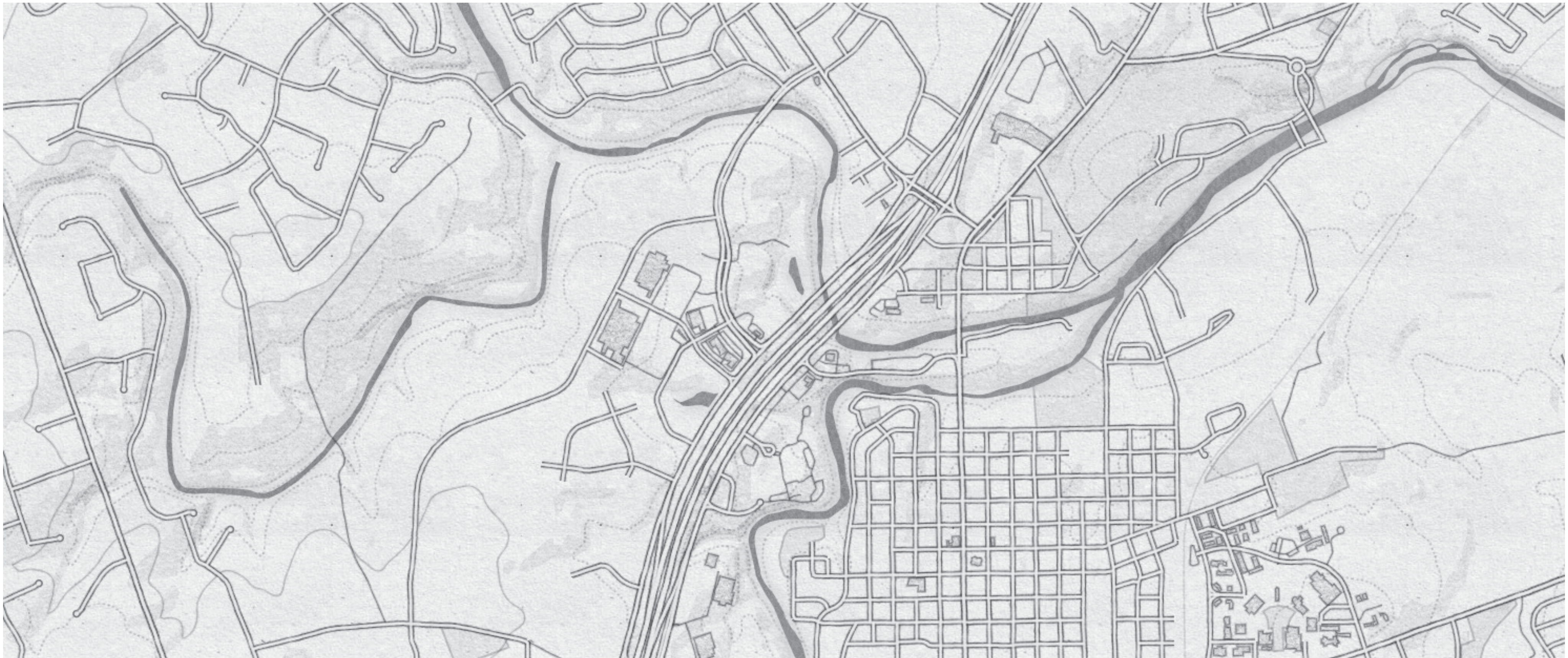

CITY OF GEORGETOWN WORKFORCE ANALYSIS

AUGUST 18, 2017

avalanche

About the City of Georgetown Economic Development Target Industry & Workforce Analysis

In April 2017, the City of Georgetown initiated the development of an Economic Development Target Industry & Workforce Analysis aimed at diversifying the local economy, increasing business investment throughout the city, and fully leveraging hometown talent. Through a competitive bidding process, the City of Georgetown retained Avalanche Consulting, a national economic development consultancy based in Austin, TX, to facilitate the preparation of the Economic Development Target Industry & Workforce Analysis. Georgetown residents and businesses were invited to share their perspectives and vision for the community through a series of individual interviews and focus groups.

Once complete, the Economic Development Target Industry & Workforce Analysis will have two primary phases:

Phase 1: Workforce Analysis
The Economic Development Target Industry & Workforce Analysis begins with an exploration of Georgetown's competitive position. The study team examined a range of local assets and quantitative metrics to better understand the city's evolving economy and population. In addition to data analysis, the study team conducted multiple focus groups and interviews. All input is then distilled into a concise SWOT summary outlining the community's strengths, weaknesses, opportunities, and threats.

Phase 2: Target Cluster Analysis
This second phase of the Economic Development Target Industry & Workforce Analysis includes the target clusters and niche sector recommendations of the consulting team. By targeting specific industry clusters, the City of Georgetown can more strategically invest in those factors such as infrastructure or workforce training programs necessary to spur job creation within the community. Target cluster identification blends industry location quotient analysis with a review of data trends, SWOT evaluation, and city priorities.

About this Document

The following *Workforce Analysis* provides an in-depth evaluation of Georgetown's economic performance and demographic Dynamics. Specifically, the assessment examines a simple question. How successful is Georgetown in the pursuit of job, talent, and overall civic prosperity?

Economic and demographic information on Georgetown is benchmarked against the Austin metropolitan area, Texas and US averages to provide greater context to the city's performance across a wide range of metrics. The benchmarking analysis also includes a focus on Georgetown's labor shed as determined by prevailing commuting patterns.

The *Workforce Analysis* also includes a workforce profile on Georgetown detailing and emerging drivers of job creation within the city. The Workforce Profile includes a consideration of employment by both industry occupation, employment growth, and relative employment concentration. The workforce profile also includes an examination of average wages by industry and occupation for workers employed within Georgetown as well as benchmark geographies.

The *Workforce Analysis* concludes with a SWOT analysis that provides a brief overview of the city's strengths, weaknesses, opportunities, and threats. The SWOT analysis is based on quantitative economic and demographic information collected during the project as well as qualitative information gathered during numerous focus group discussions, one-on-one interviews conducted with Georgetown residents, community leaders, and business owners.

Ultimately, the findings of the *Workforce Analysis* will help identify those industries that are best positioned to thrive within the community. These industries will be detailed in the next phase of the project, the *Target Industry Analysis*.

Key Takeaways

Labor Shed Identification

- There is relatively little overlap between those who live in Georgetown and those who work in Georgetown.
- Approximately 75% of all Georgetown residents active in the workforce are employed outside of the city. At the same time, approximately 75% of all jobs within the city are filled by workers who reside outside of Georgetown.
- Georgetown's labor shed extends far beyond the city’s formal boundaries. The city’s labor shed extends from Austin to Temple alongside interstate 35 and encompasses more than 700,000 relatively young and well-educated workers.

Economic Dynamics

- Georgetown continues to enjoy strong employment gains. Between 2011 and 2016, the number of jobs within the city rose by more than 20%, virtually identical to the regional average. During this same period, total US job growth was less than 10%.
- Employment within Georgetown is largely composed of locally-serving industries such as Construction and Trade & Transportation.
- Georgetown’s economy is becoming more balanced and diversified. Over the past five years, some of the fastest growing industries in the city have included Manufacturing, Professional & Business Services, and Financial Activities.

Key Takeaways

Demographic Dynamics

- Georgetown remains one of the fastest growing cities in the US. The city's population has doubled in the past 15 years.

- Georgetown has an above average share of older residents. Half of all Georgetown residents are at least 47 years old and more than a quarter of the city's residents are age 65 and older. This contributes to low labor force participation among Georgetown residents.

- Georgetown is highly educated. Nearly 45% of Georgetown residents possess a bachelor's degree or higher level of educational attainment.

Workforce Profiles

- In recent years, Georgetown's employment gains have been bolstered by growth across virtually every occupational cluster. This dynamic is projected to continue through 2021.

- In the years ahead, employment growth will be primarily driven by a handful of industries. According to current projections, five clusters will account for 75% of all new jobs – Healthcare, Retail, Electronics, Entertainment, and Construction.

- Wages for most occupations are higher in Georgetown's Southern Labor shed than in Georgetown. In turn, wages in Georgetown are typically higher than in the city's Northern Labor Shed.

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Labor Shed Identification

The Labor Shed Identification highlights existing commuting patterns within Georgetown. The analysis examines the number of workers within Georgetown, the number of Georgetown residents employed outside of the community, and the number of non-residents that commute into Georgetown for work.

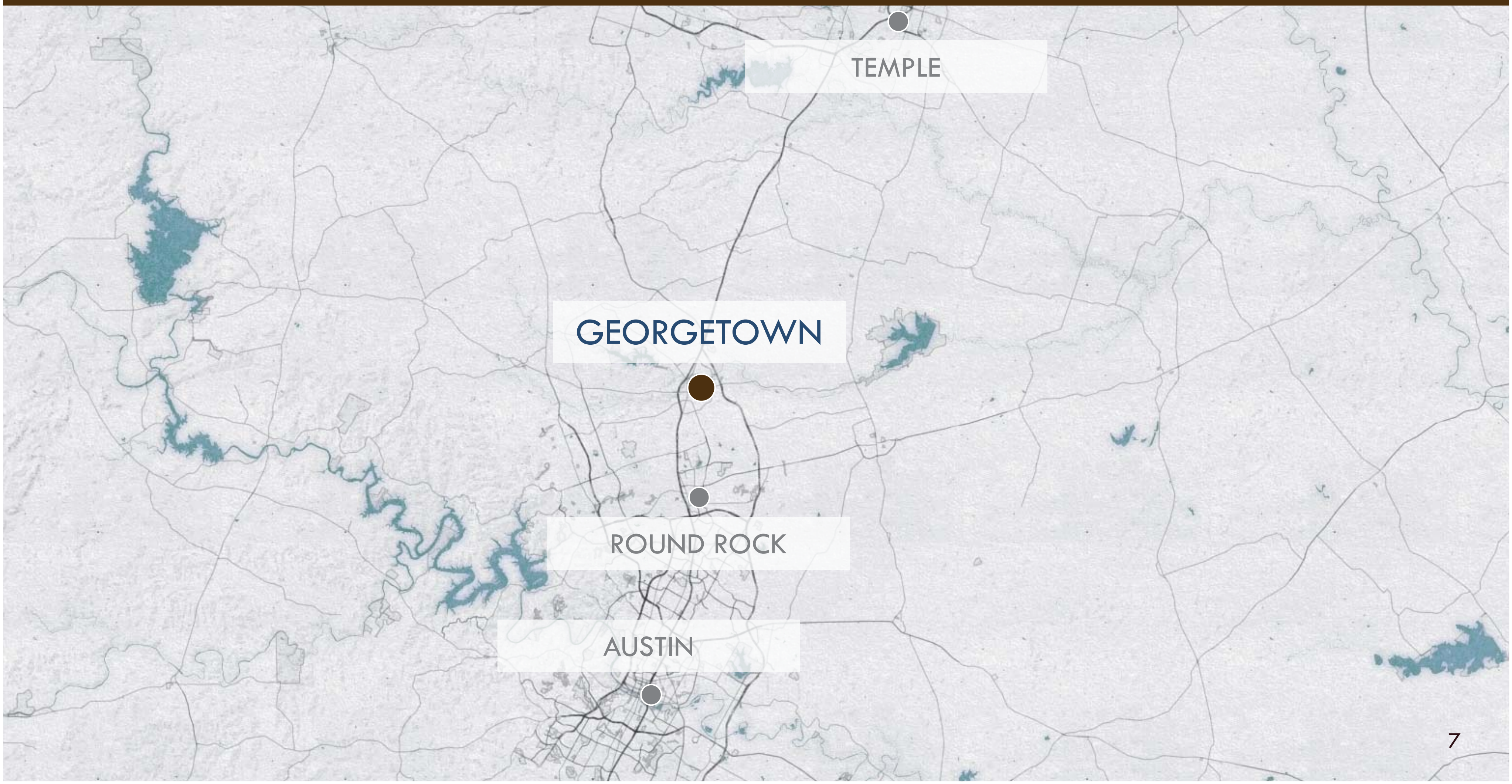
About the Region

Georgetown is located approximately 25 minutes due north of downtown Austin and bisected by Interstate 35. With nearly 64,000 residents, as of 2016 Georgetown is the 4th largest city in the Austin metropolitan region.

Georgetown grew extraordinarily fast over the past 15 years - with the population more than doubling. In 2016, The US Census Bureau reported that Georgetown was the fastest growing city in the US with a population of 50,000 or more.

WHY IS THIS IMPORTANT?

Georgetown is located in one of the fastest growing regions of the one of the fastest growing states in the US.



Commuting Patterns

Very few Georgetown residents both live and work in the city.

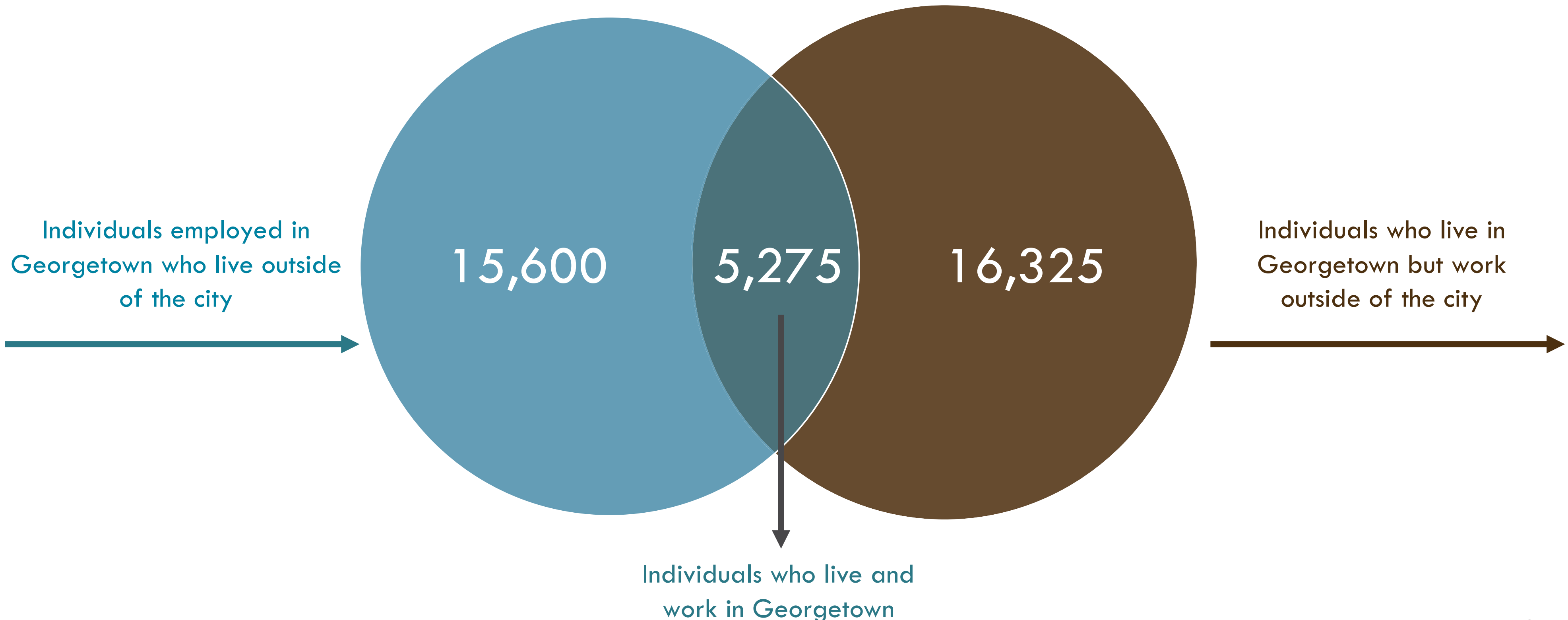
Approximately 75% of all employed Georgetown residents work in another city. At the same time, approximately 75% of all jobs within Georgetown are filled by individuals living somewhere else.

These patterns are not unusual for a traditionally small town but now high-growth city located within a major metropolitan area. Large commuter shares add to increased traffic concerns. They also can indicate a lack of resiliency in the local economy, with residents dependent on jobs located outside of the community and businesses reliant on workers who live elsewhere.

WHY IS THIS IMPORTANT?

Commuting patterns play several important roles in a region's economy. Regions that can draw from the available talents and skill sets present outside of their communities can significantly increase their available workforce.

CITY OF GEORGETOWN
COMMUTER INFLOW/OUTFLOW ANALYSIS
2014



Commuting Patterns

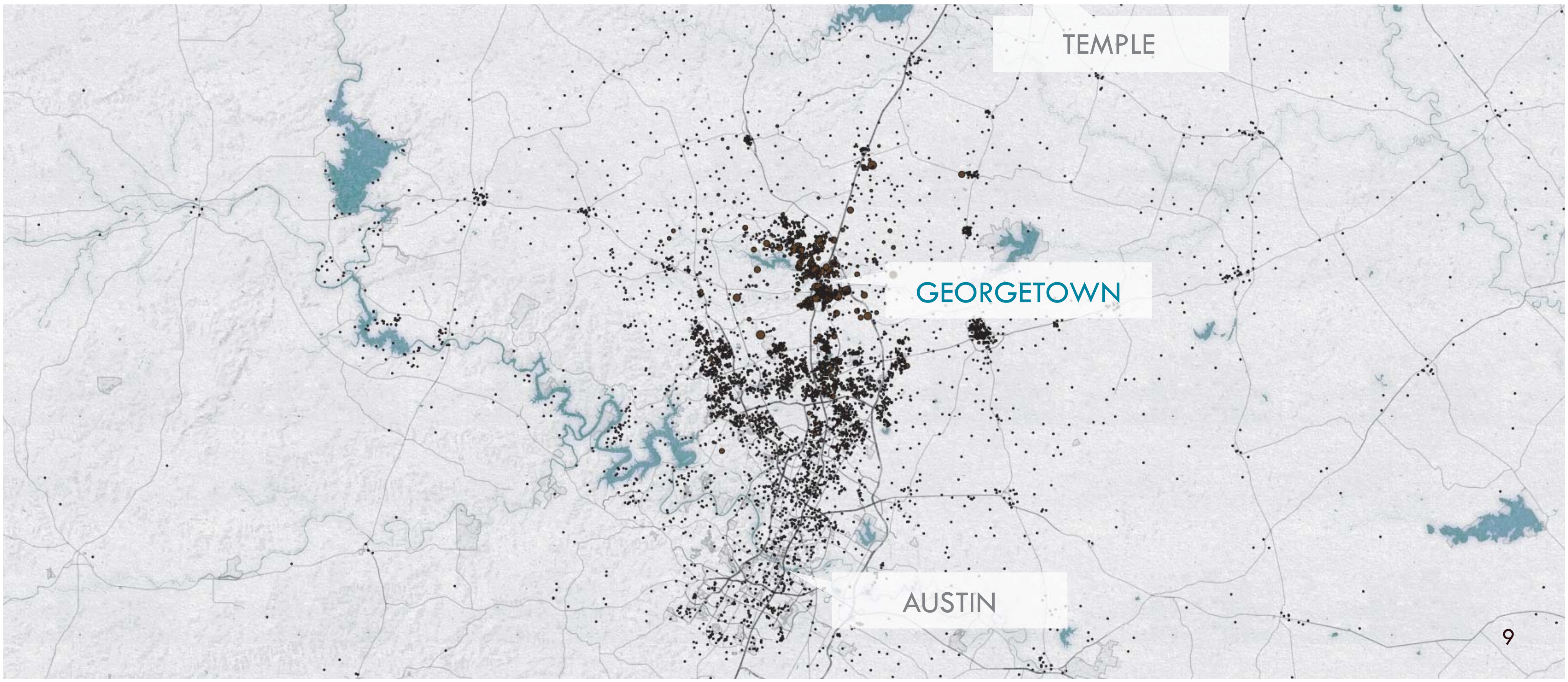
Georgetown residents work for employers throughout Central Texas.

The top destinations for out-commuting residents are Austin, Round Rock, and Cedar Park. A smaller number of Georgetown residents commute to cities such as Hutto, Pflugerville, and even Temple.

WHY IS THIS IMPORTANT?

Commuting patterns play several important roles in a region's economy. Regions that can draw from the available talents and skill sets present outside of their communities can significantly increase their available workforce.

CITY OF GEORGETOWN
COMMUTER INFLOW/OUTFLOW ANALYSIS
2014



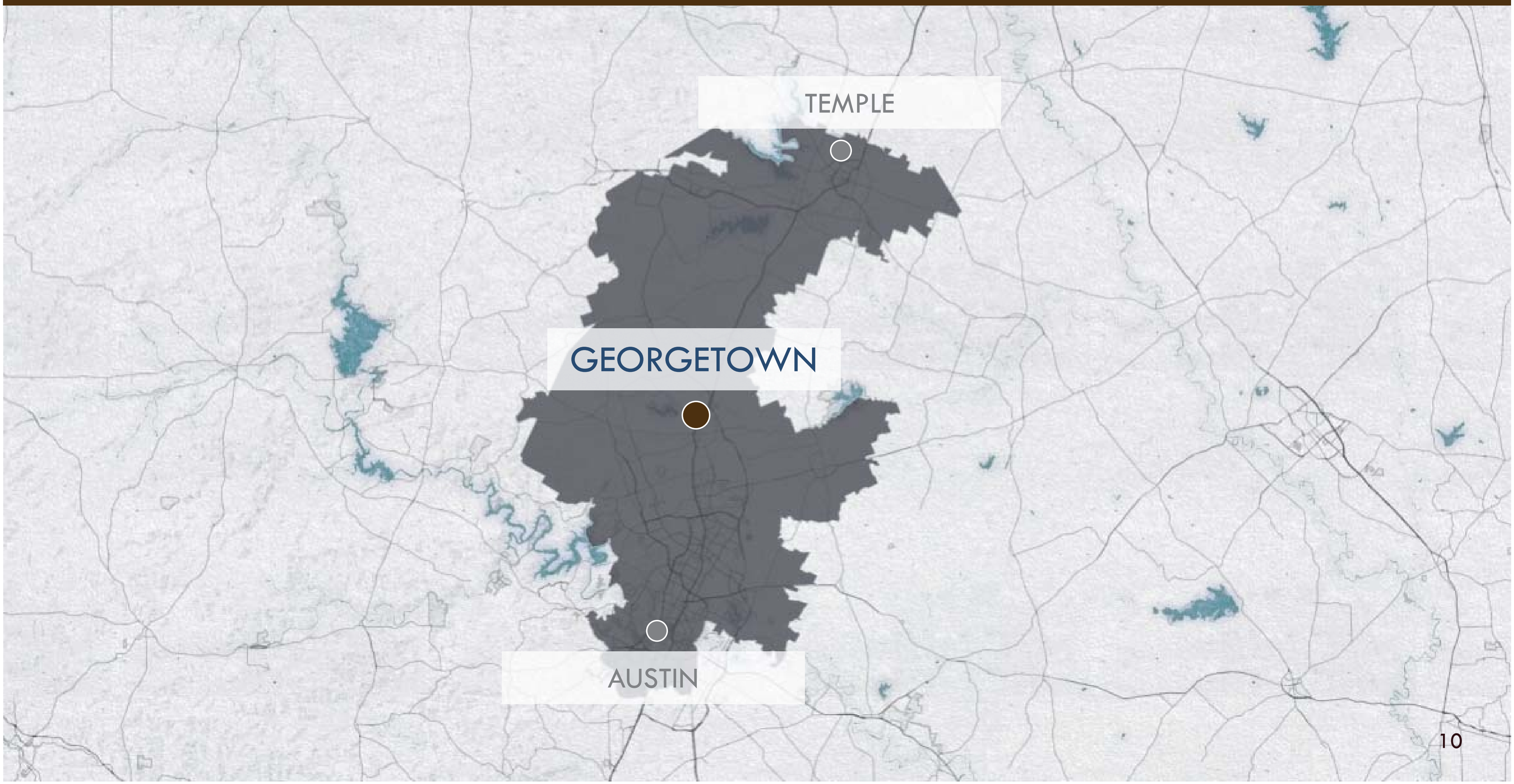
Georgetown Labor Shed

Georgetown's Labor Shed extends from Austin to Temple alongside interstate 35. Georgetown's Labor Shed shows that local employers can draw from a pool of workers much bigger than the city itself – the Labor Shed encompasses more than 700,000 workers.

Georgetown's Labor Shed is composed largely of young professionals, with more than a third of workers between the ages of 25 and 44. The Labor Shed is also very well educated – more than 40% of individuals living in the Labor Shed possess a bachelor's degree or higher level of educational attainment. Both the *Economic Dynamics* and *Demographic Dynamics* sections provide comparisons of the City of Georgetown to its broader Labor Shed, the Austin Metro, Texas, and the US.

WHY IS THIS IMPORTANT?

The economy of a community is not contained by political boundaries. Every community draws workers from outside its borders and sends residents to jobs in other locations. To fully understand a community's available labor force, one must examine the entire labor market from which the community draws.



Two Labor Sheds

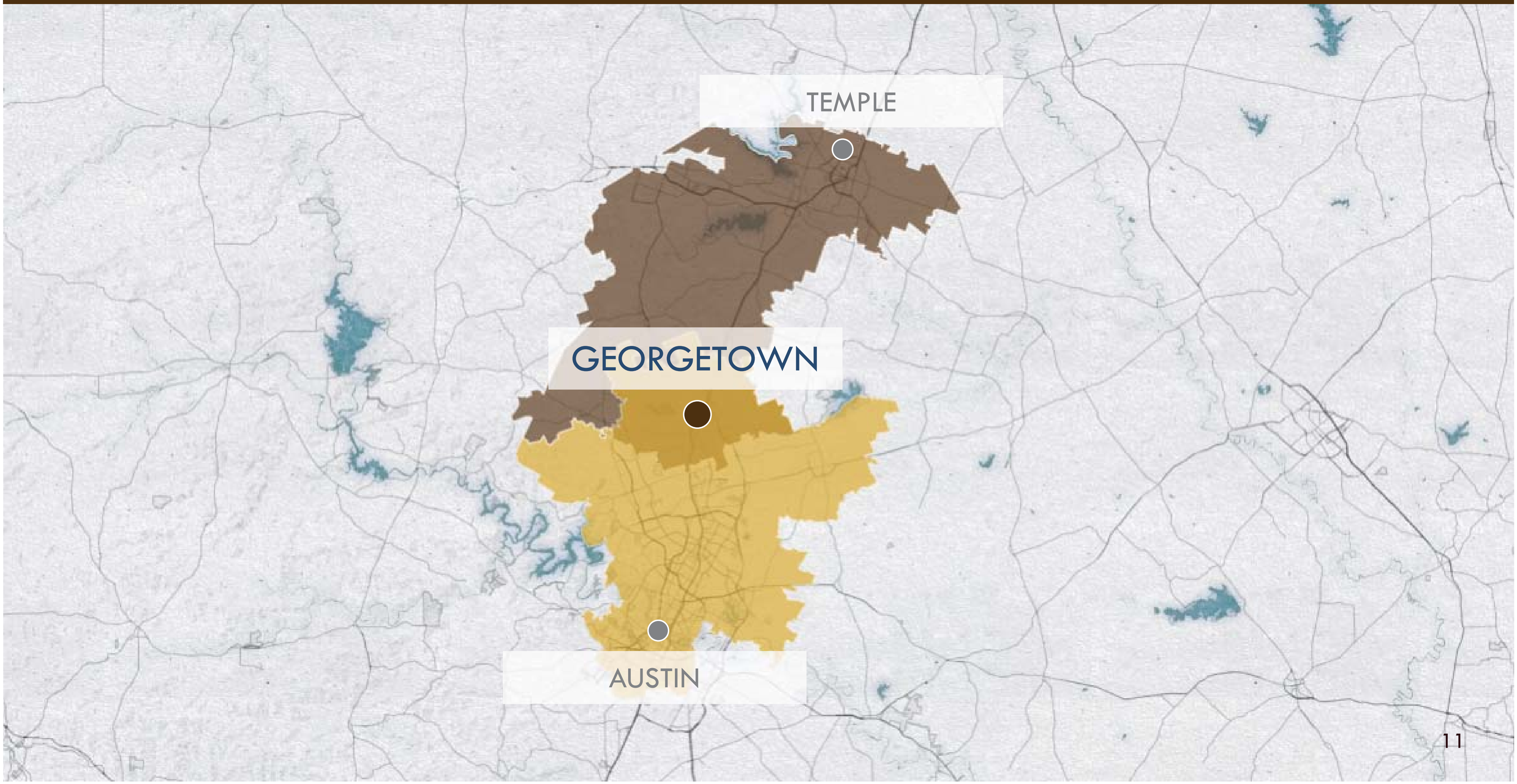
Because the Labor Shed is so large, it can be effectively seen as two distinctly different, but overlapping labor sheds.

