feel that state and local institutions are making strong progress.

- Almost seven-in-ten (69%) feel that new ideas and solutions are more likely to come from state and local institutions than national institutions, just as we have tested nationally and in the Denver and Detroit metro areas.
- When asked where more progress is being made, only 44% pick state and local levels.
 - This is lower than we saw in Detroit (49%), Denver (63%) and nationally (64%).
- Almost four-in-ten (39%) think that more progress is being made on the national level to fix the major challenges facing the country.
 - Alternatively, this is much higher than we have seen in Detroit (27%), Denver (15%), and nationally (26%).
- Austinites are split on whether national institutions (48%) or state and local institutions (46%) will do a better job at improving wages and living standards for average families.
 - This is reversed from what we have seen elsewhere where state and local institutions had the majority – Detroit (56%), Denver (53%), and nationally (57%).

6. Willie Nelson, Matthew McConaughey, Michael Dell, and Sandra Bullock are named as the most prominent living Austin success stories, followed by a smattering of politicians and athletes.

- On an open-ended question in which survey respondents could name whoever they thought of as the best example of a notable Austinite, music superstar Willie Nelson (named by 21% of respondents) received the most mentions. The only other musician recalled by numerous respondents is Stevie Ray Vaughn (4%).
- From the film community, Matthew McConaughey (16%) and Sandra Bullock (11%) top the list. Richard Linklater, film director - notable for his film *Boyhood* - received 1% of mentions.
- The sole technology industry success story mentioned by a significant number of respondents is Michael Dell and his company, Dell Computers, which came in at third place (13%).
- Former Governors of Texas Ann Richards (3%), George W. Bush (2%), and Rick Perry (3%) lead the pack of notable politicians. Current Governor Greg Abbott is only mentioned by 1% of respondents.
- Athletes appearing on the list include Lance Armstrong (3%), Drew Brees (2%), Vince Young (2%), Earl Campbell (1%), and Andy Roddick (1%). Football coaches from the University of Texas Mack Brown and Darrell Royal both received 1% of responses.