SAN ANTONIO IT/TECH

2022 EMPLOYMENT & ECONOMIC IMPACT STUDY

TECH BLOC
ACTIVATING SA TECH

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ABOUT THIS REPORT

Information Technology (IT) is a high-priority economic development target industry for the City of San Antonio, Bexar County, and numerous area business groups.

These efforts are well placed, given world-wide tech industry growth and employment salaries. However, the local IT industry, which has expanded significantly over the last decade, has not regularly measured the size and characteristics of its own San Antonio IT economy. This data is fundamental to assessing progress and opportunities, identifying gaps, and crafting growth strategy. This new annual report from Tech Bloc and Port San Antonio aims to shed more light on the state of the greater San Antonio IT industry, with hopes to expand its measurement scope in the future. Information contained in this report is based on the most recent workforce and economic data available through the end of 2021 from the Texas Workforce Commission and other sources.

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Trinity University

Dr. Butler is Professor of Economics, Emeritus, and former Interim Dean of the School of Business at Trinity University, where he now serves as Alumni Engagement Coordinator. He has been at Trinity since 1982.

He earned his B.A. degree in Mathematics from Pomona College, and the S.M. and Ph.D. degrees in Economics from the Massachusetts Institute of Technology.

Dr. Butler has served as a policy advisor to several Mayors of San Antonio. He was also the founding CEO of the Alamo Academies, San Antonio's award-winning workforce development program.

Richard V. Butler, Ph.D.

Dr. Stefl is now Professor Emeritus of Health Care Administration at Trinity University. She was a long-term former Department Chair, and former Dean of the Division of Behavioral and Administrative Studies. She has been with Trinity since 1984. She now spends some time with Trinity's development office engaging alumni of the health care program.

She has assumed leadership roles in national professional community, having chaired organizations concerned with health administration education and program accreditation. She is also active in with a number of local non-profit and professional organizations, and now serves on the boards of Project Quest and the Humane Society.

Mary E. Stefl Ph.D.

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ABOUT THIS REPORT

PRINCIPAL FINDINGS

— **Economic Impact of San Antonio's IT Industry**

⊞ The San Antonio Information Technology industry has an annual economic impact of nearly **$11 billion**.

⊞ The IT industry's economic impact has **grown by 27%** since 2010. It has **more than tripled in size** since 2000.

⊞ The number of companies in San Antonio's IT industry **has grown from 1,095** in 2015 **to 1,491** in 2020, **a 36% increase**.

⊞ San Antonio's IT industry is growing rapidly in the internet and computer services sectors and this growth shows no signs of abating.

The IT Industry Workforce

- In 2020 the IT industry paid **$1.8 billion** in wages and salaries to its **20,718 employees**. This number represents all the employees of IT companies – both IT professionals and other staff.

- The average annual wage paid to these employees was **$88,017**, the highest average salary of all target industries in San Antonio.

- By comparison, the average wage across the San Antonio economy in 2020 was $54,940. Though IT workers make up only about 2% of the total workforce in San Antonio, high average salaries in the IT sector represent a significant opportunity to raise per capita income levels if the city can continue to grow its IT industry.

IT Professionals in San Antonio

- There are more than 48,000 total IT professionals working across all private and public sectors of the Greater San Antonio IT Economy.

- IT professionals work for both pure IT industry companies and non-IT companies. The private sector in San Antonio, including its IT companies, employs 31,600 IT professionals.

- An additional 16,471 IT professionals are employed by the defense, security and other Federal entities resident in San Antonio.

Geographic Nodes of IT Employment in San Antonio

⊡ Clusters of IT activity in San Antonio began to coalesce about 10 years ago. Since developing, these nodes have continued to strengthen and add employment.

⊡ As evidence of an emerging urban startup scene, the downtown/midtown area appeaed to contain the largest concentration of IT companies, though they were significantly smaller in average employment. But since March of 2020, startups appear to be more distributed across Bexar County due to Covid, the rise of remote work, and cost management.

⊡ The five largest hubs of IT employment are located in:

(1) **Port San Antonio**

(2) **The US 281 North Corridor**

(3) **Westover Hills / Loop 410 & Hwy151**

(4) **Windcrest / Rackspace**

(5) **USAA/Medical Center area**

⊡ In terms of growth rate, some of the fastest growing hubs of IT employment over the past 5 years are:

(1) **Downtown / Broadway-Midtown**

(2) **Port San Antonio**

(3) **Westover Hills / Loop 410 & Hwy151**

(4) **Joint Base San Antonio / Fort Sam Houston**

(5) **US 281 North Corridor**

Graham Weston interviews Netflix founder and CEO, Reed Hastings at the Tech Bloc 2019 Rally.