The Southern Labor shed extends from Georgetown to Southern Austin. The Northern Labor Shed draws from as far away as Temple.

These two labor sheds form distinct pools of talent from which Georgetown employers can draw. The characteristics of these labor sheds are discussed in more detail in the Workforce Profiles section of this report.

WHY IS THIS IMPORTANT?

The economy of a community is not contained by political boundaries. Every community draws workers from outside its borders and sends residents to jobs in other locations. To fully understand a community's available labor force, one must examine the entire labor market from which the community draws.



02

Economic Dynamics

Over the past decade, the City of Georgetown has experienced significant economic growth. Traditionally, Georgetown was a rural bedroom community. The city is still cherished for its small town feel, but in recent years the number of primary jobs has grown rapidly. The following metrics place Georgetown's economic performance in a broader context and underscore areas in which the community is moving in a positive direction.

Employment Growth

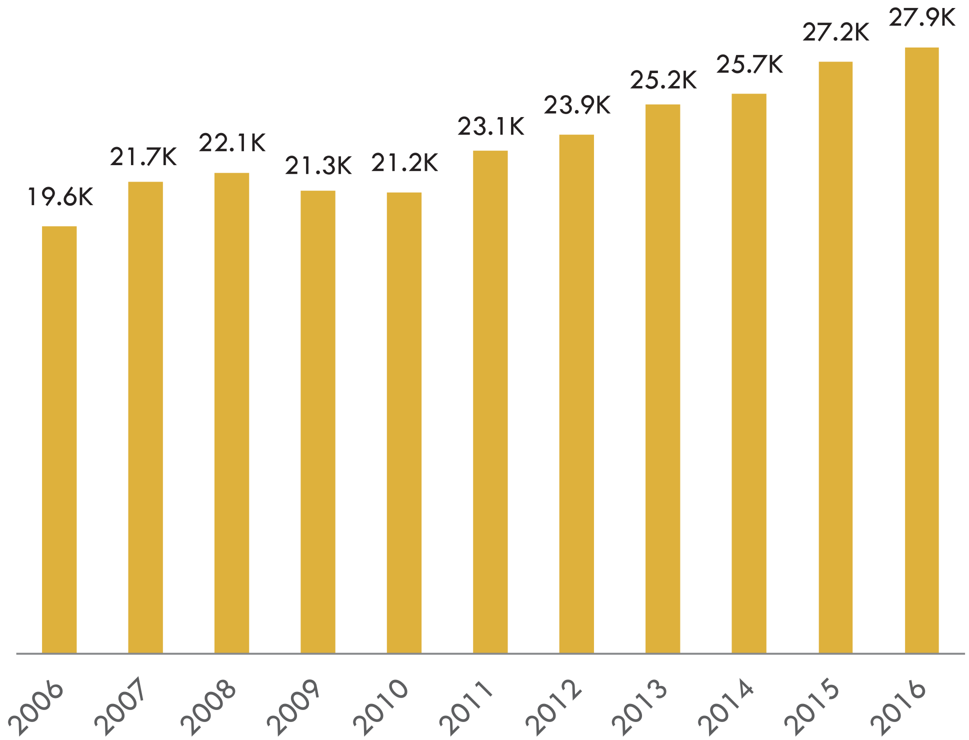
Over the past five years, Georgetown has seen rapid job growth. Between 2011 and 2016, overall employment grew 21% to reach 28,000 jobs. This rate of growth was faster than the surrounding Labor Shed and Austin metro.

During this period, job growth in Georgetown was more than 50% greater than Texas and more than twice the US average.

WHY IS THIS IMPORTANT?

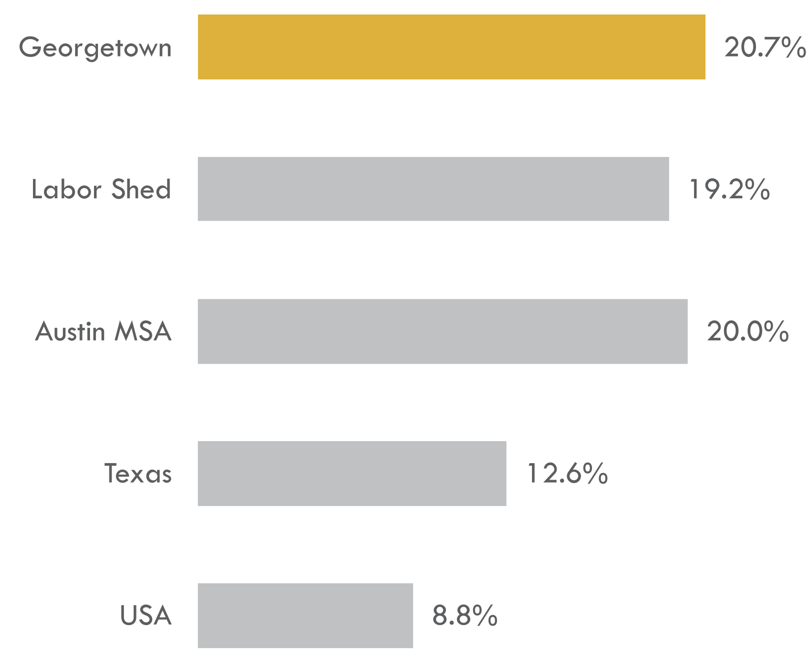
Employment growth is a primary indicator of a community's overall economic health. Strong job creation relative to benchmark communities can indicate a more competitive business climate and the presence of supportive resources.

CITY OF GEOGETOWN TOTAL EMPLOYMENT
2006 – 2016



SOURCE: AVALANCHE CONSULTING / EMSI

EMPLOYMENT GROWTH
2011 – 2016



SOURCE: AVALANCHE CONSULTING / EMSI

Unemployment

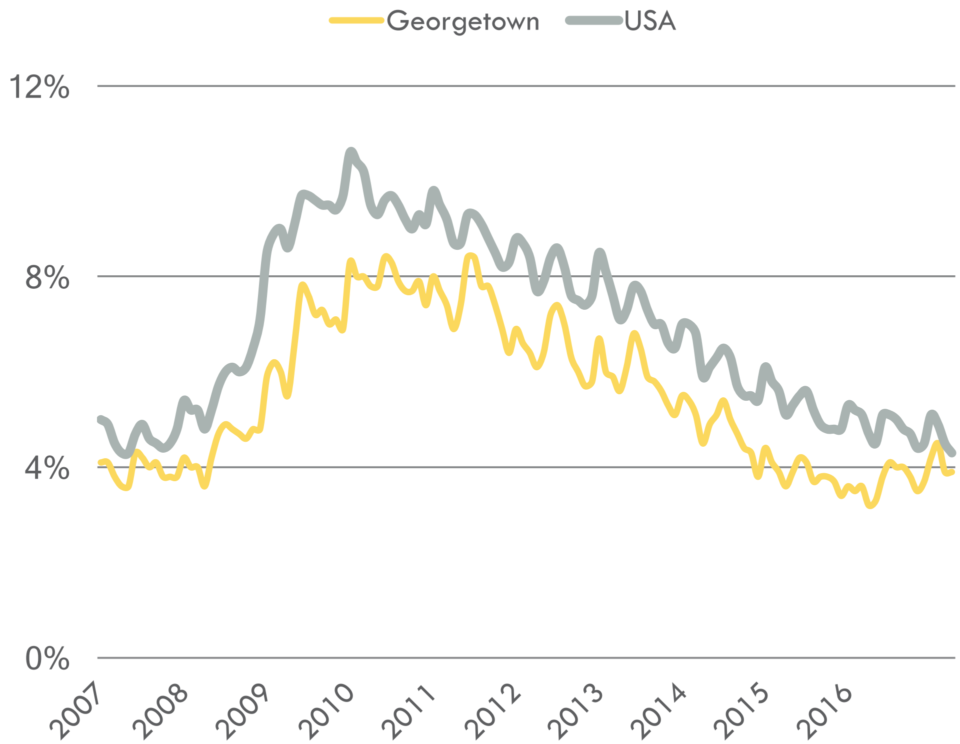
Georgetown's unemployment rate has remained less than the US average every single month of the past decade.

For the first time, in 2017 Georgetown's unemployment rate was within a half of a percentage point of the US average. Georgetown's unemployment rate currently stands at 3.9%, slightly higher than the Austin metropolitan average but less than the statewide and US averages.

WHY IS THIS IMPORTANT?

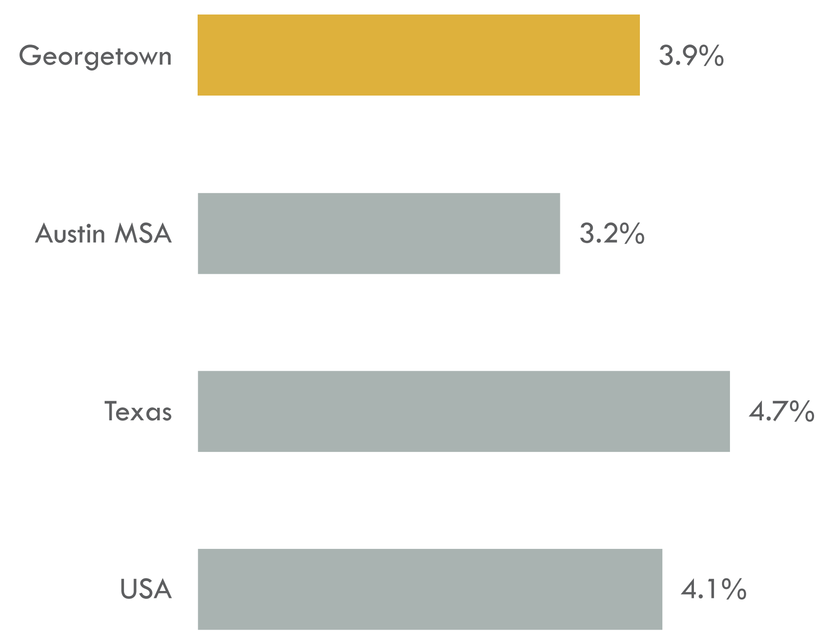
Low unemployment suggest that the residents are able to secure employment. Especially low unemployment, however, may also indicate a potential workforce shortage. Higher unemployment may also indicate that a larger portion of residents are actively seeking jobs.

UNEMPLOYMENT RATE
2006 – 2016



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

UNEMPLOYMENT RATE
MAY 2017



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Industry Diversity (US Benchmark)

Employment by industry within Georgetown varies slightly from the US average. Georgetown is home to a higher proportion of Construction, Manufacturing and Trade & Transportation employment relative to the US average. These three industries represent approximately 45% of total employment within Georgetown compared to just 32% nationally. Georgetown has smaller proportions in Information, Financial Activities, and Professional & Business Services.

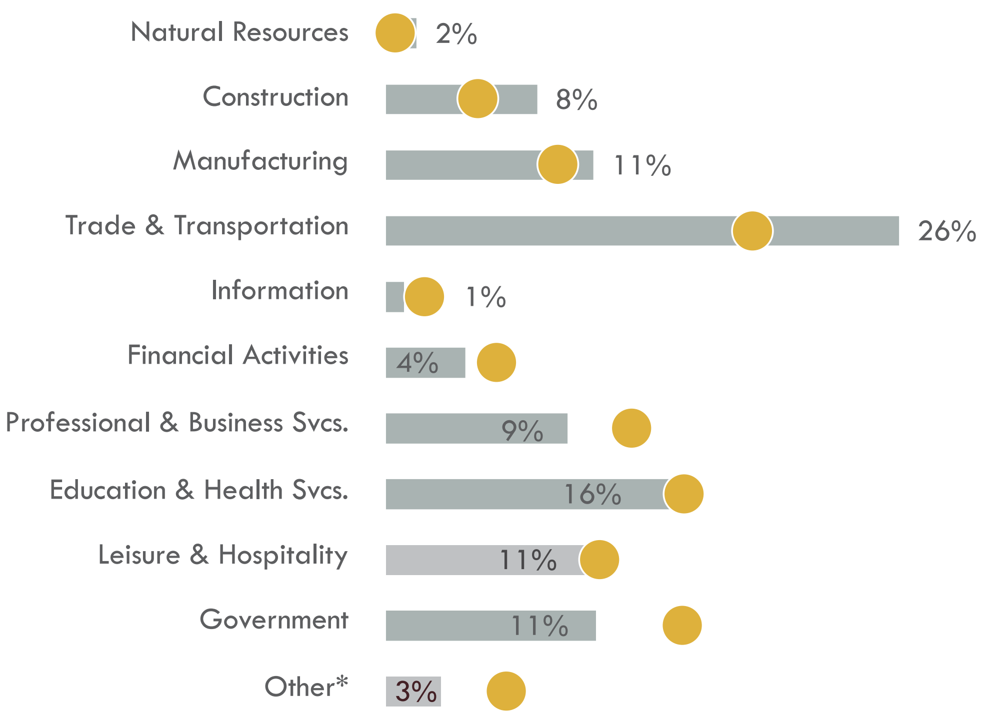
Over the past 5 years, almost all industries in Georgetown grew more rapidly than the US. Employment in Georgetown's Manufacturing and Professional & Business Services sectors each grew by more than 60%. Employment in Financial Activities and Education & Health Services increased by more than 40%.

WHY IS THIS IMPORTANT?

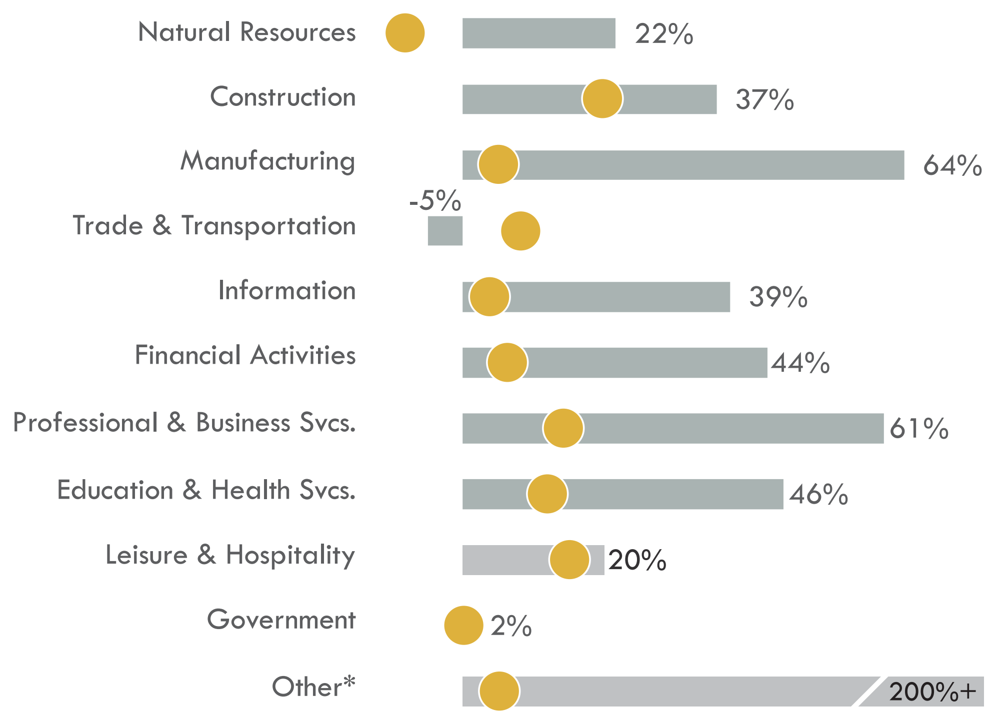
Resilient economies employ residents in a diverse mix of industries. A diverse industry base allows communities to better weather economic downturns that affect one industry more than others. A diverse economy also provides jobs with different educational and experience requirements that help sustain all residents.

EMPLOYMENT BY INDUSTRY
2016

- US Average



EMPLOYMENT GROWTH BY INDUSTRY
2011 – 2016



SOURCE: AVALANCHE CONSULTING / EMSI

** Other services includes various service industries such as automotive repaid, personal services such as dry cleaning, and non-profit organizations.*

SOURCE: AVALANCHE CONSULTING / EMSI

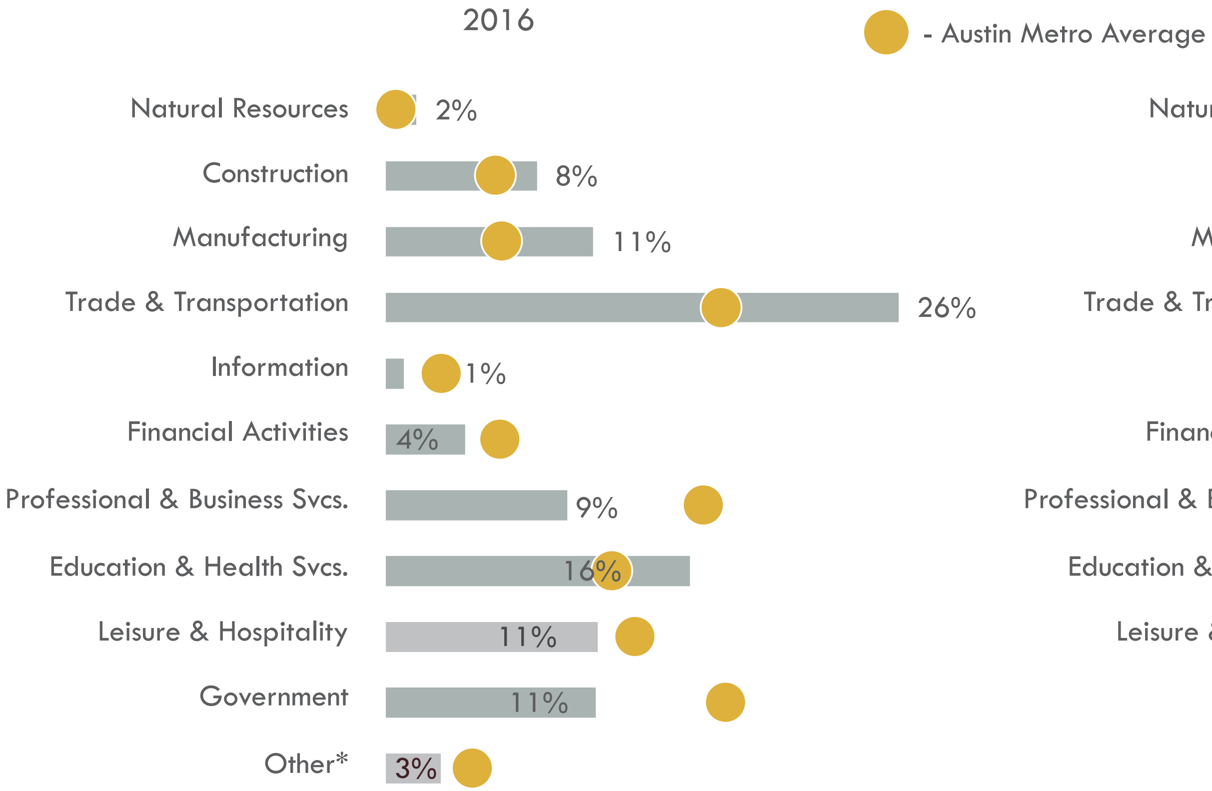
Industry Diversity (Austin Metro Benchmark)

In some ways, Georgetown's economy more closely reflects the US as a whole rather than Central Texas. Georgetown's high concentration of manufacturing employment, for example, is even more striking against the backdrop of the Austin metro. Manufacturing represents nearly 11% of jobs in Georgetown but less than 6% of jobs within the broader region. Conversely, Financial Activities comprise just 9% of jobs within Georgetown, less than the US average of 12%. In the Austin metro, Financial Activities represent more than 16% of all jobs.

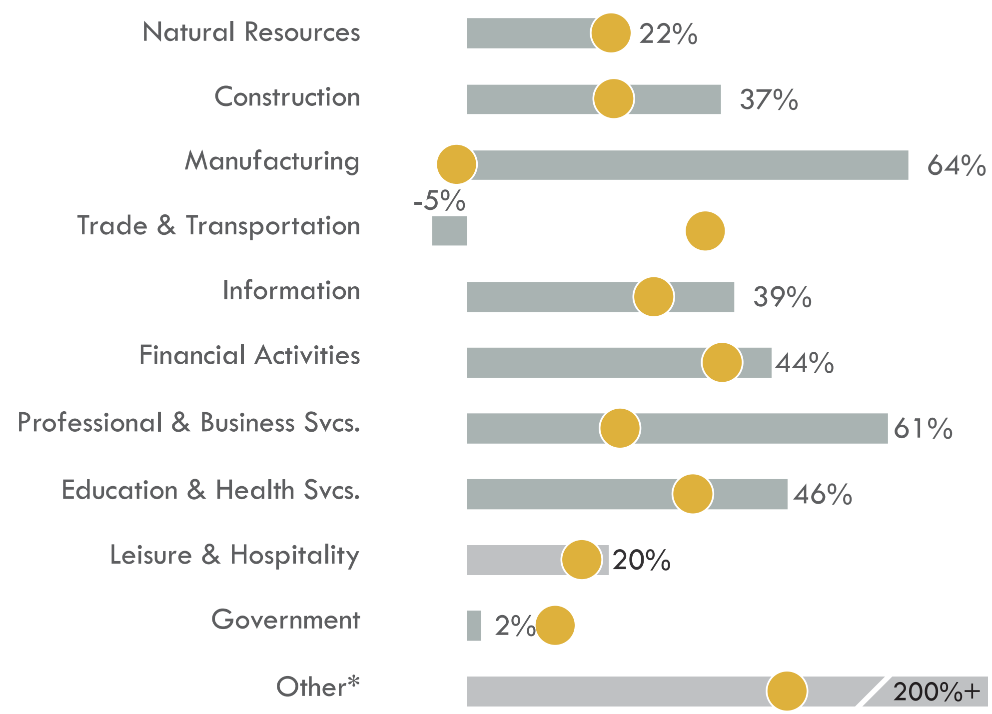
WHY IS THIS IMPORTANT?

Resilient economies employ residents in a diverse mix of industries. A diverse industry base allows communities to better weather economic downturns that affect one industry more than others. A diverse economy also provides jobs with different educational and experience requirements that help sustain all residents.

EMPLOYMENT BY INDUSTRY
2016



EMPLOYMENT GROWTH BY INDUSTRY
2011 – 2016



SOURCE: AVALANCHE CONSULTING / EMSI

** Other services includes various service industries such as automotive repaid, personal services such as dry cleaning, and non-profit organizations.*

SOURCE: AVALANCHE CONSULTING / EMSI

Industry Salaries

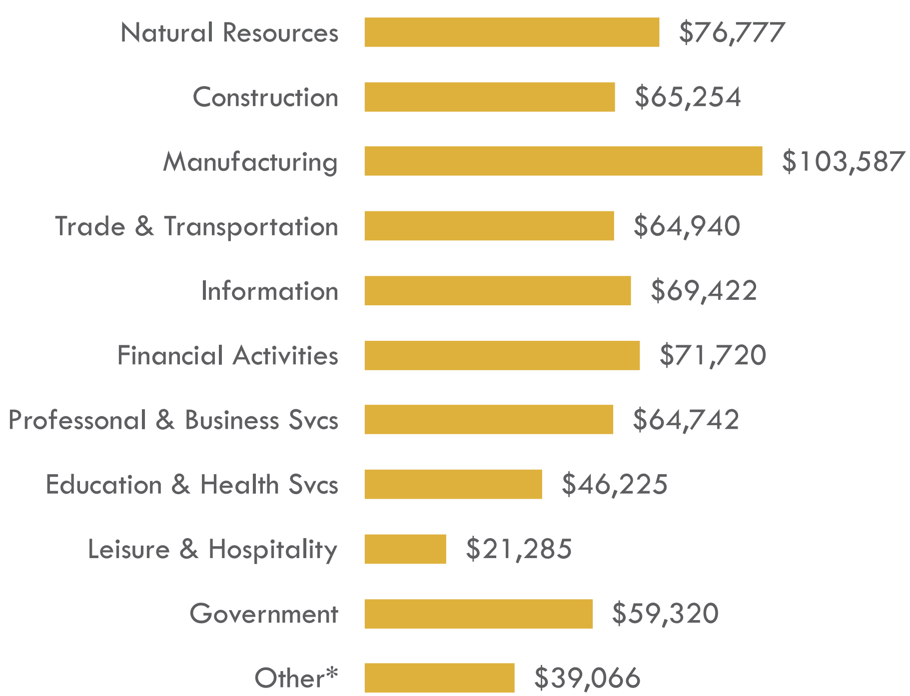
The average salary for a worker employed within Georgetown is approximately $60,000, slightly less than the US average of $65,000. Average wages by industries vary widely in Georgetown.

At more than $100,000, the average Manufacturing salary in Georgetown is nearly 30% higher than the US average. At nearly $65,000, the average Trade & Transportation salary in Georgetown is more than 25% higher than the US average. Average salaries for most other industries, however, are 20% to 40% lower relative to the US average. This includes high-wage, high skill industries such as Information ($69,000 versus $115,000) as well as industries characterized by lower skill, lower wage occupations such as Leisure & Hospitality ($22,000 versus $26,000).

WHY IS THIS IMPORTANT?

Examining salaries by industry helps reveal which local industries are more competitive for workers or where workers show higher productivity. Above-average salaries may also indicate high demand for those workers in a community. The presence of high-salary industries is also a sign of positive wealth creation in a community.

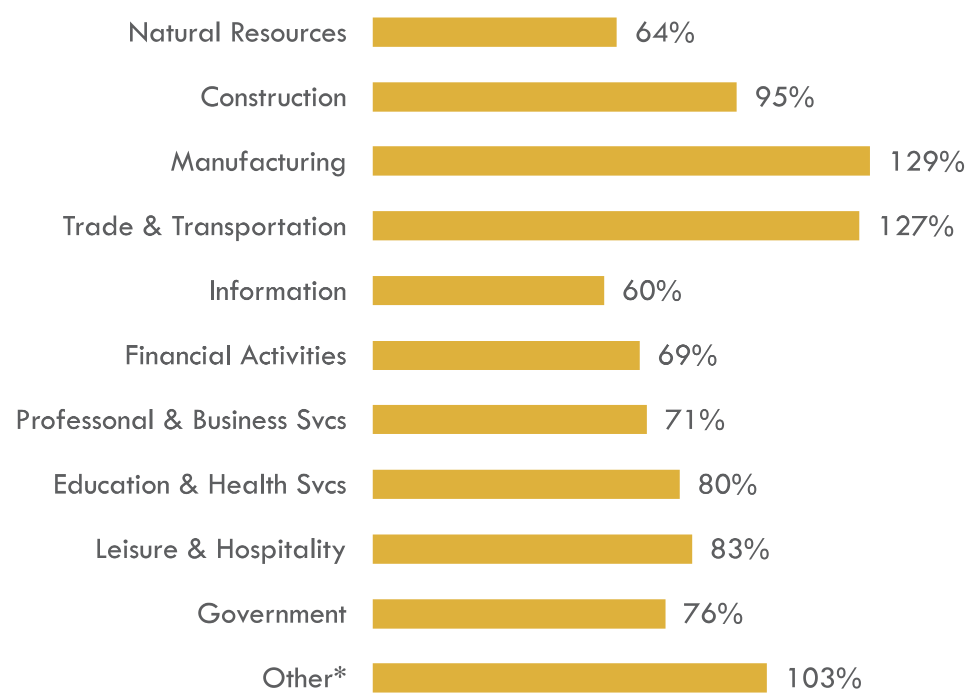
CITY OF GEORGETOWN AVERAGE SALARY BY INDUSTRY 2016



SOURCE: AVALANCHE CONSULTING / EMSI

** Other services includes various service industries such as automotive repaid, personal services such as dry cleaning, and non-profit organizations.*

CITY OF GEORGETOWN SHARE OF US AVERAGE SALARY BY INDUSTRY 2016



SOURCE: AVALANCHE CONSULTING / EMSI

Entrepreneurial Activity

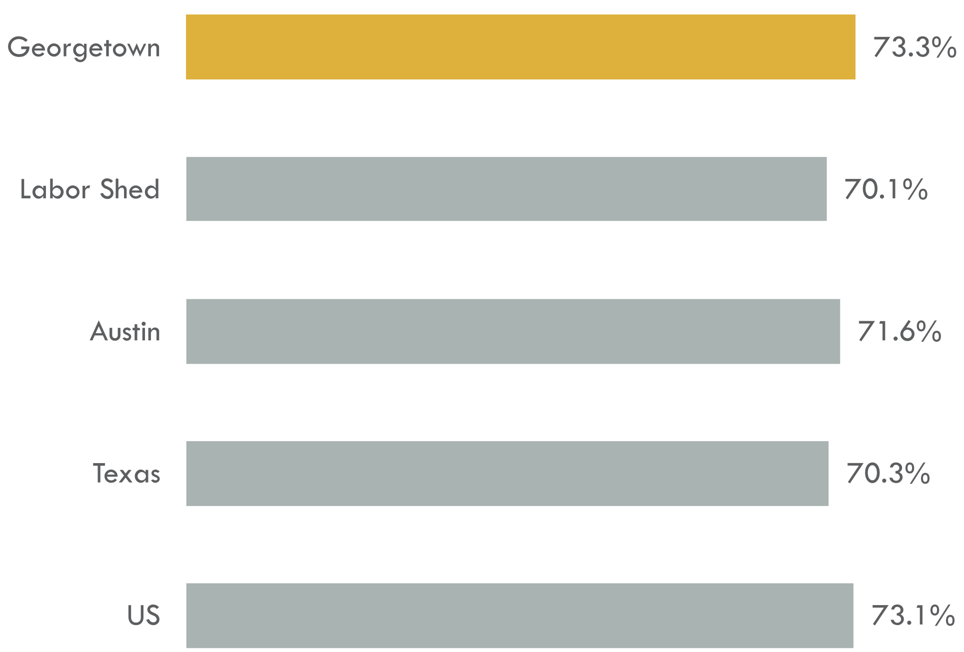
More than 73% of businesses within Georgetown have less than 10 employees (micro businesses) – the same as the US average but slightly higher than the statewide and regional averages.

Between 2009 and 2014, the number of businesses in Georgetown with less than 10 employees grew 10%. Growth of micro businesses in Georgetown outpaced the US and Texas averages, but local gains trailed the averages of both the Austin region and the Labor Shed.

WHY IS THIS IMPORTANT?

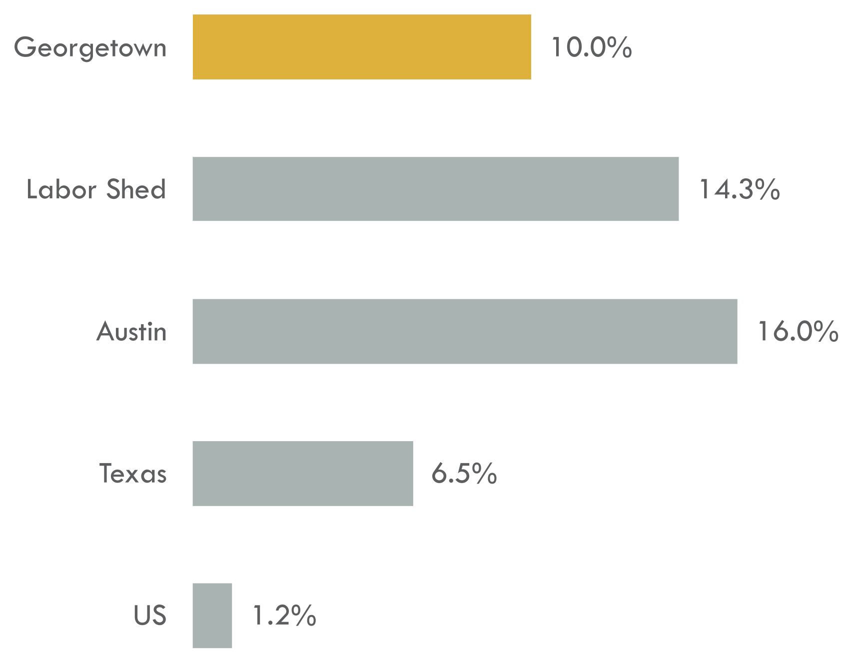
Businesses that have fewer than ten employees are the heart of the national economy. While few create big job gains all at once and many often fail, positive growth of small businesses reflects a thriving economy and the presence of an ecosystem that encourages entrepreneurship.

MICRO BUSINESSES (<10 EMPLOYEES) AS % OF ALL BUSINESSES 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

CHANGE IN % SHARE IN MICRO BUSINESSES (<10 EMPLOYEES) 2009-2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Employment/Population Balance

Georgetown holds 4.3 jobs for every 10 residents.

Notably, this balance between jobs and people is the same as the regional average.

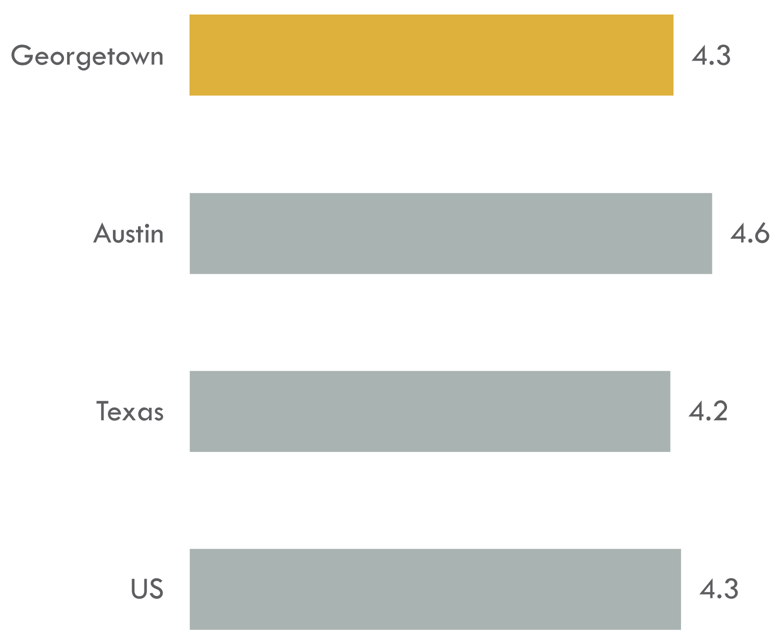
This ratio has declined since 2010 – meaning that despite rapid job growth in recent years, the number of residents in Georgetown has grown faster than jobs.

Without accelerated job growth locally, the balance between jobs and people in Georgetown will likely continue to fall.

WHY IS THIS IMPORTANT?

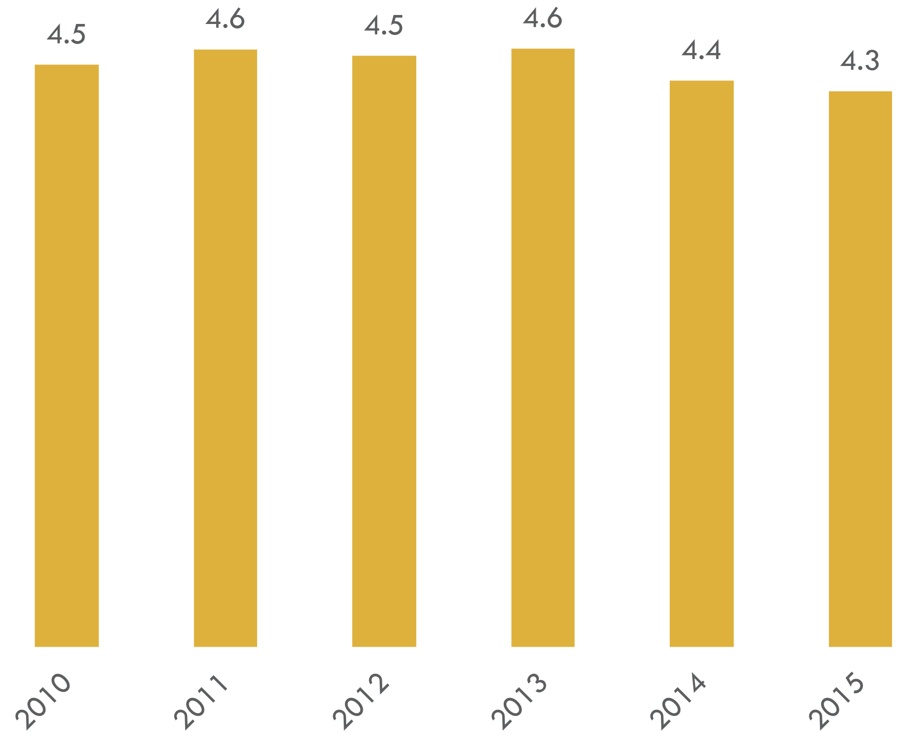
Within Texas, communities with a significant imbalance between employment and population often feature relatively high property tax rates due to limited commercial and industrial development. Residents in such communities may endure long commutes.

NUMBER OF JOBS PER 10 RESIDENTS, 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

CITY OF GEORGETOWN NUMBER OF JOBS PER 10 RESIDENTS 2010 – 2015



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Commute Times

The average worker living in Georgetown spends nearly 26 minutes each way commuting to and from work.

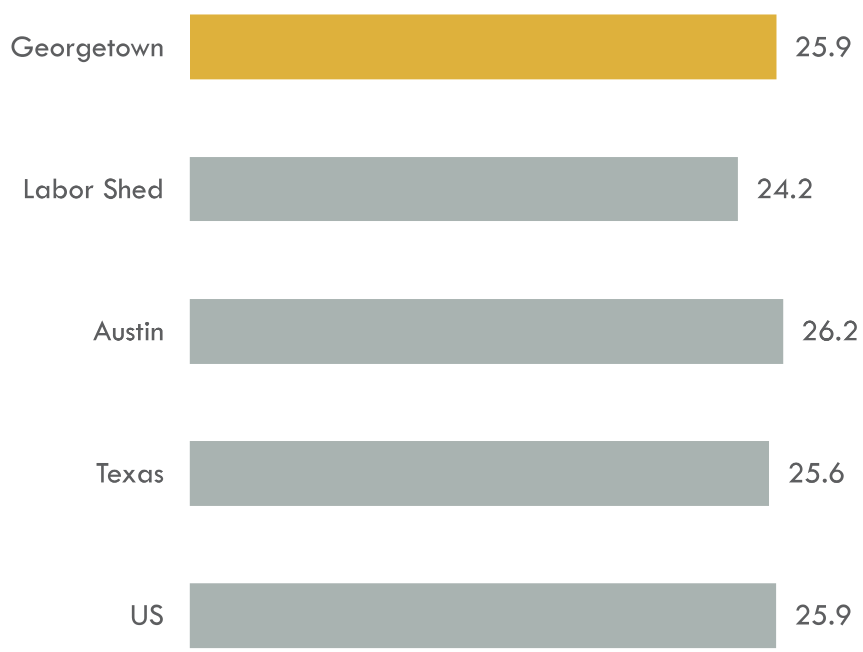
This is the same average commute time as the US average and similar to the Texas and Austin regional averages.

Notably, workers residing in Georgetown's Labor Shed have a slightly shorter commute.

WHY IS THIS IMPORTANT?

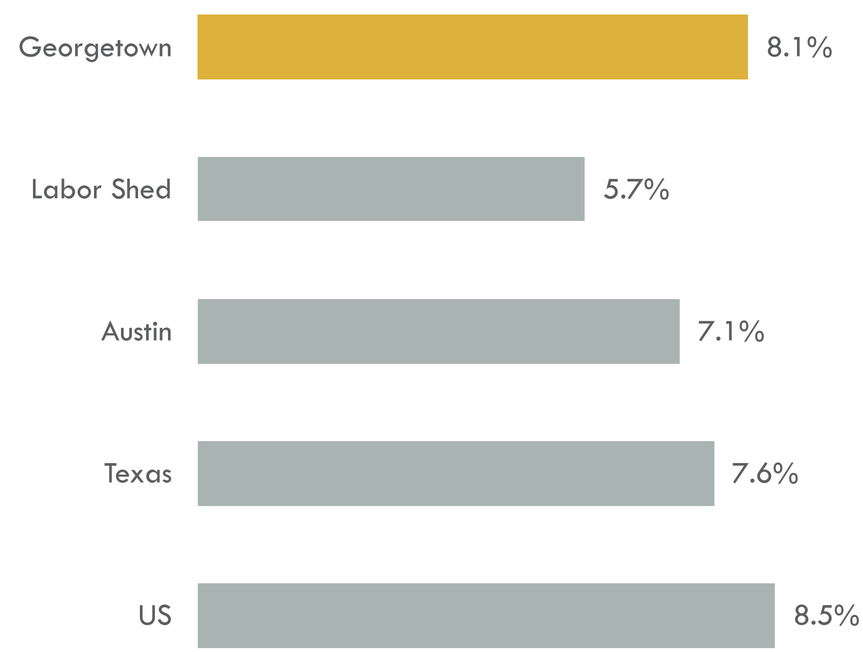
Commuting patterns play several important roles in a region's economy. Regions that can draw from the available talents and skill sets present outside of their communities can significantly increase their available workforce.

AVERAGE COMMUTE TIME (MINUTES), 2014



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

% OF WORKERS THAT COMMUTE MORE THAN 60 MINUTES, 2014



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Net Commuters by Age

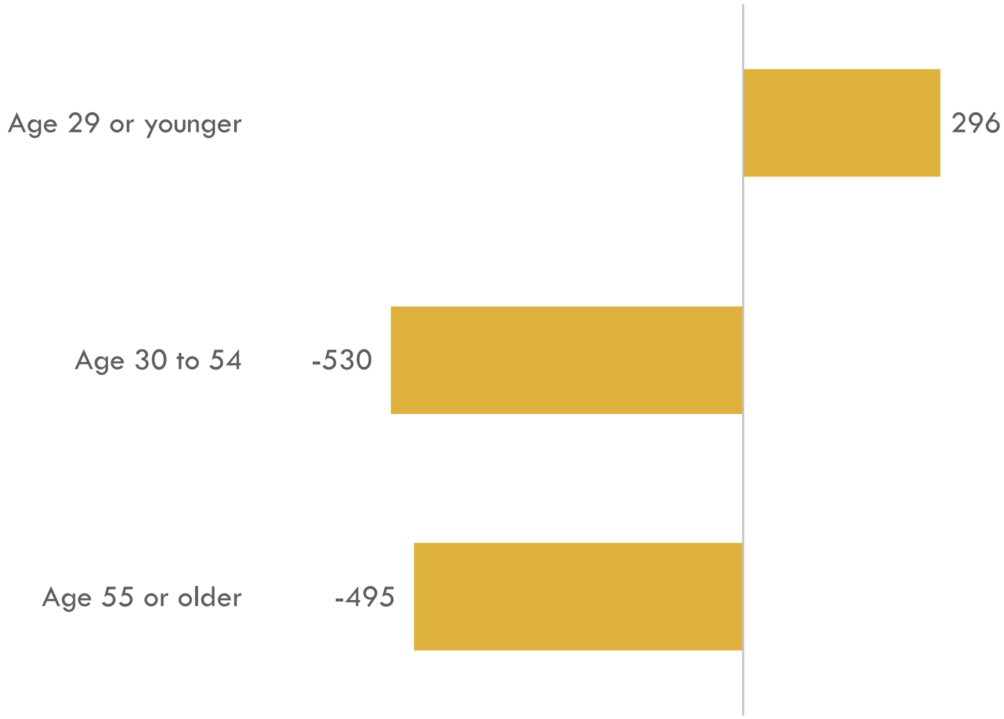
Georgetown tends to import younger, lower-wage workers and export older, higher wage workers. This reflects

On a net basis, the number of workers age 29 and younger employed by Georgetown companies is less than the number of working residents in the same age range. Conversely, the number of employed Georgetown residents age 30 and older exceeds the number of jobs within the city filled by workers age 30 and older. Similarly, there are far more Georgetown residents that earn at least $40,000 annually than actual jobs within Georgetown that pay at least $40,000 a year.

WHY IS THIS IMPORTANT?

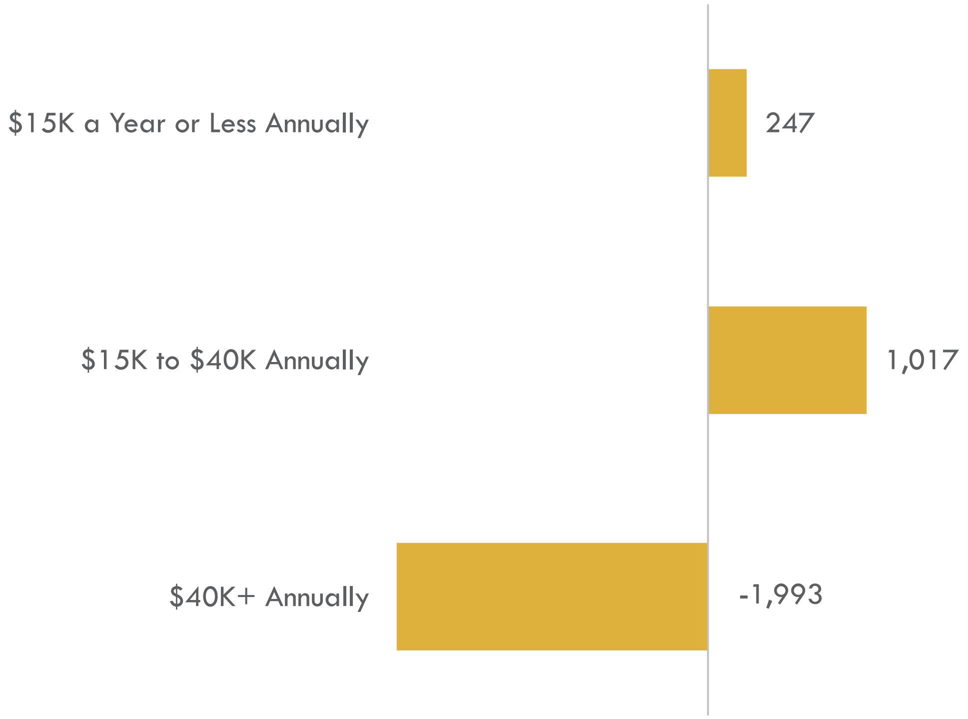
The flow of workers within a community often reflects a disconnect between the skills of residents and locally available employment opportunities. For example, highly skilled residents in bedroom communities are typically employed in neighboring jurisdictions.

NET INFLOW OF WORKERS INTO CITY OF GEORGETOWN BY AGE, 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

NET INFLOW OF WORKERS INTO CITY OF GEORGETOWN BY EARNINGS, 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Net Worker Flow by Industry

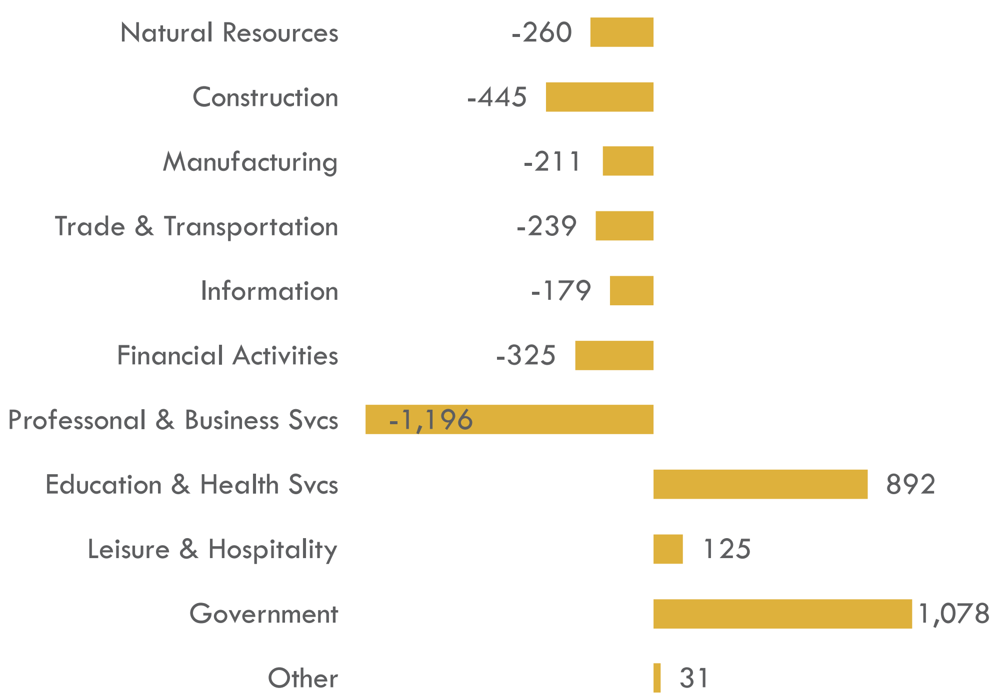
Georgetown exports workers across most industries. For example, there are approximately 1,200 more Georgetown residents employed in Professional & Business Services positions than Professional & Business Services jobs within the city. A similar, if less pronounced, dynamic exists in Construction, Manufacturing, Trade & Transportation, Information, and Financial Activities.

Conversely, on a net basis Georgetown imports workers in Education & Health Services, Leisure & Hospitality, and Government. Between 2009 and 2014, there were several shifts in worker movement. Growth in Manufacturing, Trade & Transportation, and Professional & Business Services within Georgetown has helped the city's employment base become more balanced.

WHY IS THIS IMPORTANT?

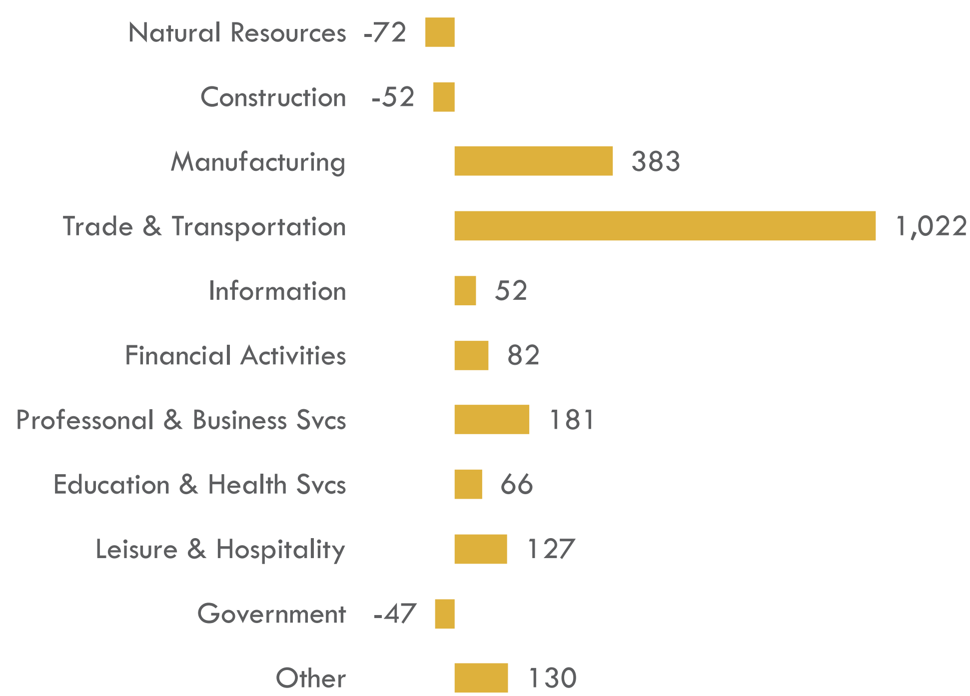
The flow of workers within a community often reflects a disconnect between the skills of residents and locally available employment opportunities. For example, highly skilled residents in bedroom communities are typically employed in neighboring jurisdictions.

NET INFLOW OF WORKERS INTO CITY OF GEORGETOWN BY INDUSTRY COMPOSITION, 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

CHANGE IN NET INFLOW OF WORKERS INTO CITY OF GEORGETOWN BY INDUSTRY COMPOSITION, 2009 - 2014



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Resident Worker & Employment Balance

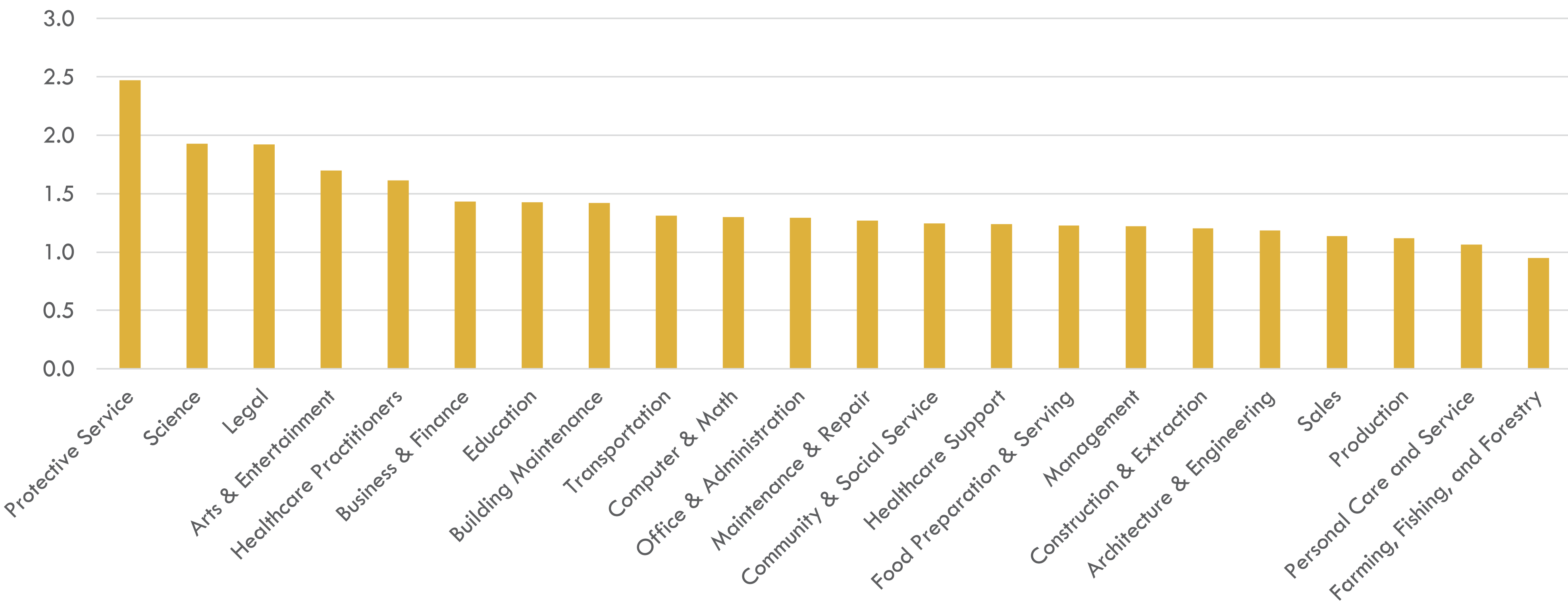
Georgetown has more residents employed in every occupational category than jobs in the city. **As residents, the city has a surplus of workers across every major occupational group.**

The city is home to more than twice as many workers employed in Protective Services (firefighters, police officers, etc.) than actual jobs in Protective Services. The ratio of Science and Legal resident workers to jobs is nearly 2 to 1. Georgetown is home to more than 50% more workers in Arts & Entertainment and Healthcare Practitioners than jobs. There are also significant surpluses of Business & Finance, Education, Computer & Math, and Office & Administration workers living within Georgetown.