OVERVIEW OF SAN ANTONIO'S IT INDUSTRY

Before delving into the data on our IT industry economic impact and workforce numbers, Tech Bloc has identified the top tech economy sectors in which San Antonio is especially strong:

- ⊞ **Cybersecurity**

- ⊞ **Cloud Computing**

- ⊞ **Digital Retail and Commerce**

- ⊞ **Financial Technology, Services, and Compliance**

- ⊞ **Software as a Service (SaaS)**

Cyber Security

San Antonio is well represented nationally when it comes to Federal/DoD cyber mission support, cyber research and development assets, and commercial product and services firms. Texas ranks second after Virigina as the state with the most cybersecurity growth potential, according to Business Facilities' 16th Annual Rankings Report.

The U.S. Air Force's Security Service operations, established in San Antonio in 1948, have evolved into one of the nation's leading cybersecurity hubs, with the highest concentration of industry professionals outside of the Washington D.C. region. This activity is centered at Port San Antonio — a 1,900-acre technology campus just southwest of downtown. The Port is also home to the national headquarters for the Air Force's Cyber Command, with the 16th Air Force's Cyber Command and associated supporting cyber activities operating at the Port and its neighbor, Joint Base San Antonio-Lackland.

The Port is developing the former Kelly Air Force Base site, Bexar County's largest commercial-industrial property,

into an innovation hub housing companies specializing in cybersecurity, aerospace, applied technologies, and defense. The significant defense-sector cyber assets at the Port have attracted an array of marquee names to the campus, including Lockheed Martin, Booz Allen Hamilton, CACI, Northrop Grumman, CNF Technologies, IOMAXIS, and IPSecure. These companies support Department of Defense cyber operations and private-sector clients.

Port San Antonio will launch a comprehensive innovation center in 2022 that will house a science and technology museum, a technology arena, a collaborative maker and technology transfer space, and an industry showroom. These state-of-the-art facilities will help innovators develop, demonstrate, and market technologies leveraging cybersecurity, advanced aviation, energy, biomedical, and other applications.

Trained cybersecurity professionals are in great demand in every industry and government sector. Photo credit: Northup Grumman

Texas ranks second after Virigina as the state with the most cybersecurity growth potential, according to Business Facilities' 16th Annual Rankings Report.

Rackspace Office. Photo by courtesy of Rackspace.

Cloud Computing

Over the past decade, cloud computing has evolved to become a technological requirement for modern enterprises. San Antonio's strength in cloud computing can be directly traced to and remains anchored in the rise of Rackspace Technology.

> **Founded in San Antonio in 1998, focusing on managed hosting services and building physical web servers for businesses, Rackspace has evolved into a leading global technology services company specializing in managed applications, data, security, and public, private and hybrid cloud technologies.**

This homegrown enterprise is a linchpin in San Antonio's tech economy. IT startups like Jungle Disk, TrueAbility, and Mailgun, have spun out from Rackspace. Rackspace is also a leader in innovation beyond the Alamo City. Rackspace and NASA teamed up in 2010 to launch OpenStack, an open-source cloud initiative that standardizes the way virtual elastic clouds run, with OpenStack eventually becoming an independent nonprofit organization.

Digital Retail and Commerce

San Antonio's growing innovation and strength in digital retail, manufacturing automation, supply chain management, and personalization parallels H-E-B's emergence as a pioneering digital retailer, melding new technologies with a formidable brick-and-mortar grocery empire.

> **H-E-B is the largest privately-held employer in Texas and the 12th largest privately held U.S. company. In 2020, HEB was named H-E-B the top grocery retailer in the U.S., according to data science firm dunnhumby's Retailer Preference Index.**

H-E-B was already developing capacities to support its digital storefront when the pandemic started in 2020. With robots in H-E-B warehouses and newly developed IT platforms, H-E-B pivoted quickly to provide customers deliveries and curbside pickups of online orders.