WHY IS THIS IMPORTANT?

The flow of workers within a community often reflects a disconnect between the skills of residents and locally available employment opportunities. For example, highly skilled residents in bedroom communities are typically employed in neighboring jurisdictions.

RATIO OF GEORGETOWN RESIDENTS EMPLOYED IN SPECIFIC OCCUPATIONS TO NUMBER OF JOBS AVAILABLE WITHIN THE CITY, 2017



SOURCE: AVALANCHE CONSULTING / EMSI

Median Household Income

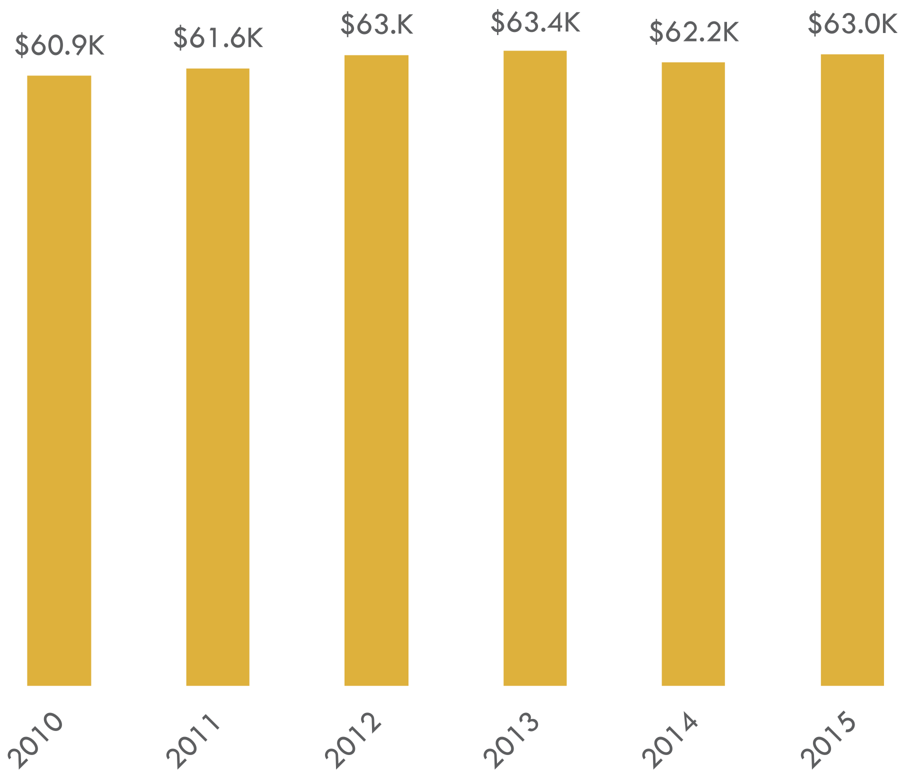
Georgetown is a relatively affluent community. At $63,000, median household income in Georgetown is $10,000 higher than the US average. Median household income is also approximately $4,000 greater than for the Austin metropolitan region as a whole.

Over the past five years, median household income in Georgetown grew 4%, an increase of $2,000.

WHY IS THIS IMPORTANT?

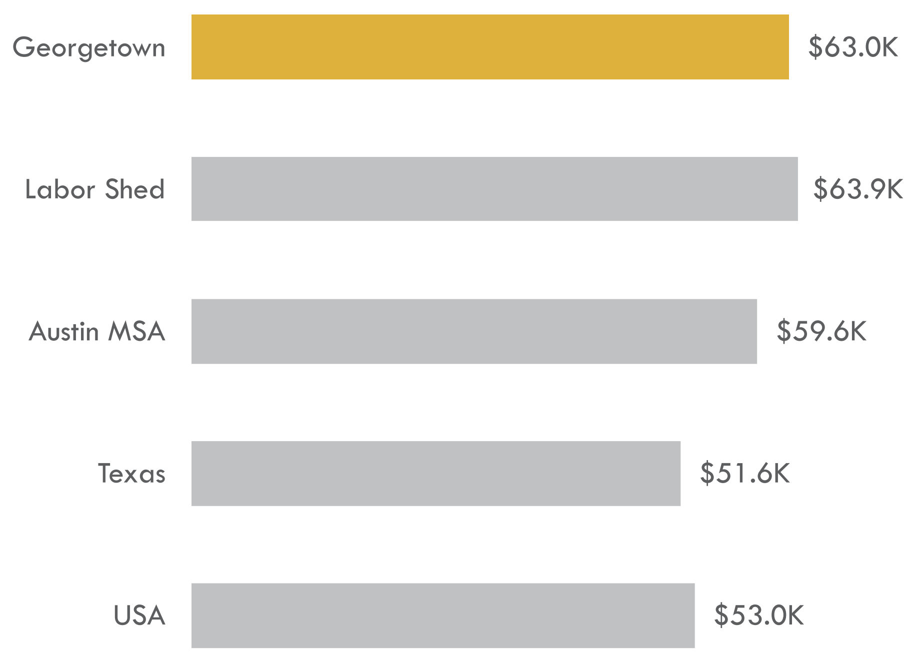
Wealth creation is an important goal of economic development and a strong measure of a community's economic health. When residents of a community have high household incomes they are able to reinvest locally – purchasing goods and services that spur additional economic growth.

CITY OF GEORGETOWN MEDIAN HOUSEHOLD INCOME
2010 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

MEDIAN HOUSEHOLD INCOME
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

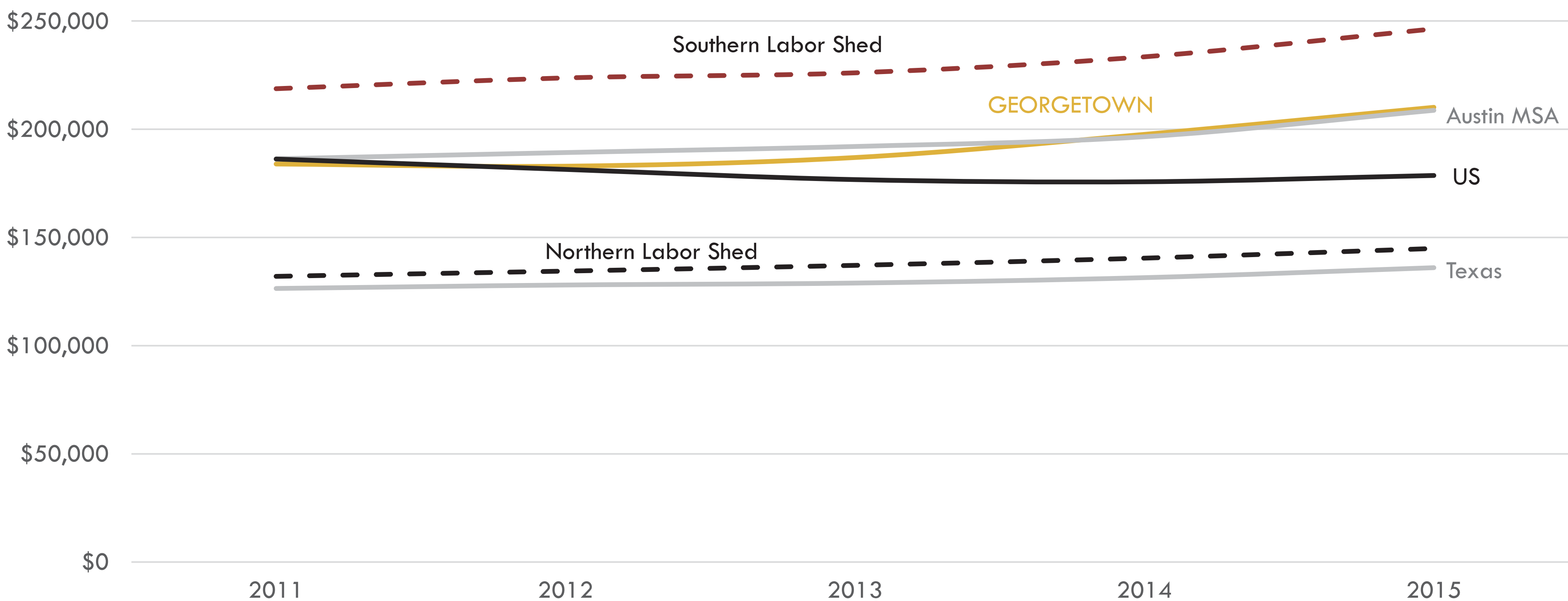
Home Values

Comparable housing values for Georgetown and its broader labor sheds are only available from the US Census Bureau. Estimated values are based on a 5-year moving average and are available through 2015. While home prices in Central Texas have continued to increase in subsequent years, underlying price dynamics within the region remain constant. At $210,000, median home values in Georgetown are virtually identical to that of the broader region. Home prices in Georgetown's Northern Labor Shed are substantially lower. In 2015, median home values in Georgetown's Northern Labor Shed were less than $145,500. Additionally, home prices in the North Shed are also increasing at a slower pace than in either Georgetown or the Austin metro.

WHY IS THIS IMPORTANT?

Varying home prices within a region provide housing choice to workers within a region. Communities are often able to attract workers from adjacent areas with lower housing prices (and wages).

MEDIAN HOME VALUE
2011 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Poverty Levels

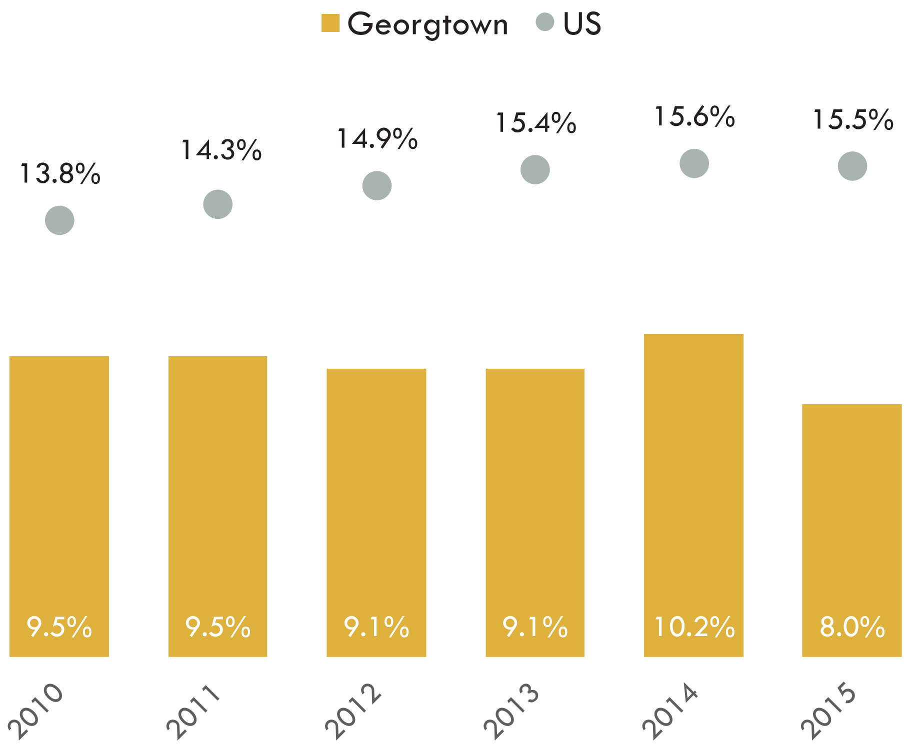
Poverty in Georgetown is significantly less than the regional, statewide, and US averages.

In 2015, only 8% of Georgetown's population lived in poverty – a share that has steadily declined during the past five years. The poverty rates for both Georgetown's Labor Shed and the Austin metropolitan region are approximately 14%. Nationally, more than 15% of the population lives in poverty. The figure is even higher in Texas – more than 17% of residents statewide live in poverty.

WHY IS THIS IMPORTANT?

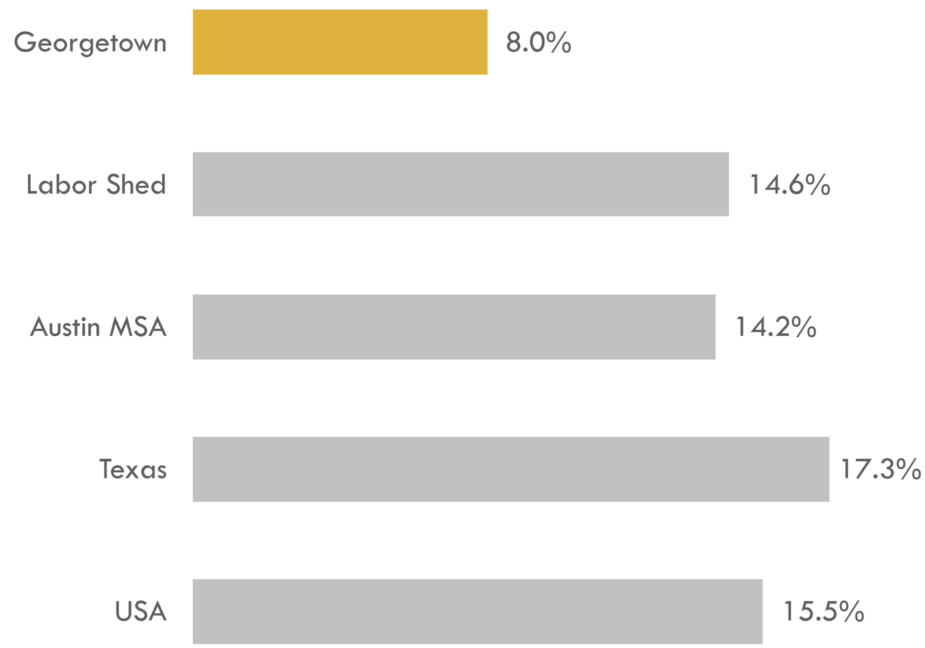
Poverty levels indicate whether residents have incomes and access to jobs that allow them to prosper and support their families. High poverty levels often reflect limited job opportunities in a community and put heavy demands on social services.

SHARE OF POPULATION IN POVERTY
2010 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

SHARE OF POPULATION IN POVERTY
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Economic Dynamics Key Takeaways

01

Employment in Georgetown has increased substantially during the past 5 years.

Between 2011 and 2016, total employment in Georgetown increased at a faster pace than the regional, statewide, and national averages. Currently, Georgetown's unemployment rate is just 3.9%, less than the national average but slightly higher than the regional average.

02

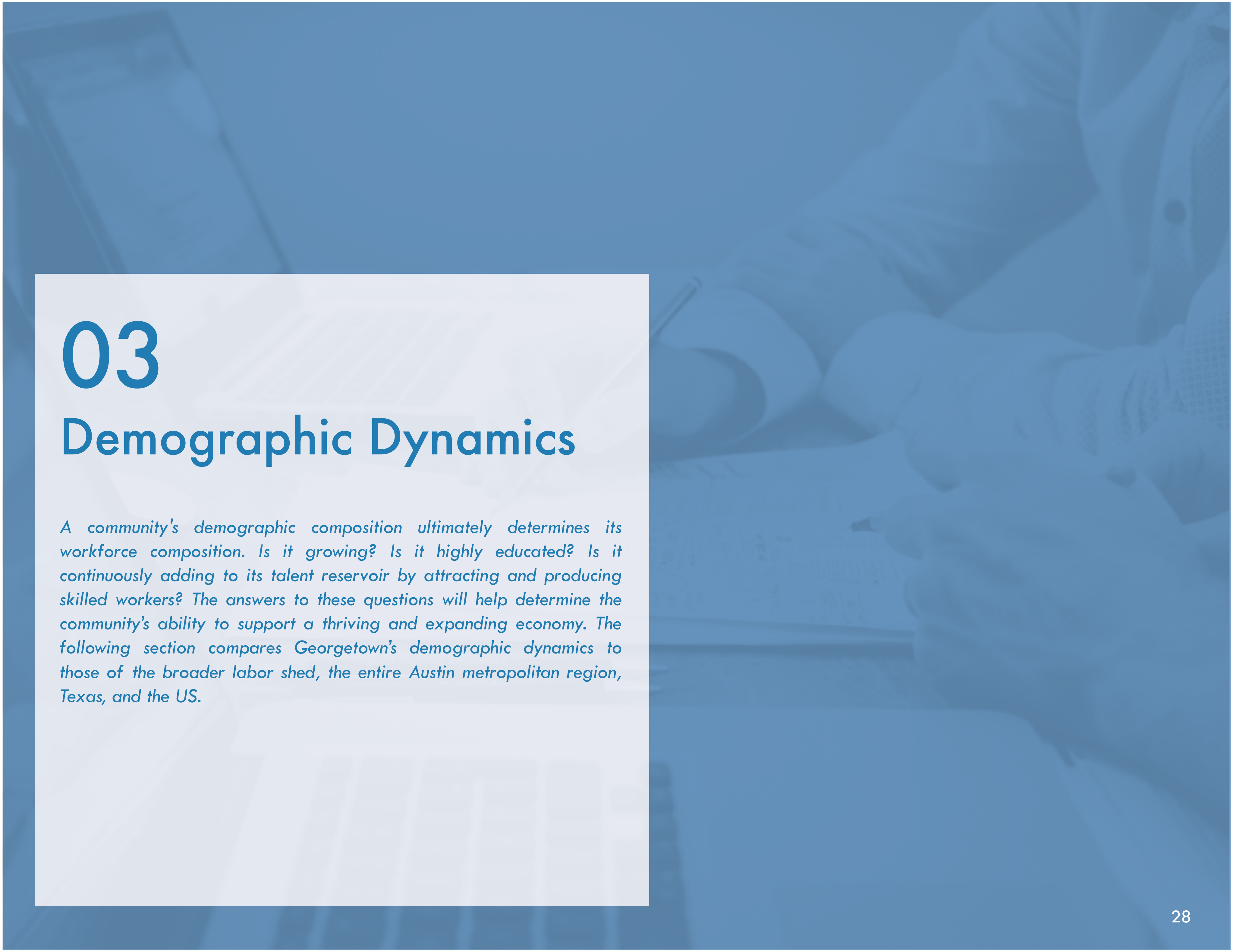
Locally serving industries represent a disproportionately large share of employment in Georgetown.

Industries such as Construction and Trade & Transportation that address local needs represent a relatively large share of employment within Georgetown while other industries such as Information and Professional & Business Services are less present. One notable exception is Manufacturing. The export-oriented industry comprises a higher share of employment in Georgetown relative to the US average.

03

Georgetown's fastest growing industries reflect the emergence of a more balanced local economy.

Between 2011 and 2016, the fastest growing industries in Georgetown included Manufacturing, Professional & Business Services, and Financial Activities. These industries are not only more export-oriented, but they are also characterized by many high-skill, high wage occupations.



03

Demographic Dynamics

A community's demographic composition ultimately determines its workforce composition. Is it growing? Is it highly educated? Is it continuously adding to its talent reservoir by attracting and producing skilled workers? The answers to these questions will help determine the community's ability to support a thriving and expanding economy. The following section compares Georgetown's demographic dynamics to those of the broader labor shed, the entire Austin metropolitan region, Texas, and the US.

Population Growth

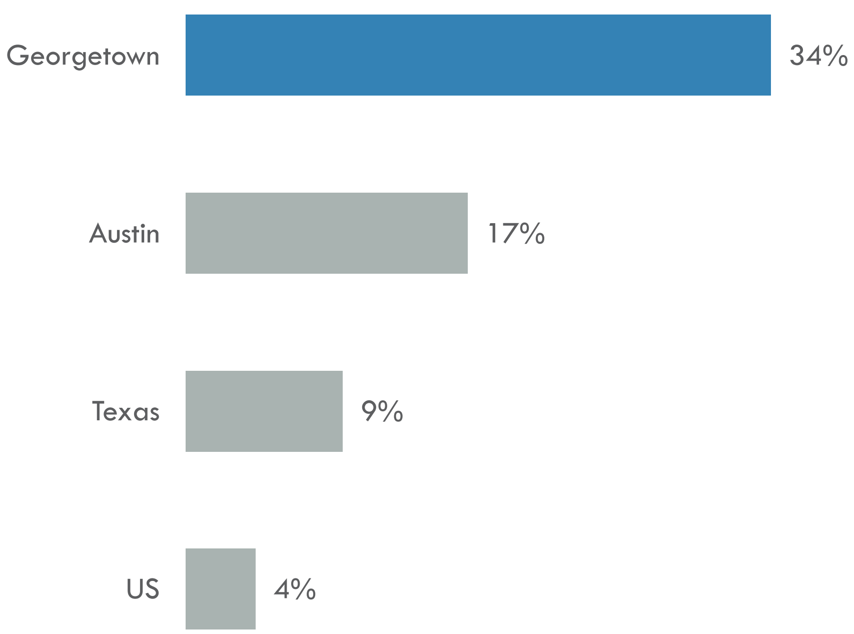
Georgetown has experienced unprecedented population growth over the past 15 years.

Since 2000, the city's population has more than doubled. Today, Georgetown is home to approximately 64,000 residents. The city continues to post significant population gains. Between 2010 and 2015, Georgetown's population increased by 34% – twice the rate of Austin, one of the fastest growing regions in the nation. Over this period, the Texas population increased less than 10% and the US population increased by only 4%.

WHY IS THIS IMPORTANT?

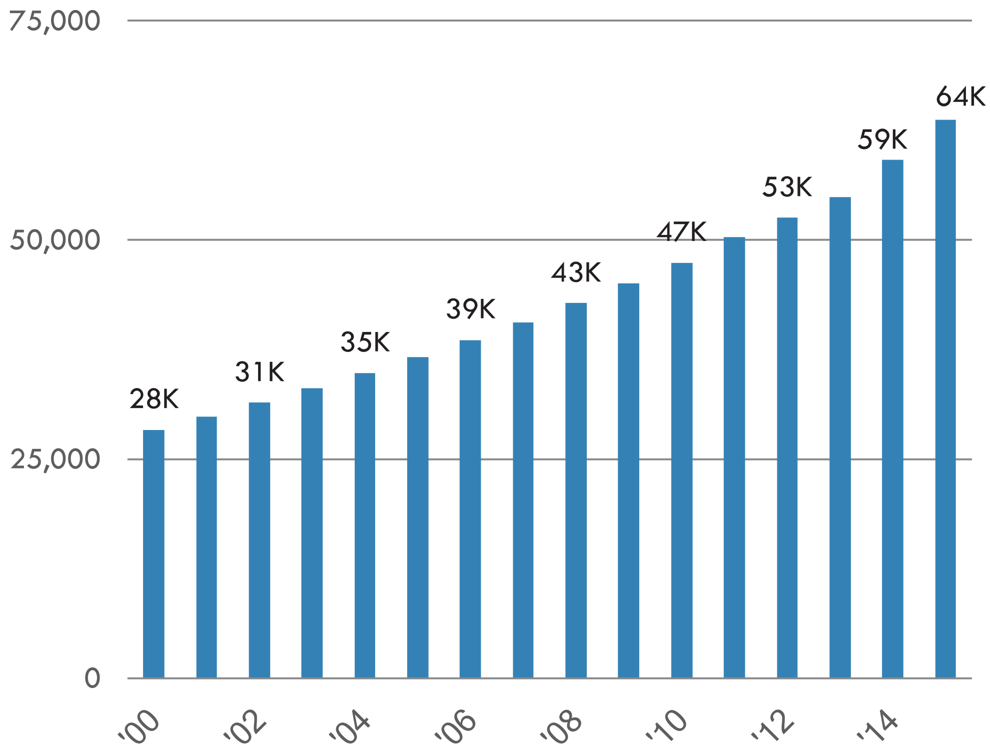
Population growth is one of the base indicators of overall economic prosperity in a community. A growing population shows that a community has assets and job opportunities that retain younger residents and attract new workers. A growing population also reassures businesses that they will have workers and new customers available in the future.

POPULATION GROWTH
2010 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU POPULATION ESTIMATES

CITY OF GEORGETOWN POPULATION
2000 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU POPULATION ESTIMATES

Age Distribution

Georgetown's population is older than the US average. Nearly 29% of Georgetown residents are age 65 and older – more than twice the US average. As a result, Georgetown has a smaller proportion of residents relative to the US average across virtually all other age groups.

Notably, Young Professionals (residents between 25 and 44 years old) – a critical component of the workforce – comprise 27% of the national population but only 22% of Georgetown residents.

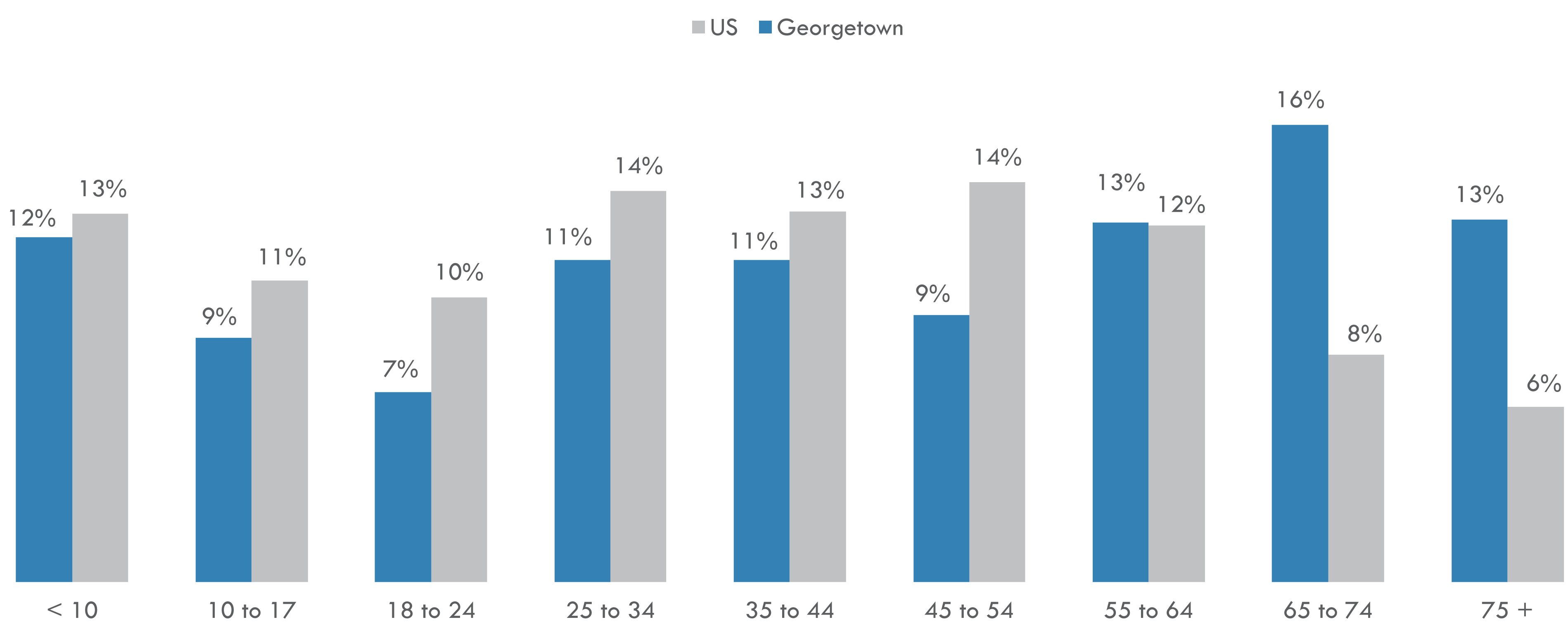
Individuals between the ages of 18 and 24 comprise 10% of the US population but less than 7% of Georgetown's population – despite the presence of Southwestern University.

WHY IS THIS IMPORTANT?

The age distribution of a population can help better understand where to prioritize community investments.

Age distribution helps understand gaps in workforce availability and identify populations that may have distinct needs – such as children and the elderly.

SHARE OF POPULATION BY AGE
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

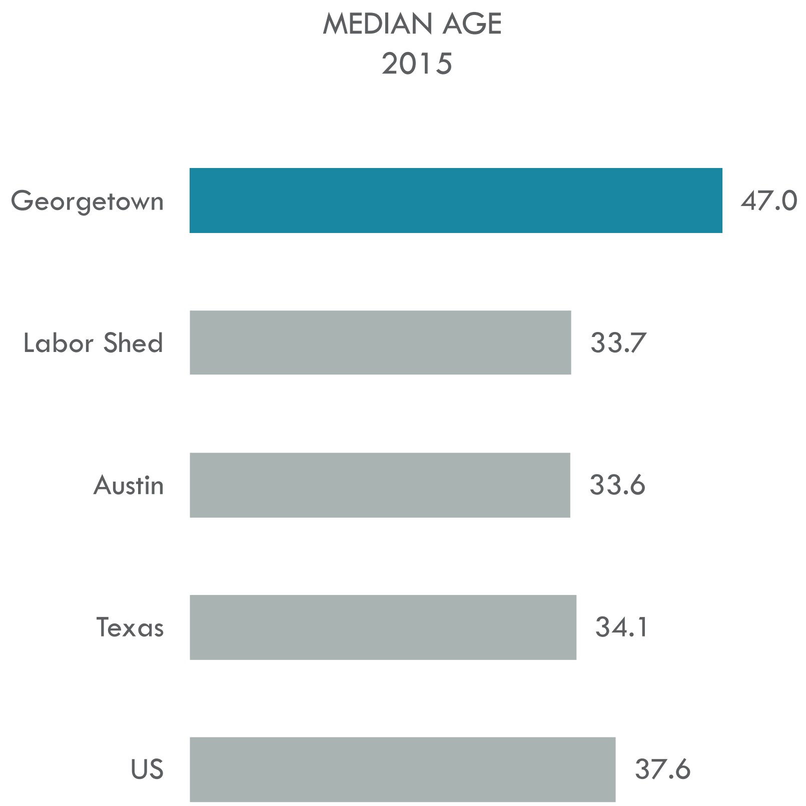
Benchmark Age

The relative age of Georgetown's population stands in contrast to the relative youth of the Austin region.

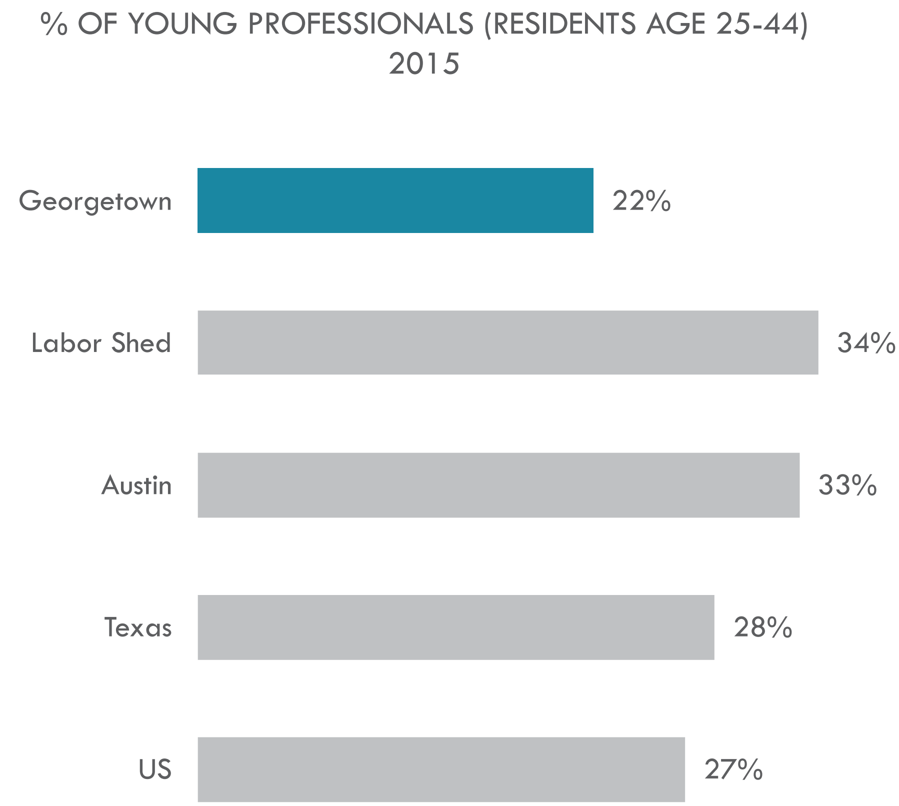
The median age in the Austin region is less than 34 years – four years younger than the US median. In Georgetown, the median age is 47 years. Young professionals represent fewer than 22% of Georgetown's population – well below the regional average. Approximately one-third of the population in both Austin and Georgetown's labor force are between the ages of 25 and 44.

WHY IS THIS IMPORTANT?

Young Professionals (residents aged 25 to 44 years old) represent a critical segment of a local workforce for companies seeking to hire new workers with the latest skills and knowledge. Recruiting and retaining residents in this age cohort helps ensure a region can supply a growing labor force for companies.



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Educational Attainment

Georgetown is a highly educated community – with 44% of residents age 25 and older possessing a bachelor's degree or higher level of educational attainment.

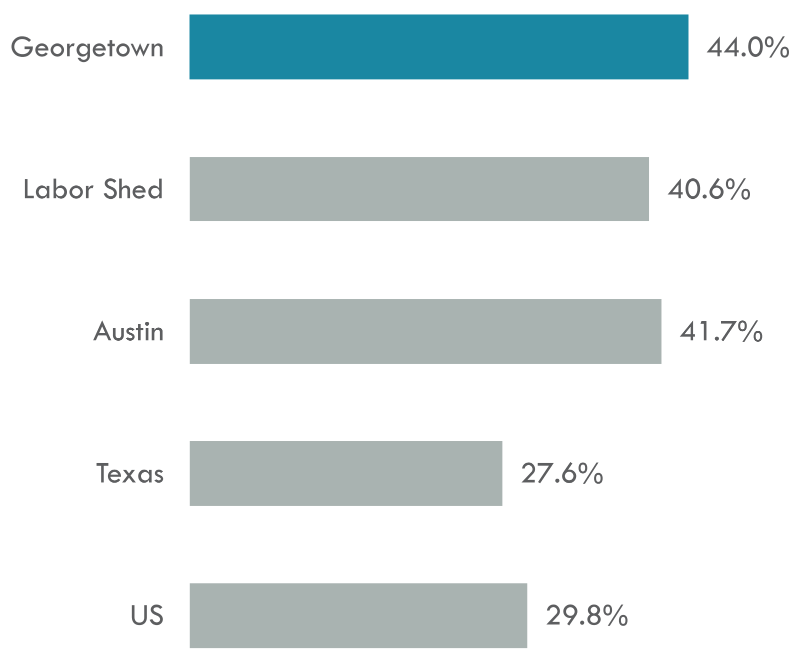
The share of Georgetown residents with a bachelor's degree or higher is nearly 50% greater than the US average and exceeds that of the Austin region – one of the most educated metropolitan areas in the country.

Nearly 8% of Georgetown residents possess an Associate's degree – slightly lower than the US average but higher than the regional and statewide averages.

WHY IS THIS IMPORTANT?

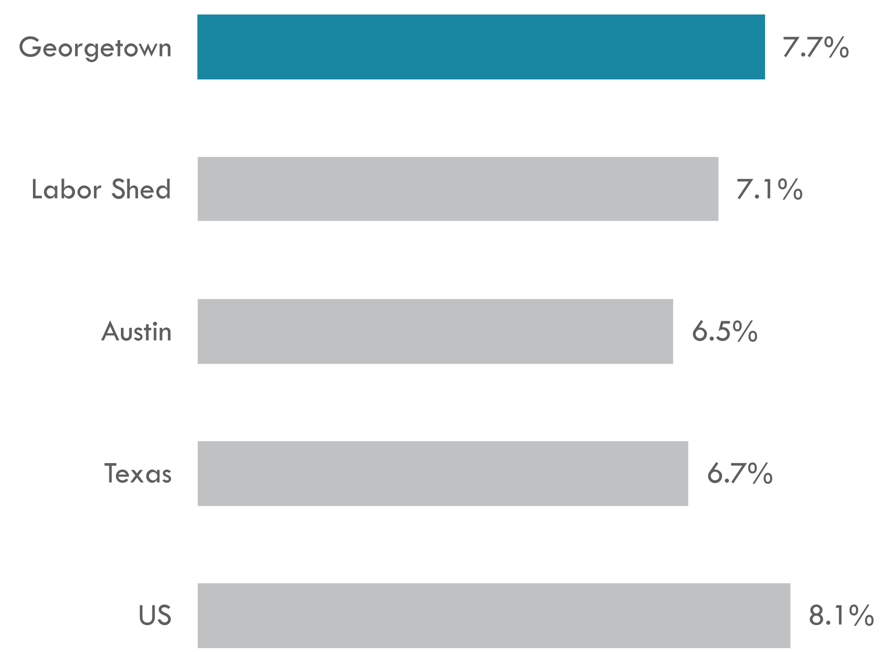
The modern economy is increasingly knowledge-intensive. New jobs often require education beyond a high-school diploma – ranging from a certificate to a master's degree. Due to this growing reliance on skilled workers, many businesses expand in and choose new locations based on the presence of a well-educated population.

SHARE OF 25 YEARS+ POPULATION
W/ A BACHELOR'S DEGREE OR HIGHER, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

SHARE OF 25 YEARS+ POPULATION
W/ AN ASSOCIATE DEGREE, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Educational Attainment by Age

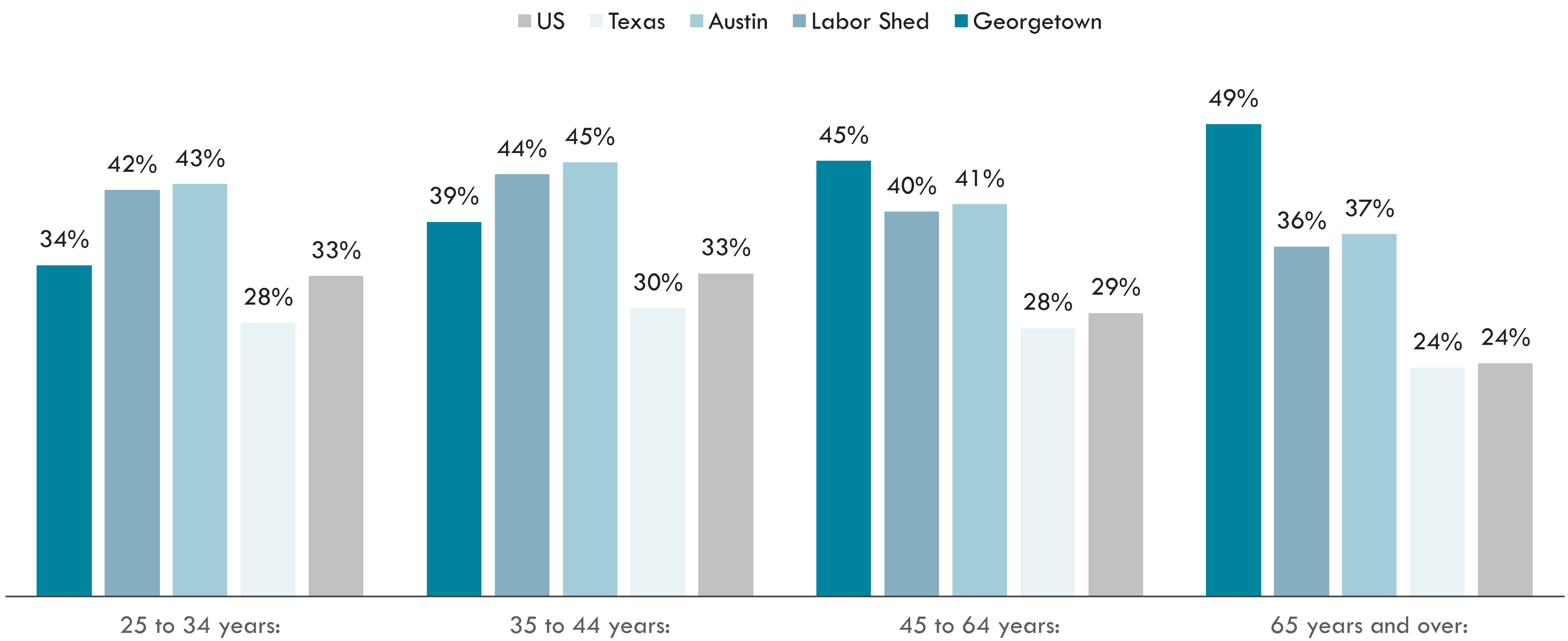
Nationally, younger generations are more likely to posses a bachelor's degree or higher education. This trend holds true for the Austin region, Texas, and Georgetown's labor shed – with younger residents holding more degrees.

In the City of Georgetown, the most well-educated residents are those age 45 and older. Georgetown residents between the ages of 25 and 44 are less likely to be college graduates than their counterparts in the broader labor shed or Austin region (though their education levels exceed the US and Texas).

WHY IS THIS IMPORTANT?

In communities with a large retired population, overall levels of educational attainment may not reflect the attributes of the local workforce.

SHARE OF POPULATION W/ A BACHELOR'S DEGREE OR HIGHER BY AGE GROUP, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Education Breakdown

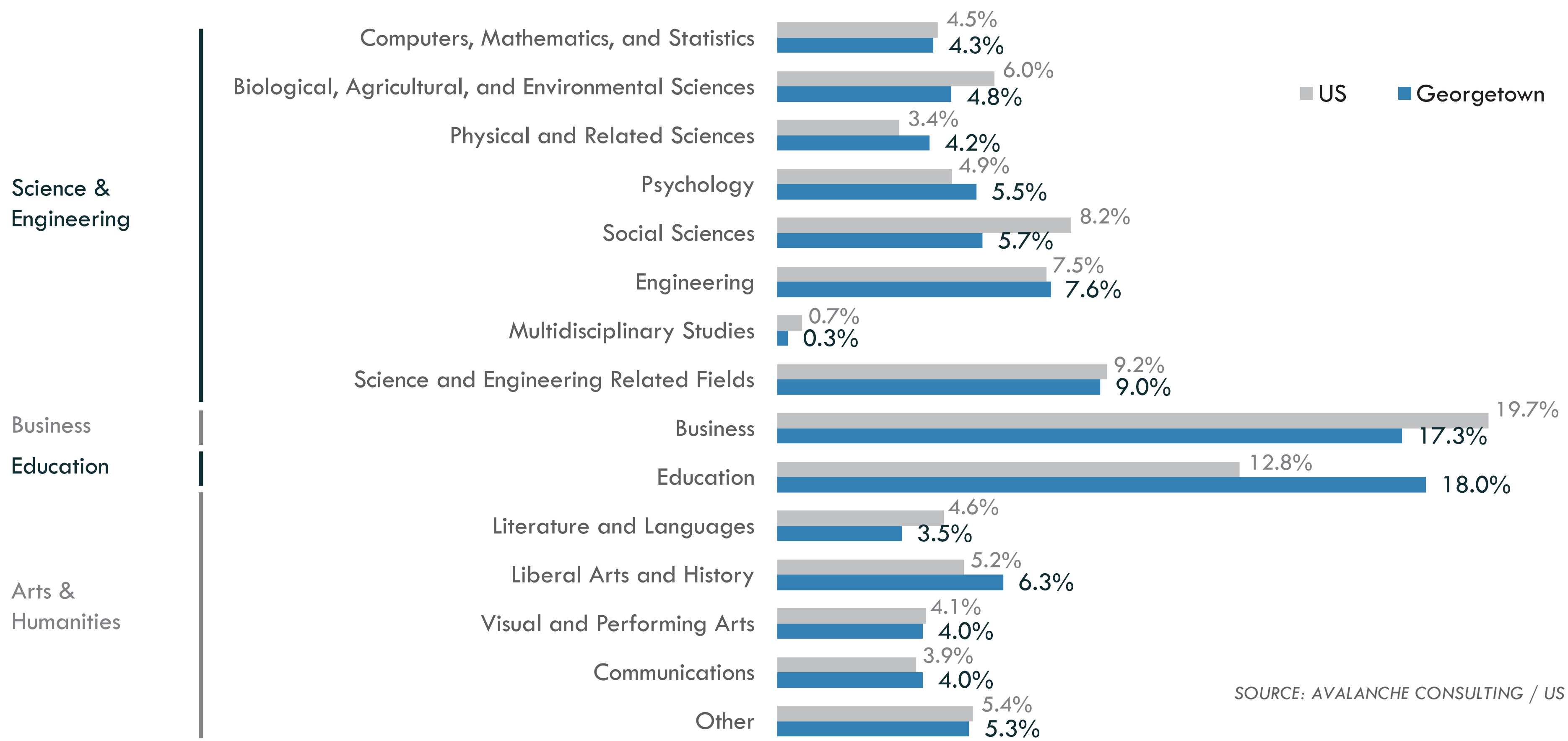
The distribution of bachelor's degrees among Georgetown residents is similar to the US average. Nearly 33% of Georgetown residents with a bachelor's degree studied a Science & Engineering field. Nationally, the figure is 35%.

Georgetown residents are more likely to possess an Education degree than their US counterparts (18% versus 13%) and slightly less likely to possess a Social Science or Business degree.

WHY IS THIS IMPORTANT?

The modern economy is increasingly knowledge-intensive. New jobs often require education beyond a high-school diploma – ranging from a certificate to a master's degree. Due to this growing reliance on skilled workers, many businesses expand in and choose new locations based on the presence of a well-educated population.

FIELD OF BACHELOR'S DEGREE FOR FIRST MAJOR OF RESIDENTS WITH A BACHELOR'S DEGREE, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Talent Production & Attraction

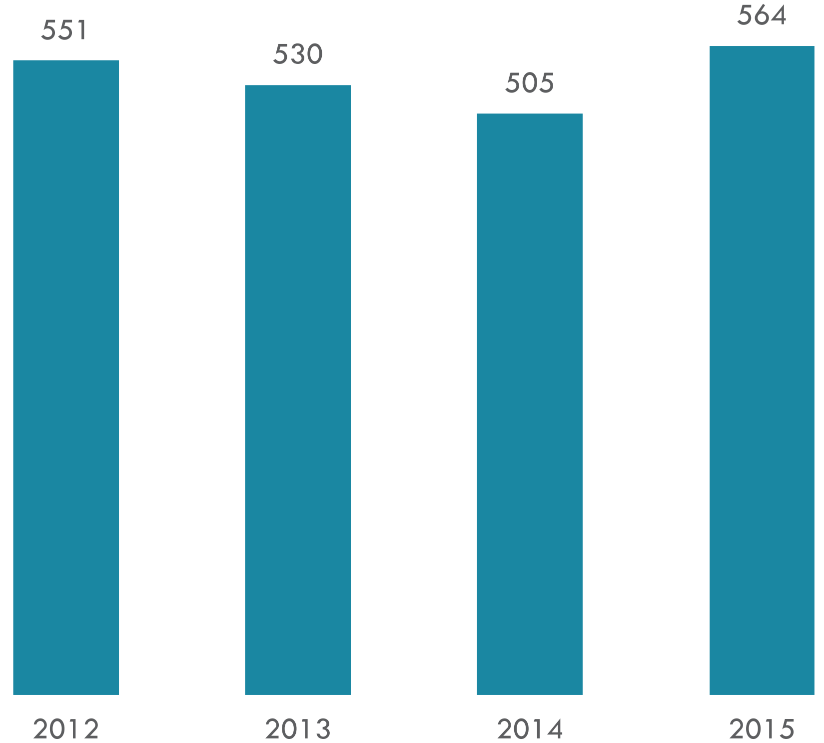
Georgetown is both attracting and producing talent. Since 2012, on a net basis Georgetown has annually attracted at least 500 individuals with a college degree.

Southwest University annually awards approximately 300 degrees to graduating students in Georgetown. Georgetown Independent School District (ISD) is in the Austin Community College (ACC) service area but not an ACC district. ACC provides programing throughout Georgetown ISD but does not offer any specific degree programs in Georgetown.

WHY IS THIS IMPORTANT?

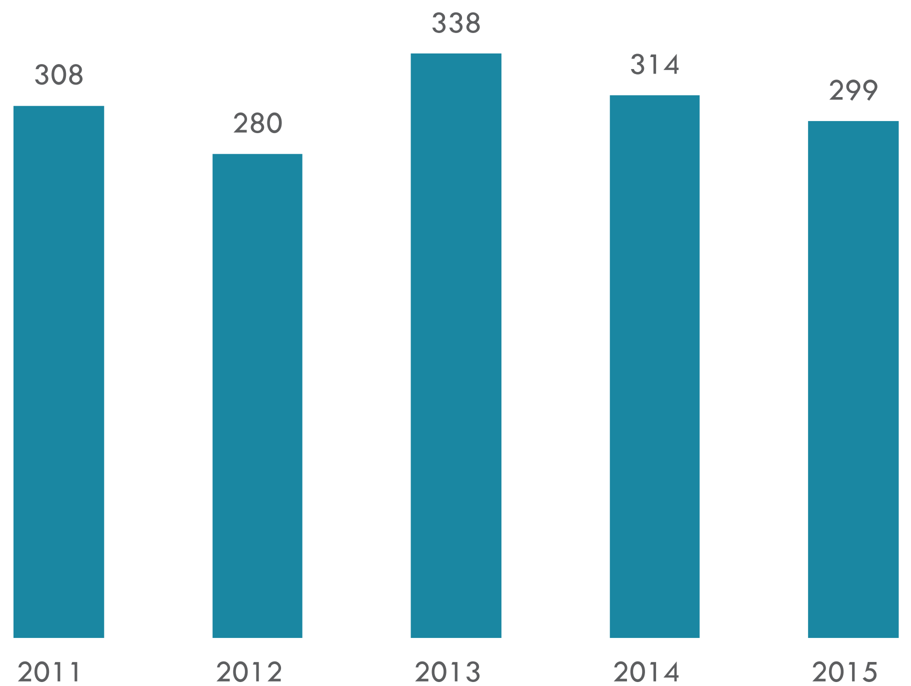
Communities with high levels of talent production and attraction are significantly better positioned to capture high-skill, high wage job growth compared to communities with more limited talent production and attraction.

NET INFLUX OF INDIVIDUALS WITH A BACHELOR'S DEGREE OR HIGHER LEVEL OF EDUCATIONAL ATTAINMENT INTO CITY OF GEORGETOWN



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

POST-SECONDARY DEGREES AWARDED BY CITY OF GEORGETOWN HIGHER EDUCATION INSTITUTIONS



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

Workforce Attraction

Older individuals represent a disproportionate share of migrants moving into Georgetown from other communities.

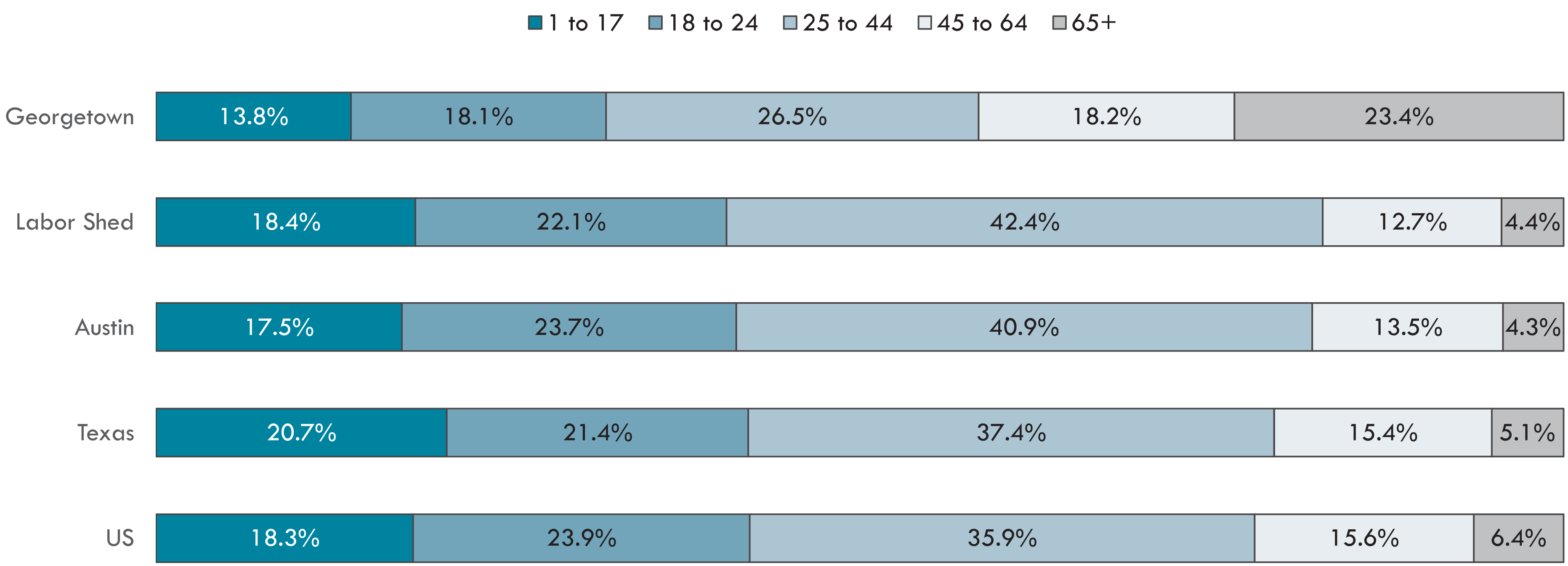
In 2015, nearly 24% of all residents who moved into Georgetown from another county in Texas, outside the state, or abroad were age 65 and older.

For context, less than 5% of migrants into the broader Austin region were age 65 and older.

WHY IS THIS IMPORTANT?

The demographic characteristics of migrants into a community helps determine the extent to which new residents contribute the area's workforce. A community's population may grow much faster than its workforce, for example, due to an influx of families with small children.

MIGRATION OF INDIVIDUALS FROM ANOTHER COUNTY, STATE, OR ABROAD BY AGE
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS ACS

School Performance

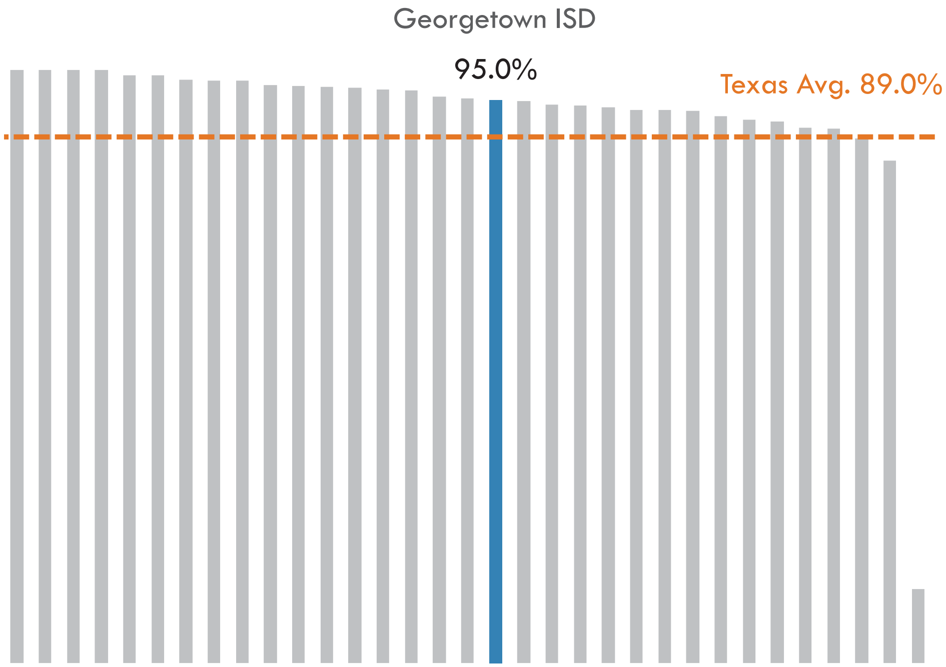
Georgetown ISD has high graduation rates – and most students perform well on the statewide standardized test (STAAR). Georgetown ISD has a 95% graduation rate – compared to 89% on average in Texas. This sits right in the middle of Central Texas school districts.

Of Georgetown ISD students who take the STAAR test, 74% receive a satisfactory score across all subject matters – statewide only 28% of students meet the satisfactory threshold. Georgetown students again perform at the average level for Central Texas school districts.

WHY IS THIS IMPORTANT?

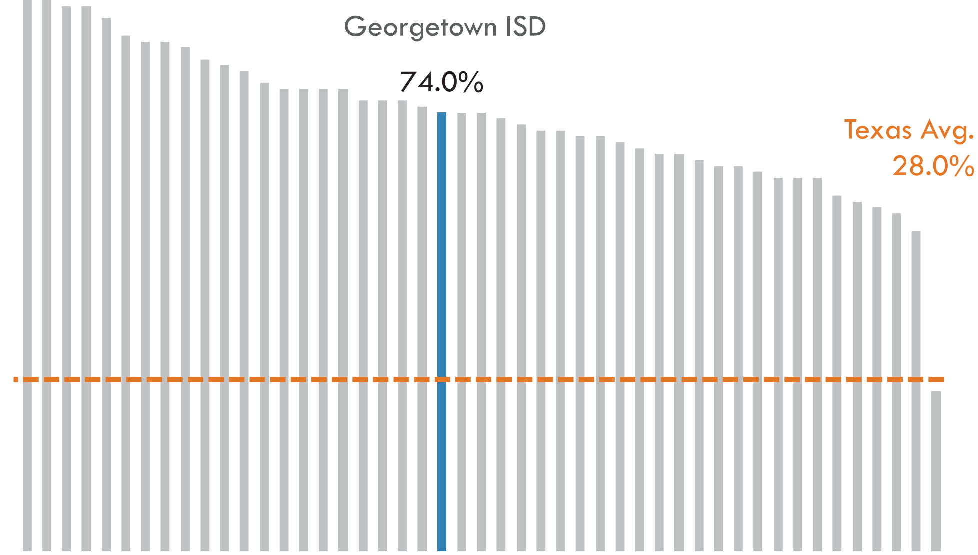
The modern economy is increasingly knowledge-intensive. New jobs often require education beyond a high-school diploma – ranging from a certificate to a master's degree. Due to this growing reliance on skilled workers, many businesses expand in and choose new locations based on the presence of a well-educated population.

4-YEAR HIGH SCHOOL GRADUATION RATES
AMONG ALL SCHOOL DISTRICT WITHIN AUSTIN METRO, 2015



SOURCE: AVALANCHE CONSULTING / TEXAS EDUCATION AGENCY

% OF STUDENTS WITH SATSIFACTORY ACADEMIC PERFORMANCE
SCORES ACROSS ALL SUBJECTS ON STAAR TEST
AMONG ALL SCHOOL DISTRICT WITHIN AUSTIN METRO, 2015



SOURCE: AVALANCHE CONSULTING / TEXAS EDUCATION AGENCY

Diversity

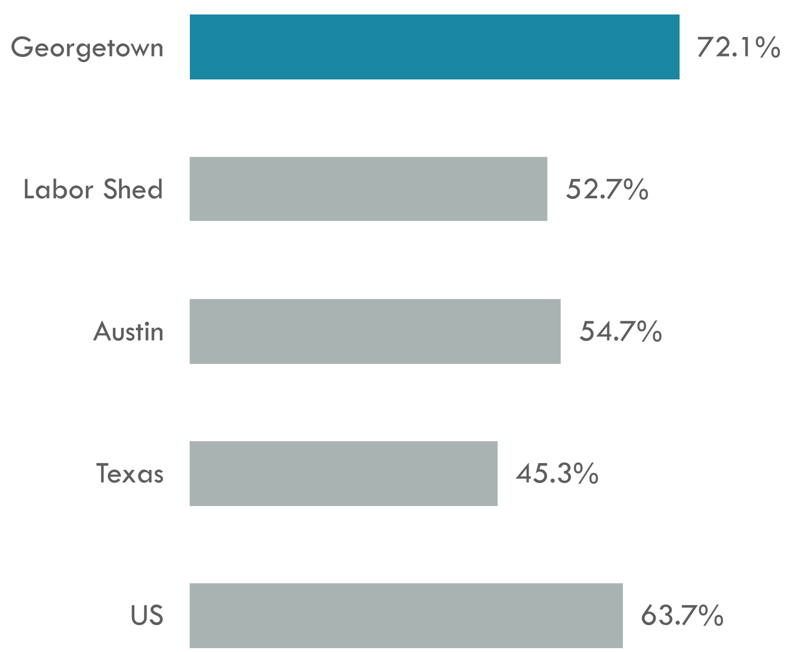
Georgetown is less ethnically diverse than the rest of Central Texas and the overall state. Georgetown is also becoming less diverse in recent years. Nearly 75% of Georgetown residents are White, Non-Hispanic. In the Georgetown Labor Shed 53% of residents are White, Non-Hispanic.

Between 2010 and 2015, White, Non-Hispanic residents as a share of Georgetown's population increased from 72% to 74%. During this same period, White Non-Hispanic residents as a share of the overall population declined in the Austin metropolitan region, Texas, and the US.

WHY IS THIS IMPORTANT?

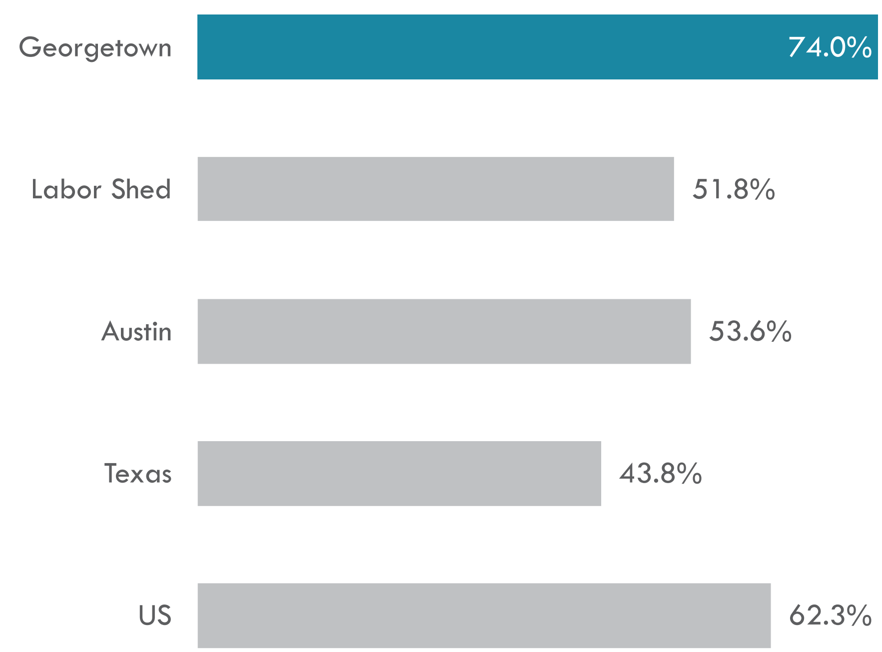
Racially and ethnically diverse regions often grow more quickly than their less diverse counterparts.

WHITE, NON-HISPANIC RESIDENTS AS % OF TOTAL 2010



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

WHITE, NON-HISPANIC RESIDENTS AS % OF TOTAL, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Population by Age and Race

Georgetown's younger residents are more ethnically diverse than older residents.

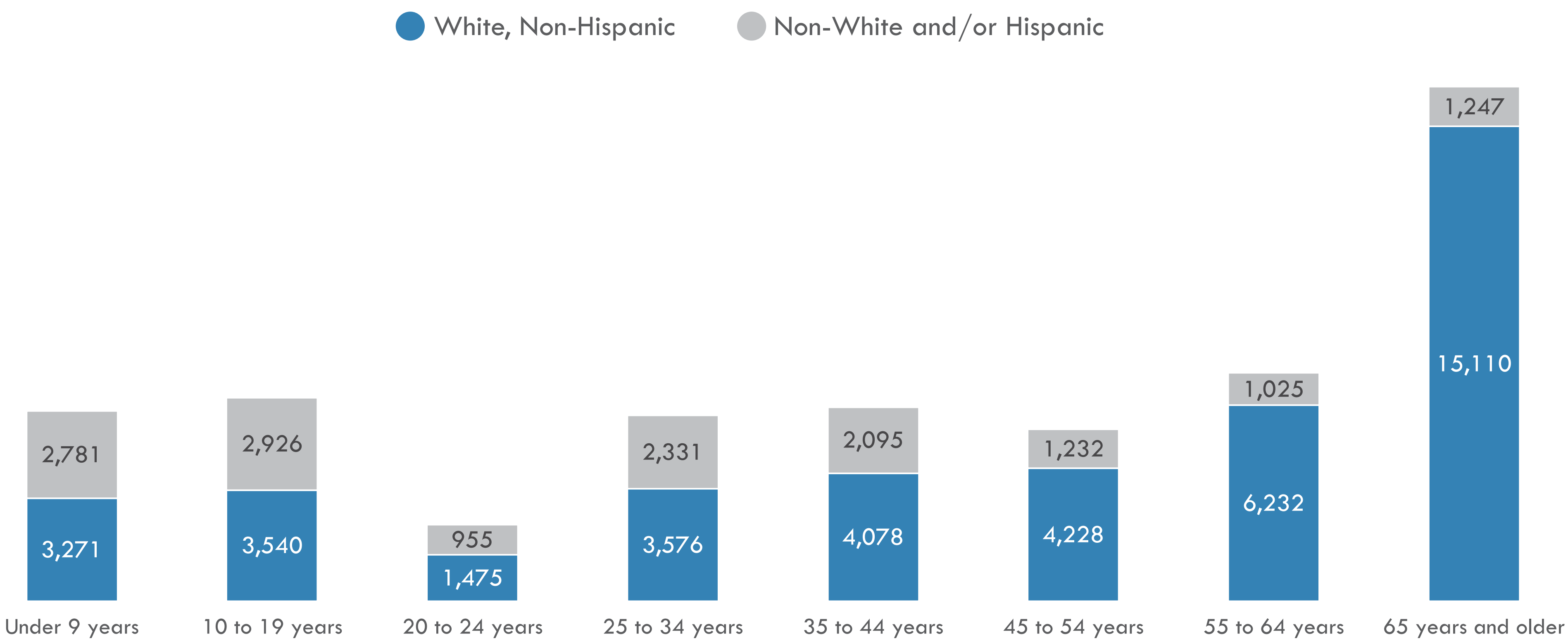
White Non-Hispanic individuals represent 55% of Georgetown residents under the age of 20. In contrast, White Non-Hispanic individuals comprise more than 90% of Georgetown residents age 65 and older.

Georgetown's racial and ethnic composition suggest that the city is likely to become more diverse in the years ahead despite recent trends in the opposite direction.

WHY IS THIS IMPORTANT?

The age distribution of a population by racial and ethnic groups may reveal the possibility of significant demographic changes in the years ahead.

POPULATION BY AGE
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Labor Force Participation

Georgetown has a relatively low rate of labor force participation. Fewer than half of Georgetown residents age 16 and older are currently working or unemployed.

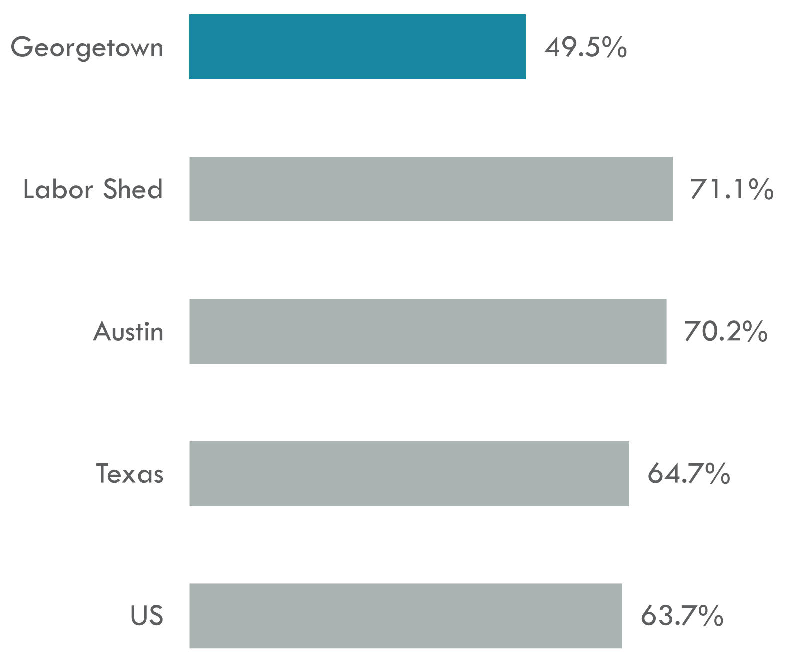
The remaining half of Georgetown's population age 16 and older is not currently looking for work. This is likely due to the large retired population in the city.

In the Austin region, the labor force participation rate exceeds 70%. The labor force participation rate of Texas and the US is 65% and 64% respectively.

WHY IS THIS IMPORTANT?

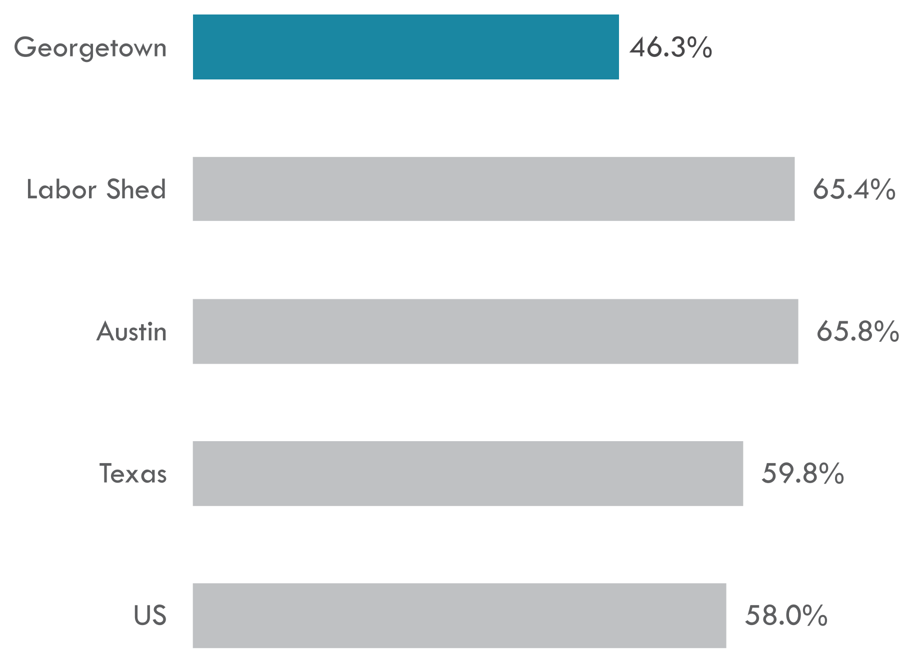
Communities with low rates of labor participation feature a smaller available workforce than overall population figures might suggest. At the same time, such communities do not need to create as many jobs to maintain a balance between population and employment.

LABOR FORCE PARTICIPATION RATE, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

EMPLOYMENT TO POPULATION RATIO, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Demographic Dynamics Takeaways

01

Most net migration into Georgetown is among working-age individuals.

Although Georgetown is widely known as an attractive destination for retirees from outside the region, on a net basis the majority of individuals moving into the city are between the ages of 18 and 64.

02

Educational attainment levels among Georgetown's population exceed the statewide and US averages across all age groups.

While older Georgetown residents have the highest rates of college educational attainment, all age groups contribute to the city's talent base. College educational attainment levels among Georgetown residents between the ages of 25 and 64 exceed the Texas and US averages.

03

Georgetown is likely to become more racially and ethnically diverse over the next decade.

While White, Non-Hispanic individuals represent more than 90% of Georgetown residents age 65 and older, the figure is just 55% among Georgetown residents under the age of 20.

04

Workforce Profiles

The following section provides more granular information about Georgetown's prevailing industry and occupational composition. Profiles are included for Georgetown's Northern and Southern Labor Sheds. The profiles highlight recent employment trends, including employment growth, employment by industry and occupational cluster, and the relative concentration of each industry and occupational cluster compared to the US average. Industry clusters with high growth projections and/or those heavily concentrated in Georgetown are likely to drive future workforce needs.

Location Quotients

Location Quotients, also called "LQs", represent the relative concentration or density of a specific occupation cluster in the region compared to the US average for that occupation cluster. A 1.5 LQ indicates that the region has 50% more concentration on a per capita basis than the US, which is a sign of relative local strength in that occupation cluster. Note that LQ is a relative measure: a high concentration in one cluster means that others will have lower LQs.

Each bubble chart illustrates:

- The growth of each occupational cluster along the horizontal axis
- The LQ of each occupational cluster along the vertical axis
- The size of each bubble indicates the number of employees within the occupation

HIGH CONCENTRATION

TOP LEFT – STRONG & DECLINING

Contains clusters that are more concentrated in the region but are declining (negative employment growth). These clusters may fall into the lower quadrant as job losses eventually produce a decline in concentration.

TOP RIGHT – STRONG & ADVANCING

Contains clusters that are more concentrated in the region and are growing. These clusters are strengths that help a community stand apart from the competition. Small, high growth clusters can be expected to become increasingly dominant over time.

NEGATIVE GROWTH

POSITIVE GROWTH

BOTTOM LEFT – WEAK & DECLINING

Contains clusters that are under-represented in the region (low concentration) and are also losing jobs. Clusters in this quadrant may indicate a gap in the workforce pipeline if local industries anticipate a future need. In general, clusters in this quadrant reveal a lack of competitiveness.

BOTTOM RIGHT – WEAK BUT ADVANCING

Contains clusters that are under-represented in the region but are growing (often quickly). If growth trends continue, these clusters will eventually move into the top-right quadrant. Clusters in this quadrant are considered "emerging" strengths for the region.

LOW CONCENTRATION

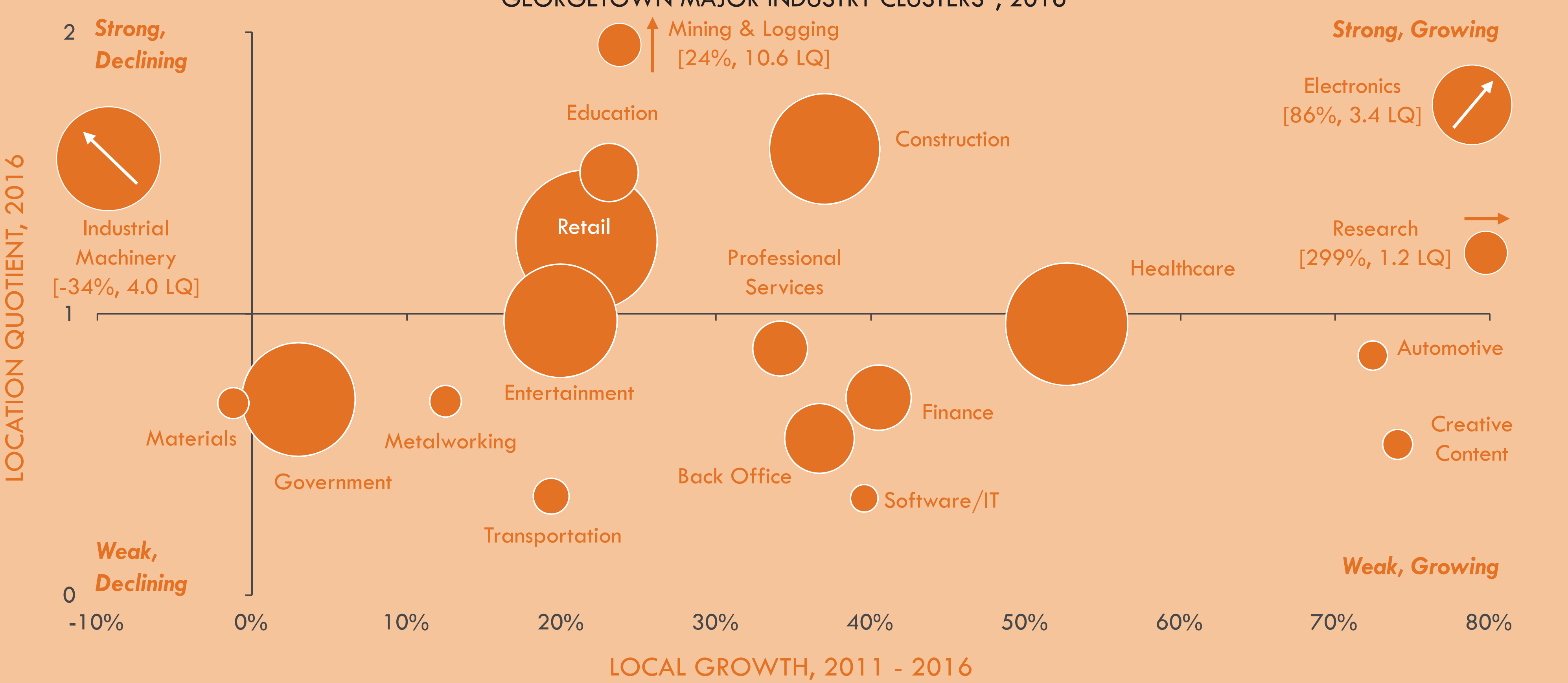
City of Georgetown – Industry Cluster Past Performance

Virtually every industry cluster in Georgetown grew between 2011 and 2016. Only Industrial Machinery and Materials lost jobs during this period; all other.

The largest and most concentrated industry clusters in Georgetown relative to the US average are primarily locally serving. This includes clusters such as Construction, Retail, Entertainment, and Healthcare. Georgetown is also home to several smaller but relatively concentrated sectors that serve non-local markets. These clusters include Mining & Logging, Electronics, and Research.

Several high-skill, high wage industry clusters remain less concentrated in Georgetown compared to the US average, including Creative Content, Finance, Software/IT, and Professional Services. Local employment in all four of these industry clusters increased by at least 30% over the past 5 years.

GEORGETOWN MAJOR INDUSTRY CLUSTERS*, 2016



*Clusters with employment of 150 of more are displayed

SOURCE: EMSI / AVALANCHE CONSULTING

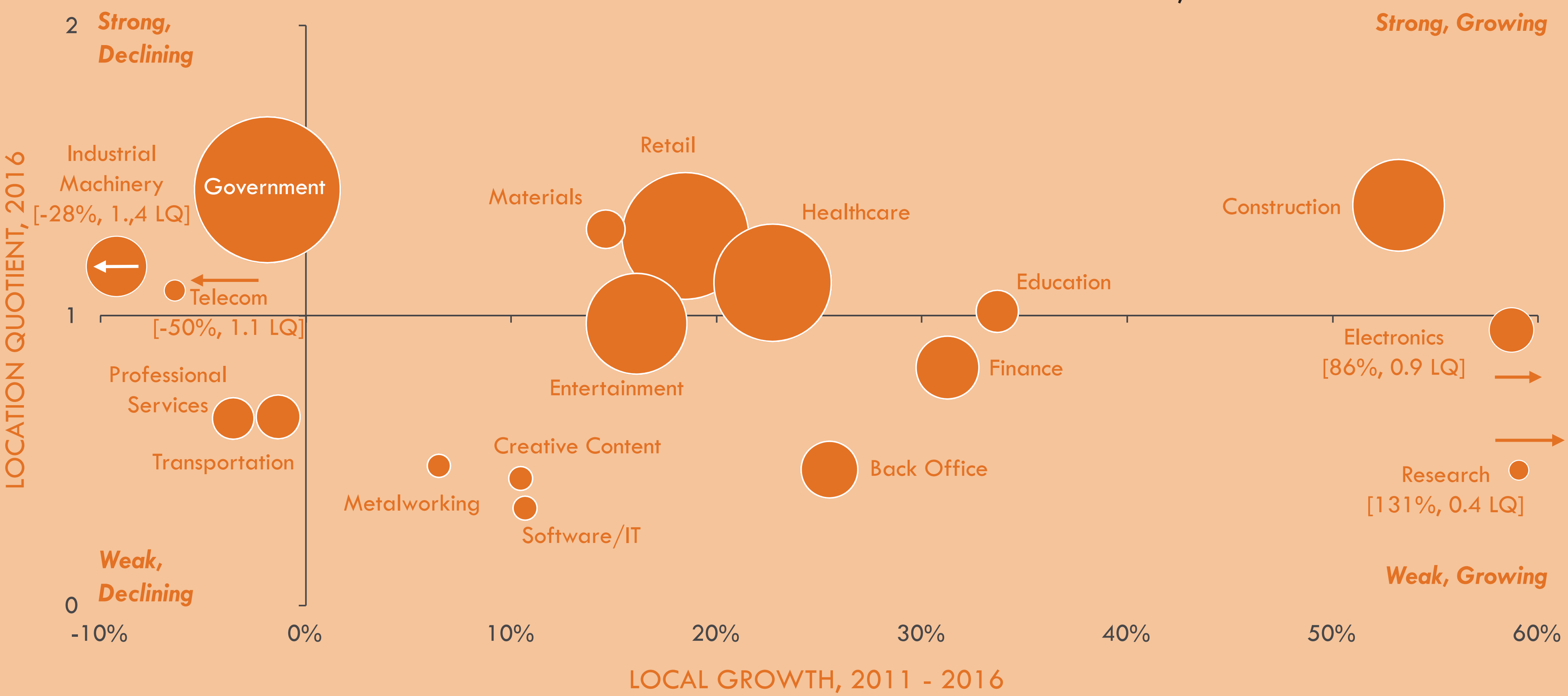
Northern Labor Shed – Industry Cluster Past Performance

Like the City of Georgetown, the Northern Labor Shed is characterized by strong growth across most industry clusters. In many ways, the industrial composition of the Northern Labor Shed mirrors that of Georgetown.

The economy is dominated by larger, relatively concentrated, locally serving industries such as Construction, Health Care, and Retail. Like Georgetown, both the Electronics and Research sectors are expanding employment rapidly.

Notably, higher-skill, higher-wage industry clusters such as Creative Content and Software/IT are experiencing more modest growth in the Northern Labor Shed compared to Georgetown. In fact, Professional Services employment actually declined in the Northern Labor Shed between 2011 and 2016.

GEORGETOWN'S NORTHERN LABOR SHED MAJOR INDUSTRY CLUSTERS*, 2016



*Clusters with employment of 2,500 of more are displayed

SOURCE: EMSI / AVALANCHE CONSULTING

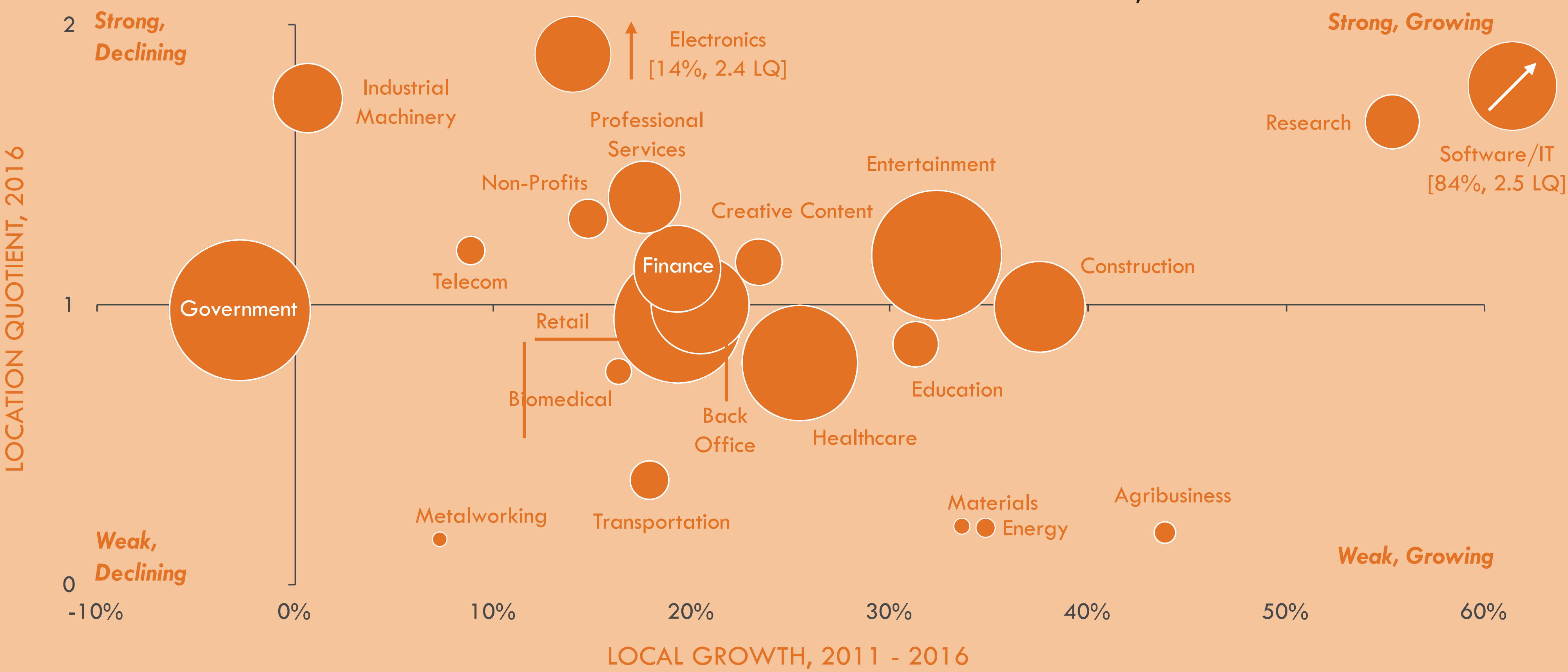
Southern Labor Shed – Industry Cluster Past Performance

Georgetown's Southern Labor Shed is more than five times larger than its Northern Labor Shed in terms of jobs. The Southern Labor Shed includes a significant portion of the Austin metropolitan region and its industry composition is very different from Georgetown.

Between 2011 and 2016, all clusters except Government grew. Software/IT is both the fastest growing and most relatively concentrated industry cluster within the Southern Labor Shed. Other relatively concentrated industry clusters include Electronics, Industrial Machinery, Professional Services, Creative Content, Entertainment, and Finance.

While Retail and Healthcare are two of the largest industry clusters within the Southern Labor Shed, they are slightly less concentrated compared to the US average. The Southern Labor Shed is also home to several small but high-growth clusters such as Materials, Energy, and Agribusiness.

GEORGETOWN'S SOUTHERN LABOR SHED MAJOR INDUSTRY CLUSTERS*, 2016



*Clusters with employment of 750 of more are displayed

SOURCE: EMSI / AVALANCHE CONSULTING

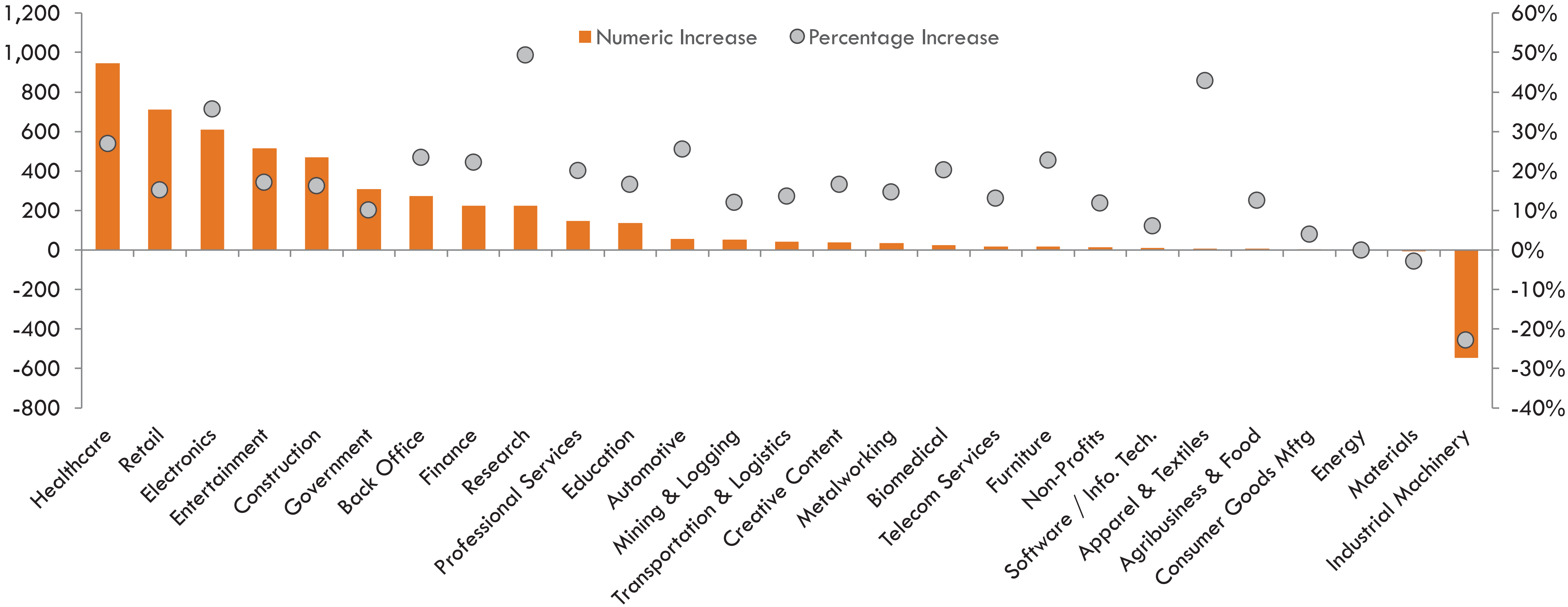
City of Georgetown – Industry Cluster Projected Growth

Employment in Georgetown is projected to grow by more than 15% through 2021 – an increase of approximately 4,350 jobs.

Five industry clusters alone are projected to account for 75% of all new jobs – Healthcare, Retail, Electronics, Entertainment, and Construction. Healthcare alone is projected to fuel more than 20% of all job growth within Georgetown through 2021. All five of these clusters are expected to post double-digit employment gains during the next five years.

Other leading sources of job growth include Finance, Research, Back Office, and Professional Services. Collectively, these three industry clusters are projected to fuel one out of every five jobs created in Georgetown during the next five years. On a net new job basis, the growth in all other private sector industry clusters is expected to be relatively modest.

GEORGETOWN PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER, 2016-2021



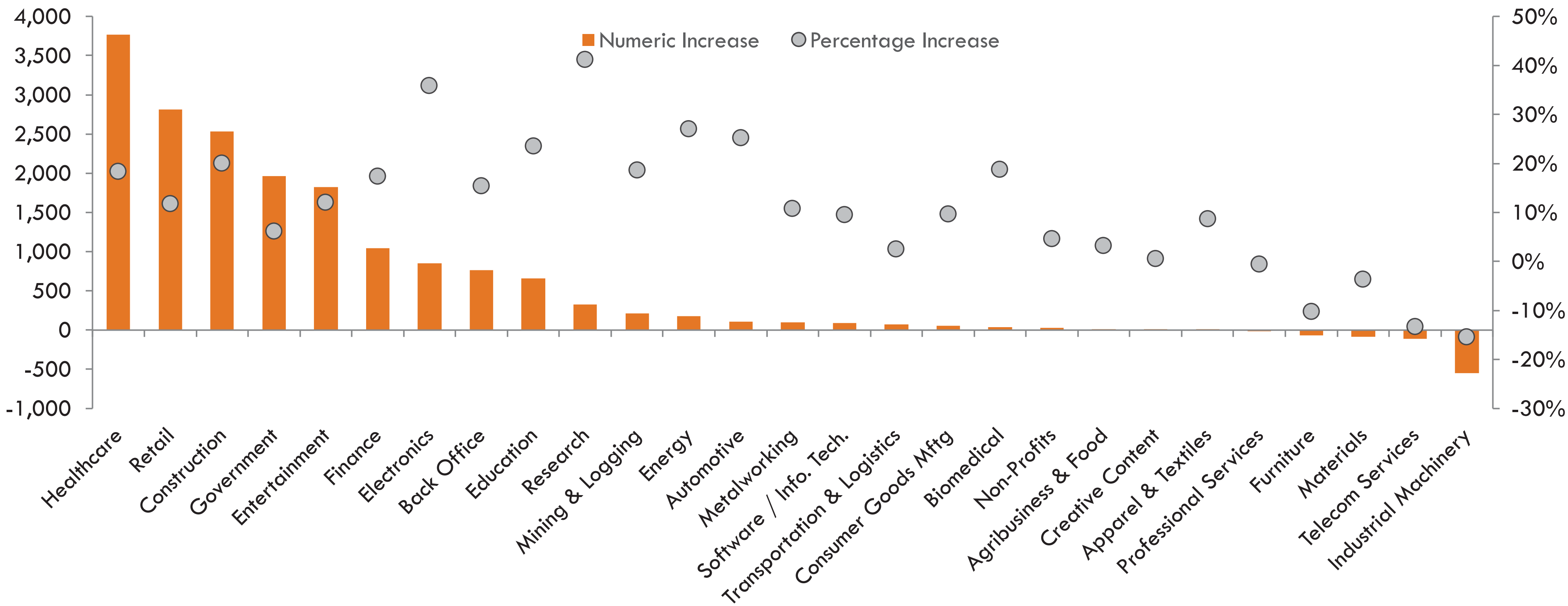
SOURCE: EMSI / AVALANCHE CONSULTING

Northern Labor Shed – Industry Cluster Projected Growth

Projected job growth in Georgetown's Northern Labor Shed will largely mirror that of Georgetown. Healthcare, Retail, Construction, Entertainment, and Finance are projected to propel more than 70% of all employment gains within the Northern Labor Shed through 2021.

Together, Electronics, Education, and Back Office job growth is anticipated to fuel less than 15% of job growth within the Northern Labor Shed. Employment in Government is expected to account for more than 11% of all job growth. The collective employment gains of all other industry clusters is expected to be relatively limited.

GEORGETOWN NORTHERN LABOR SHED PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER, 2016-2021



SOURCE: EMSI / AVALANCHE CONSULTING

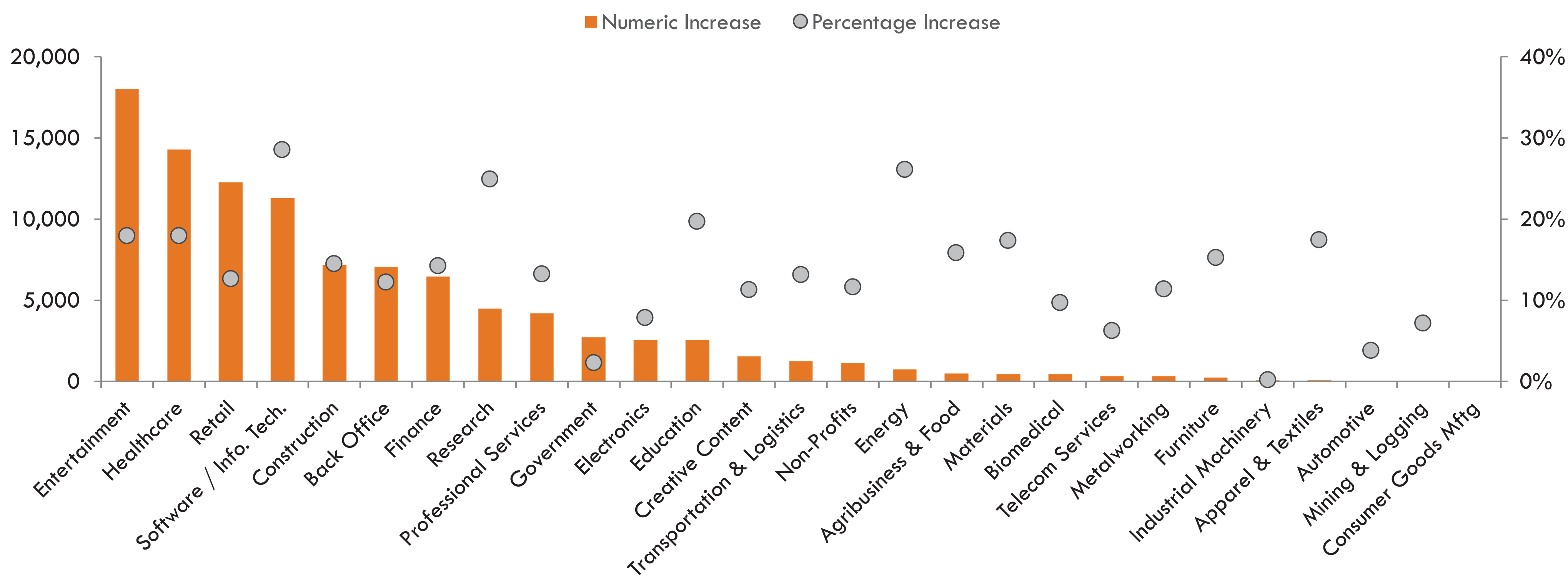
Southern Labor Shed – Industry Cluster Projected Growth

In many ways, projected growth for the Southern Labor Shed is similar to that of Georgetown. There are, however, several notable exceptions, and employment growth within the Southern Labor Shed is expected to be fueled by a greater variety of industry clusters.

Similar to both Georgetown and the Northern Labor Shed, the Entertainment, Healthcare, and Retail clusters are projected to lead job growth. Together, these three industry clusters are expected to account for 45% of all new jobs within the Southern Labor Shed through 2021.

Notably, the Software/IT cluster is projected to create more than 11% of all new jobs in the Southern Labor Shed during this period. No other industry cluster is expected to enjoy a greater rate of growth. Construction, Back Office, and Finance are projected to drive more than 20% of Southern Labor Shed employment growth during this period. Research and Professional Services are expected to make significant contributions to job growth as well

GEORGETOWN SOUTHERN LABOR SHED PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER, 2016-2021



SOURCE: EMSI / AVALANCHE CONSULTING

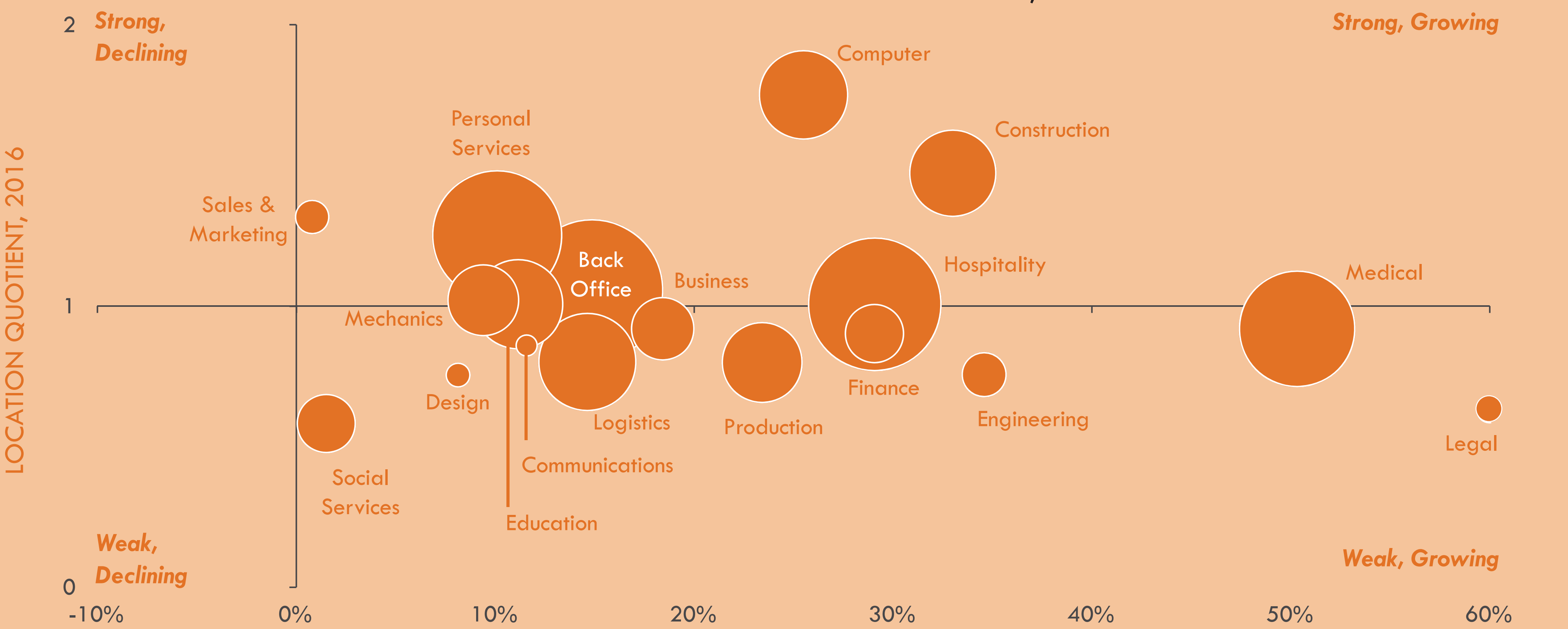
City of Georgetown – Occupation Cluster Past Performance

Every major occupational cluster experienced employment growth in Georgetown between 2011 and 2016. All but four clusters posted double-digit gains during this period.

The two fastest growing clusters were Medical and Legal occupations. Both occupational clusters grew by more than 50% over the past five years. Employment in the Construction, Computer, Engineering, Hospitality, and Finance clusters all increased by at least 25%.

Notably, Computer occupations are Georgetown's most concentrated occupational cluster. On a per capita basis, Georgetown is home to 80% more Computer positions relative to the US average. Employment in Georgetown's Construction cluster is 50% more concentrated relative to the US average. Other concentrated occupational clusters include Personal Services and Communications.

GEORGETOWN MAJOR OCCUPATIONAL CLUSTERS*, 2016



LOCAL GROWTH, 2011 - 2016

*Clusters with employment of 100 of more are displayed

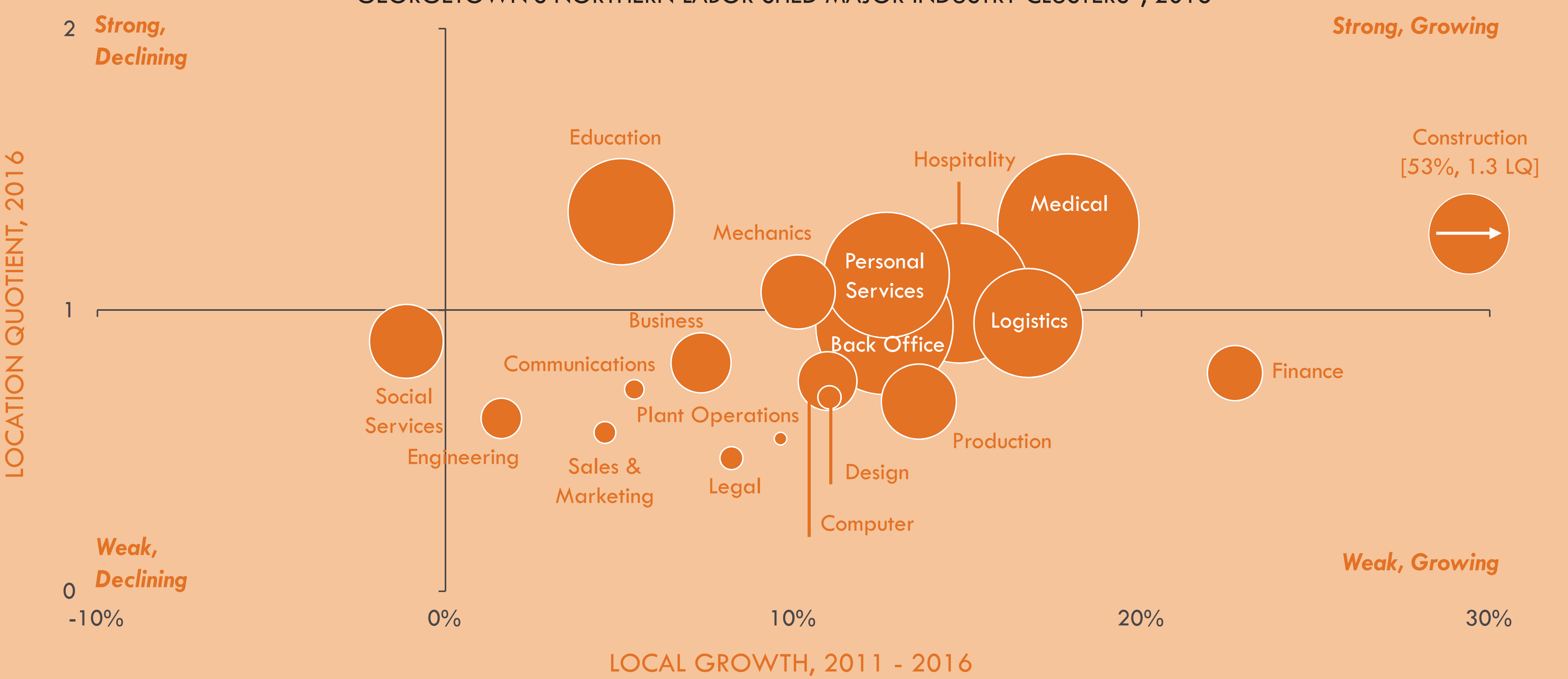
SOURCE: EMSI / AVALANCHE CONSULTING

Northern Labor Shed – Occupation Cluster Past Performance

While the industry composition of Georgetown's Northern Labor Shed is similar to that of Georgetown itself, the two geographies differ more significantly in their respective occupational compositions. Employment in the Northern Labor Shed increased across virtually all major industry clusters, though the rate of growth was typically more modest. Between 2011 and 2016, the two fastest growing occupational clusters within the Northern Labor Shed included Construction and Finance. Employment in Construction and Finance increased by 53% and 22%, respectively. Other fast growing occupational clusters included Medical, Hospitality, and Logistics.

The Northern Labor Shed features four occupational clusters that are more concentrated locally relative to the national average – Medical, Hospitality, Personal Services, Mechanics, and Education. Over the past five years, Social Services was the only occupational cluster to experience a decline in employment within the Northern Labor Shed.

GEORGETOWN'S NORTHERN LABOR SHED MAJOR INDUSTRY CLUSTERS*, 2016



*Clusters with employment of 200 of more are displayed

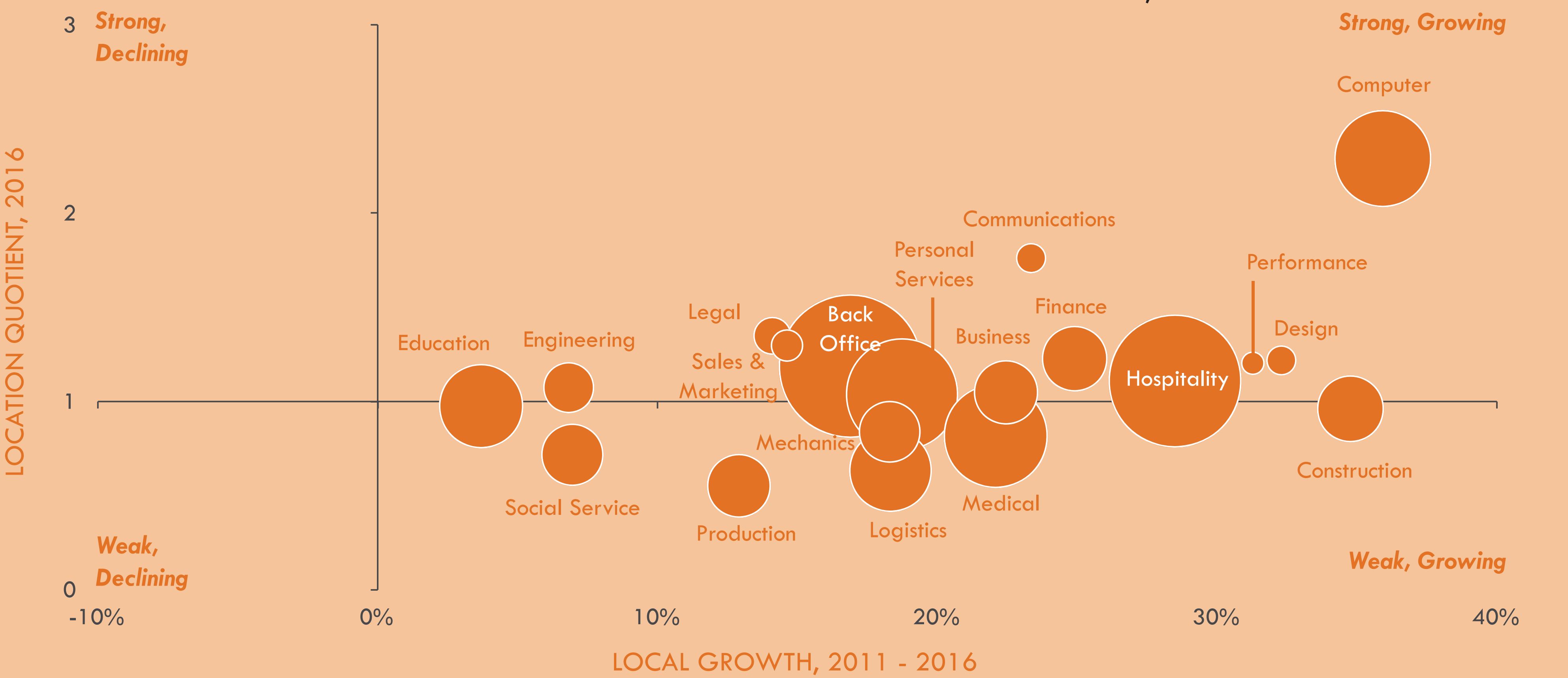
SOURCE: EMSI / AVALANCHE CONSULTING

Southern Labor Shed – Occupation Cluster Past Performance

Georgetown's Southern Labor Shed is growing faster than its Northern Labor Shed, though not as fast as Georgetown itself. The Southern Labor Shed also features several significant employment differences from both Georgetown and the Southern Labor Shed. Most notably, Computer occupations are the fastest growing and most concentrated cluster within the Southern Labor Shed. Employment in this cluster increased by more than 35% between 2011 and 2016. On a per capita basis, the Southern Labor Shed is also home to more than twice as many Computer positions compared to the US average.

Other high growth clusters in the Southern Labor Shed include Construction, Design, and Performance. Employment in all three clusters increased by more than 30% during the past five years. Four other clusters posted employment gains of at least 20% during this period – Communications, Finance, Business, and Medical. The Communications cluster is also the second most concentrated cluster within the Southern Labor Shed. Other relatively concentrated clusters include Back Office, Sales & Marketing, Legal, and Engineering.

GEORGETOWN'S SOUTHERN LABOR SHED MAJOR INDUSTRY CLUSTERS*, 2016



*Clusters with employment of 1,500 of more are displayed

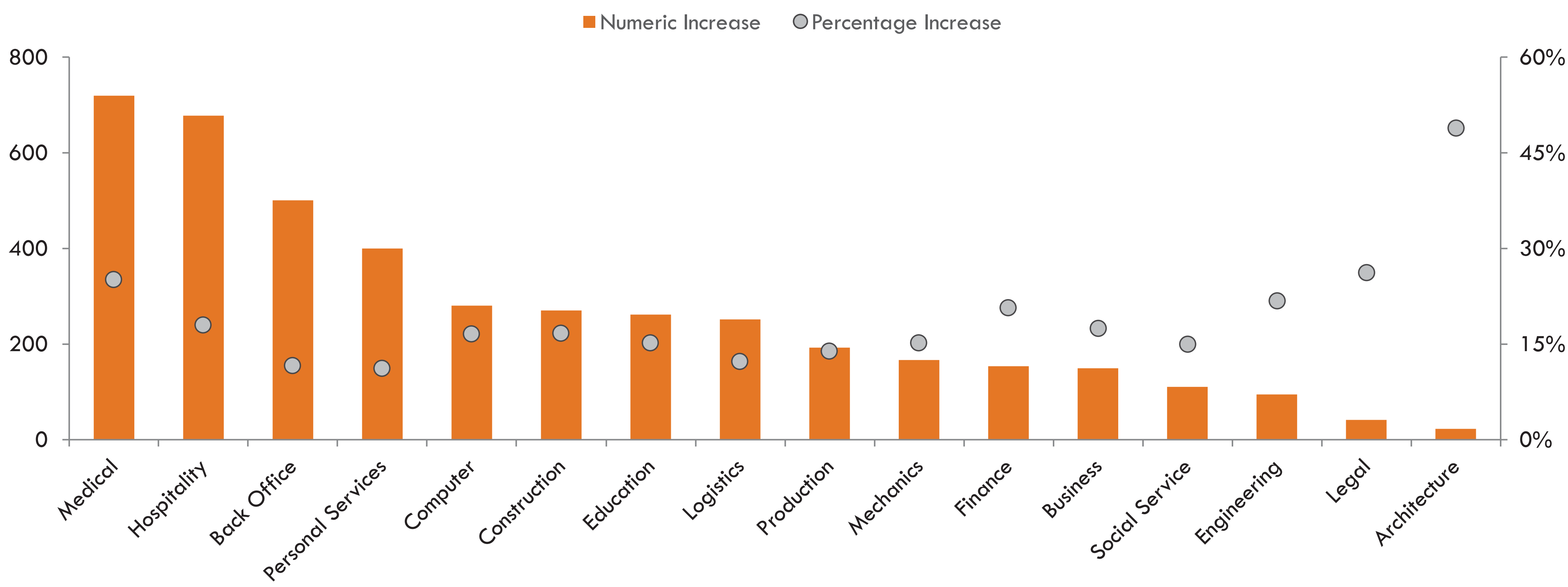
SOURCE: EMSI / AVALANCHE CONSULTING

City of Georgetown – Occupation Cluster Projected Growth

As noted earlier in this report, total employment in Georgetown is projected to increase by 4,350 between 2016 and 2021. Nearly one in every three of these jobs are projected to be either Medical or Hospitality occupations. The Back Office and Personal Services clusters are expected to be responsible for another 25% of all expected job growth within Georgetown during this period. Four other clusters are expected to post job gains of at least 200 positions through 2021 – Computer, Construction, Education, and Logistics.

Collectively, the Production and Mechanics clusters are projected to create more than 300 jobs. Several higher skill, higher wage clusters are expected to experience more modest growth on an absolute basis within Georgetown during the next five years. These clusters include Finance, Business, Engineering, Legal, and Architecture. Though job creation in these clusters is expected to be limited on a net new job basis, all are projected to post double-digit employment gains during the next five years.

GEORGETOWN PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER*, 2016-2021



*Clusters with projected employment growth of 20 of more are displayed

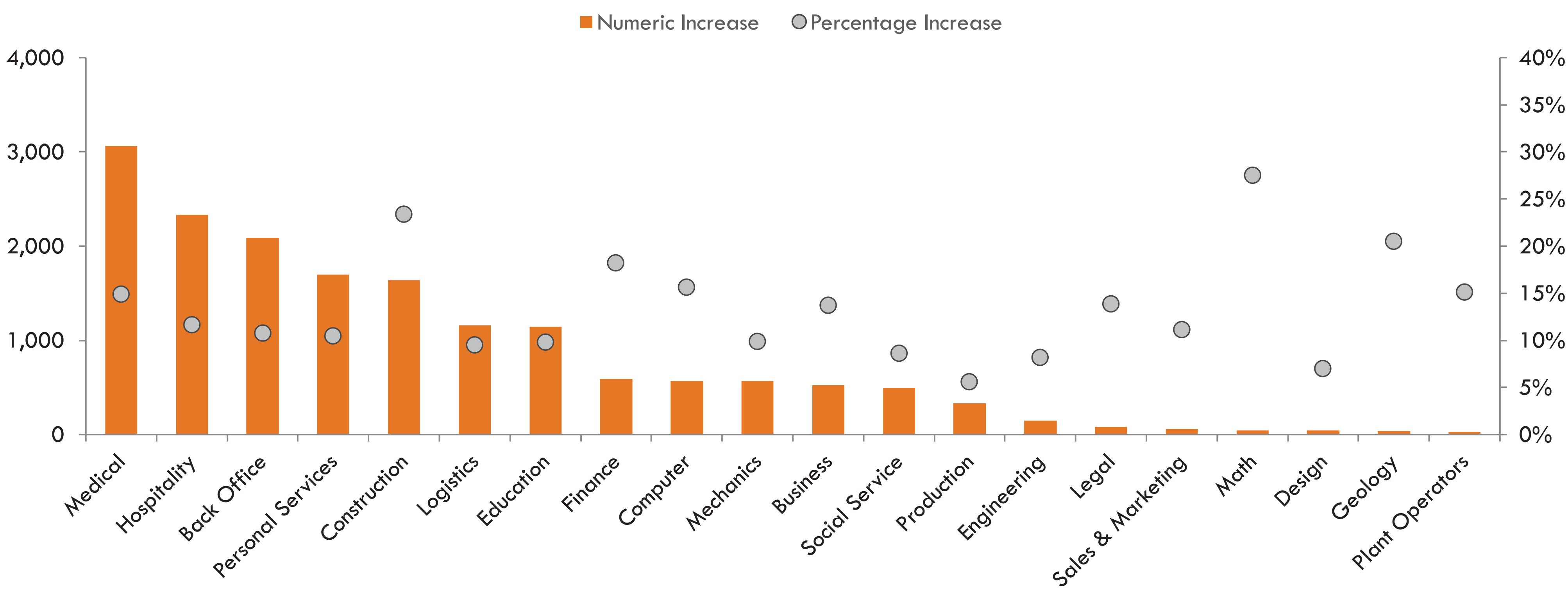
SOURCE: EMSI / AVALANCHE CONSULTING

Northern Labor Shed - Occupation Cluster Projected Growth

Occupational growth trends for Georgetown's Northern Labor Shed closely mirror those of Georgetown. The four occupational clusters expected to experience high levels of growth are identical for both geographies – Medical, Hospitality, Back Office, and Personal Services. Collectively, these four occupational clusters are projected to generate nearly 55% of all new jobs within the Northern Labor Shed between 2016 and 2021.

Three other clusters are expected to create more than 1,000 jobs each during the next five years – Construction, Logistics, and Education. Together, these three clusters are projected to account for nearly 25% of all new jobs in the Northern Labor Shed during the next five years. The Financial, Computer, Mechanics, and Business clusters are each expected to create between 500 and 600 jobs during this period. On a net basis, job growth in all other occupational clusters within the Northern Labor Shed are projected to be relatively modest.

GEORGETOWN NORTHERN LABOR SHED PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER*, 2016-2021



**Clusters with projected employment growth of 30 of more are displayed*

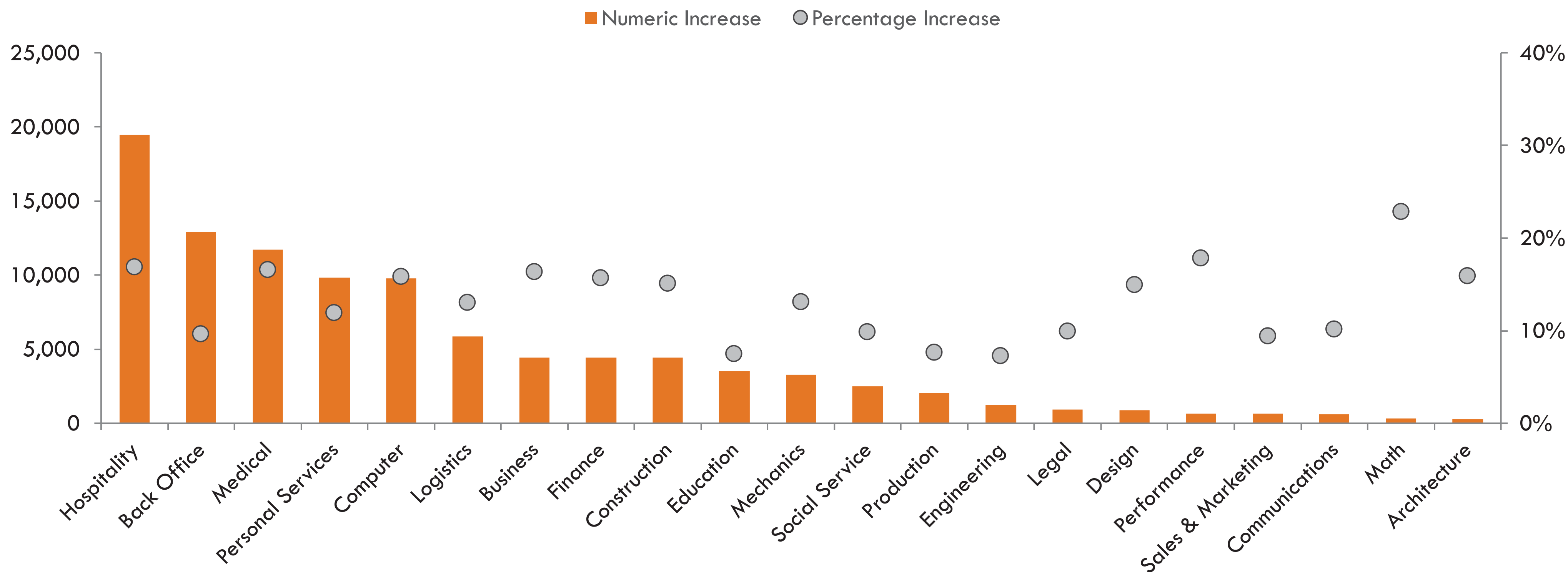
SOURCE: EMSI / AVALANCHE CONSULTING

Southern Labor Shed – Occupation Cluster Projected Growth

The occupational clusters projected to experience the greatest growth in the Southern Labor Shed differ slightly from those of Georgetown and its Northern Labor Shed. While Medical occupations are expected to post the greatest increases on a net basis in both Georgetown and the Northern Labor Shed, employment gains in the Southern Labor Shed are projected to be led by the Hospitality and Back Office clusters. Together, these two clusters are expected to account for approximately one in every three new jobs created in the Southern Labor Shed between 2016 and 2021.

Employment growth in the Medical, Personal Services, and Computer clusters is also expected to be substantial. Collectively, these three clusters will account for an anticipated 30% of all new jobs during this period. Other leading sources of employment growth are expected to include Logistics, Business, Finance, Construction, and Education.

GEORGETOWN SOUTHERN LABOR SHED PROJECTED EMPLOYMENT GROWTH BY INDUSTRY CLUSTER*, 2016-2021



*Clusters with projected employment growth of 100 of more are displayed

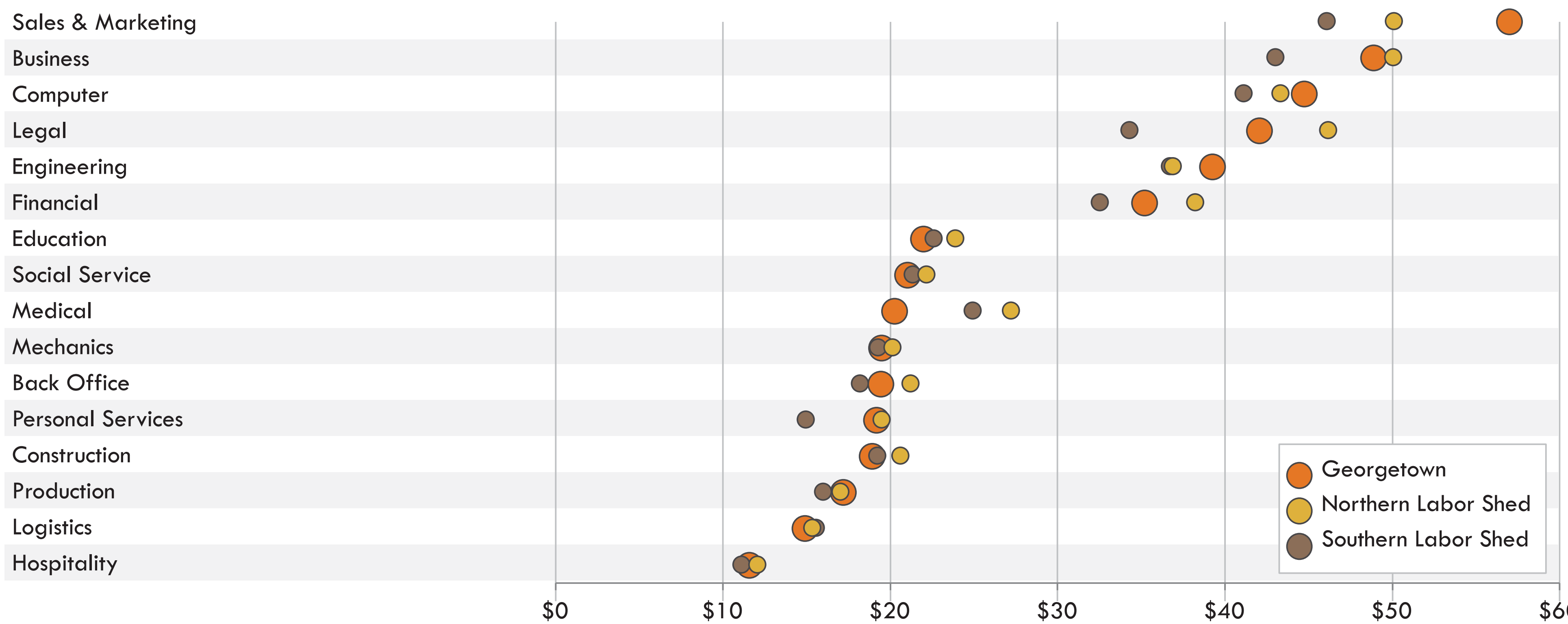
SOURCE: EMSI / AVALANCHE CONSULTING

Occupational Wage Comparison

Wages for most occupations are higher in the Southern Labor shed than in Georgetown. In turn, wages in Georgetown are typically higher than in the Northern Labor Shed. Still, there are several notable exceptions to these trends. Average hourly wages for the Sales & Marketing, Computer, Engineering, and Production clusters in Georgetown exceed those of both labor sheds. In several instances, the wage premium in Georgetown is significant.

Sales & Marketing workers in Georgetown, for example, earn nearly 15% more on average than workers in the Southern Labor Shed and 25% more than workers in the Northern Labor Shed. Conversely, average hourly wages for the Education, Social Service, Medical, Construction, and Logistics clusters in Georgetown trail both labor sheds. Again, the differences can be significant. The average hourly wage for a Medical worker in Georgetown, for example, is 25% less than for such workers in the Southern Labor Shed.

WAGES BY OCCUPATIONAL CLUSTER*
2016



*Clusters with employment of 100 in Georgetown of more are displayed

SOURCE: EMSI / AVALANCHE CONSULTING

Workforce Profiles Key Takeaways

01

Virtually all employment and occupational clusters in Georgetown and its labor sheds are projected to post employment gains through 2021.

Total employment within Georgetown is projected to increase approximately 16% between 2016 and 2021, a net gain of approximately 4,350 jobs. Expected job gains will include virtually every industry and occupational cluster.

02

Employment growth within Georgetown is expected to be dominated by a handful of industrial and occupational clusters.

While most of Georgetown's industry and occupational clusters are projected to enjoy growth during the next five years, the gains will be disproportionately driven by healthcare and consumer spending. Healthcare alone is expected to account for 20% of all jobs in Georgetown through 2021.

03

While wages in Georgetown's Southern Labor Shed are generally higher than in Georgetown itself, there are several notable exceptions.

Average hourly wages in Georgetown are approximately 10% less than in the Southern Labor Shed. For clusters such as Sales & Marketing, Computer, Engineering, and Production, however, average wages in Georgetown are higher than in either the Southern or Northern Labor Shed.

05

SWOT Analysis

The Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis on the following pages summarizes Georgetown's competitive position in four categories – Economic Trends, Education & Workforce,, Infrastructure, and Quality of Life. The conclusions in this section are drawn from data findings in this report and stories shared by Georgetown stakeholders through interviews and focus groups. They also draw from the consulting team's national perspective and expertise.

Economic Trends

STRENGTHS

- Georgetown's employment base continued to experience significant growth. Between 2011 and 2016, the rate of job growth in Georgetown has been more than 50% higher than the Texas average and more than twice the US average.
- In recent years, the City of Georgetown has become more supportive of business and residential growth.
- Several residents noted that local political leaders are very accessible.
- Georgetown is a "get things done" type of community. Alongside a surprisingly large manufacturing cluster for such an attractive community, Georgetown also has an emerging "Maker" culture.

WEAKNESSES

- In the past, Georgetown was often viewed as a difficult place to do business. Although conditions have changed, these impressions take time to change.
- Employment in Georgetown is disproportionately reliant on locally serving industries such as construction, retail, and related service sectors.
- Average wages for some industries in Georgetown are less than the national average as well as the city's broader labor shed. This dynamic may make it more difficult for local employers to recruit workers from outside the city.
- Under current employment projections, employment gains will be disproportionately concentrated in a handful of clusters.

OPPORTUNITIES

- Historically, Georgetown has not been viewed by outsiders as a place to do business. As Austin and the inner ring of communities in the metropolitan area become highly developed, more and more business and residents are looking for opportunities further out from the core. Combined with new leadership and a commitment to support economic development, Georgetown is poised to create many new primary jobs.

THREATS

- Despite growth, Georgetown still has a relatively low share of non-service, primary jobs, and many higher-paid residents actually work outside of the city. In order to sustain growth and maintain a diverse tax base into the future, the city must continue to focus on industry diversification and primary job creation.
- The comparative difference between the national unemployment rate and Georgetown's unemployment rate has recently narrowed. 2017 represented the first time in a decade that the city's unemployment rate was within a half of a percentage point of the US average – possibly indicating a slowing of growth.

Education & Workforce

STRENGTHS

- Georgetown is a very educated community – 44% of Georgetown residents age 25 and older possess a bachelor's degree or higher level of educational attainment.
- Through the Labor Shed, Georgetown employers are able to draw workers from a pool of 700,000 workers.
- Employers generally reported that finding workers with trade skills was fairly easy. Employers have also been very successful recruiting workers from outside the region to live in Georgetown.
- Georgetown is home to a large veteran population. The city's proximity to Fort Hood likely contributes to an additional influx of veterans.
- Employers cited relatively low turnover among professional staff.

WEAKNESSES

- Employers report significant challenges hiring and retaining lower-income workers – many of whom cannot afford to live in Georgetown. Most of these local jobs are filled by non-residents.
- There is a common perception that Georgetown ISD is performing less well than neighboring districts.
- Georgetown does not have a higher education presence other than Southwestern University. Although there is no ACC district in Georgetown, the city is in the ACC service area, which can create challenges to working with other technical training providers.
- On a proportional basis, Georgetown is home to a much smaller young professional population relative to the rest of the region. Man of the better educated residents are actually retired.

OPPORTUNITIES

- A new bus system in Georgetown may make it easier to hire lower wage workers residing outside the city. Several employers in the service industries cited the lack of transit options as an obstacle to hiring workers.
- Southwestern University is currently working with donors to fund more internships and develop more relationships with employers in the city.
- Georgetown ISD has faced many challenges in shifting from a primarily rural district to one of the fastest growing in the state. They have made significant gains in STEM education, CTE programming, and overall outcomes. Through partnerships with local employers and organizations, their story can be better told to internal and external audiences.
- Georgetown typically imports younger, lower-skill workers and exports older, professional workers. As a result, new and existing professional companies located in Georgetown have access to a surplus of talent.

THREATS

- Many employers – particularly in retail, restaurants, and other service sectors – will face continued and growing hiring challenges if affordability and transportation issues are not addressed. Challenges hiring service workers will put upward pressure on wages and make operating in Georgetown more difficult.
- If Georgetown's population growth continues to be heavily concentrated among retirees, the city will continue to have relatively low workforce participation and smaller overall labor force gains.
- While high school graduation rates and test scores in Georgetown ISD exceed the Texas averages, they trail those of many other school districts within the Austin region.

Infrastructure

STRENGTHS

- Georgetown is making investments in infrastructure. There is currently $200 million in planned infrastructure citywide.
- Georgetown's proximity to interstate 35 and SH 130 provide the city with strong connections to the rest of Central Texas and the nation
- Georgetown's commitment to renewable energy is attractive to many businesses and provides a sustainable source of power into the future.
- Georgetown Municipal Airport is an important economic development asset for the city – supporting flights for executives, corporations, and general aviation activity.

WEAKNESSES

- The City has been chasing growth with infrastructure improvements. As a result, many residents note increased traffic due to new population. Many areas desirable for commercial and industrial growth currently lack water and wastewater infrastructure.
- Residents and business owners repeatedly complained about congestion and overall urban design of Williams Drive.
- Several residents and business owners noted that internet service is not reliable everywhere in the city.
- Some areas of the city are not pedestrian friendly.

OPPORTUNITIES

- Despite significant population growth, Georgetown has plenty of land available for further residential, commercial, and industrial development.
- Georgetown's municipal airport is already home to a flight training facility and has additional land ripe for development.
- Southwestern University possesses an abundance of land that may be suitable for additional development.
- New investments at Longhorn Junction are preparing that area of town for rapid office, commercial, and other growth in coming years.

THREATS

- Rapid population growth has increased traffic congestion throughout Georgetown. If traffic concerns are not addressed within the community, it will affect the city's small town appeal.
- If zoning for commercial and industrial land is not preserved in undeveloped areas, rapid residential growth could potentially erode some of these properties and prevent future primary job expansion in the city.
- Lack of public transportation options inside Georgetown and connecting to the broader region will continue to create challenges for hiring lower-income workers – many of whom lack a personal vehicle. It also creates internal challenges for students, lower-income residents, and some elderly residents who face mobility challenges.

Quality of Place

STRENGTHS

- Employers widely reported the ease of recruiting outside talent to Georgetown due in part to the city's reputation and attractive quality of life.
- Existing residents have highly positive views of the community. As one resident observed, Georgetown has the perfect mix of history, industry, and livability.
- Georgetown has a large, vibrant arts community and unique downtown.
- Georgetown is a highly multi-generational and engaged community – with an active volunteer population of all ages.
- The trail and park systems in the city are excellent and celebrated by residents. Overall Georgetown is a naturally beautiful and physically attractive city.

WEAKNESSES

- Housing affordability was brought up as a top concern by residents throughout stakeholder input. Many also expressed a need for more diverse housing types to attract and retain younger residents – including more walkable, dense urban living options.
- Residents repeatedly expressed a desire for more retail and restaurants.
- During focus groups with the community, many residents discussed the need for additional healthcare facilities to serve local population needs.

OPPORTUNITIES

- Georgetown has made significant investments in its park system and other recreational amenities. While Georgetown's rich recreational offerings are widely loved by residents, its not clear that outsiders are aware of such amenities.
- Although Georgetown's downtown is already home to several restaurants and retail outlets, there remain opportunities for additional establishments. Many residents would like to see more businesses with consistent and later hours.

THREATS

- Some employers experience difficulty recruiting younger workers to the areas, as other communities in Central Texas feature more amenities aimed at young professionals.
- Home prices continue to rise, forcing many workers to live in neighboring communities that offer more affordable housing.
- Residents remain divided on the area's growth, with newcomers and young people generally more receptive to further expansion. Growth is occurring and inevitable at this point – residents and leaders must work to shape this growth.
- Rapid population growth may make it more difficult for Georgetown to retain its small town charm.