The retailer has opened an 81,000-square-foot tech innovation center in East Austin for its H-E-B Digital team and serves as new headquarters for Favor, the on-demand delivery company acquired in February 2018. The San Antonio-based retailer also has plans to build a 150,000-square-foot, state-of-the-art tech center at its San Antonio headquarters. Slated to open in 2022, H-E-B plans to add about 1000 new jobs and move hundreds of existing employees to the San Antonio tech center upon completion.
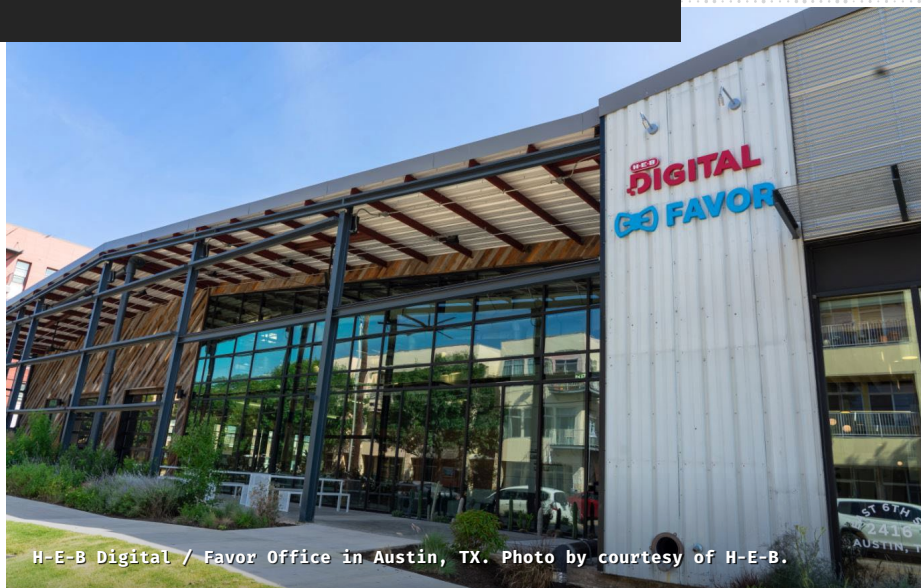
H-E-B Digital / Favor Office in Austin, TX. Photo by courtesy of H-E-B.
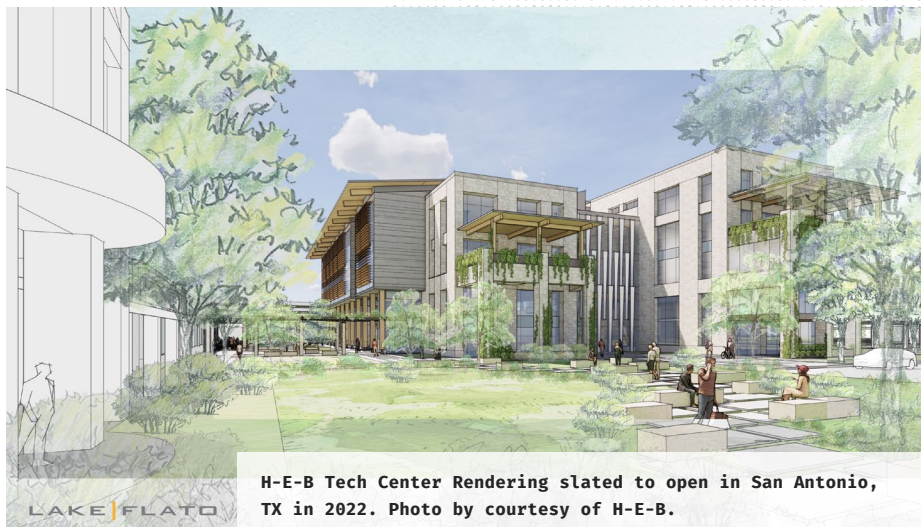
H-E-B Tech Center Rendering slated to open in San Antonio, TX in 2022. Photo by courtesy of H-E-B.

Financial Technology, Services, and Compliance

Traditional financial technology or fintech companies are innovating and revolutionizing the services offered by financial institutions while building sophisticated security and compliance measures to satisfy an ever-growing list of industry regulations. A long-time leader in this evolving sector is USAA. Headquartered in San Antonio, USAA is a Fortune 500 company providing banking, auto, home and life insurance, and retirement products tailored for the military community. Since its founding in 1922, USAA has embraced IT innovation.

From an aerial imaging tool developed after Hurricane Harvey to voice-guided check depositing on its mobile app for visually impaired customers, USAA's innovation continues to be driven by its dedication to its members. Its patented check deposit by cellphone feature has become the standard for remote banking services, which are in high demand given the pandemic. Other advances from USAA include biometric authentication and the testing of blockchain technology to improve the speed of the subrogation process during auto claims.

USAA also works with large technology firms, venture capitalists, startups, and experts in academia to help solve problems for its members. As USAA connects with financial technology firms, the company is looking at new capabilities such as artificial intelligence, blockchain, and augmented reality to help streamline internal operations and enhance the experience of its' members.

USAA San Antonio Campus. Photo courtesy of USAA

Software as a Service (SaaS)

Software as a Service (SaaS) got its kickstart in San Antonio thanks to Scaleworks, a venture equity firm focused on business-to-business (B2B) SaaS companies. Founded in 2016 by Lew Moorman, the former president of Rackspace, and serial entrepreneur Ed Byrne, Scaleworks has helped establish a strong beachhead of SaaS companies and talent downtown in the Savoy Building on Houston Street.

Scaleworks office.
Photo courtesy of Scaleworks

Scaleworks buys companies, moves them to San Antonio, and invests to hire and grow them here. Scaleworks has raised over $150 million and brought more than 10 companies to San Antonio. In addition, Scalework's launching of Element Finance, a $10 million debt fund that provides valuable working capital to SaaS companies across the country, has helped grow SaaS companies here and elsewhere.

Additional initiatives in the same high-growth space include B2B SaaS holding company Dura Software and seed investor Active Capital.

The co-working community Geekdom in the Rand Building on Houston Street also has SaaS founders building their companies. With the concentrated investment and success from Scaleworks, and the additional projects emerging in the ecosystem, SaaS could evolve into a significant cluster in San Antonio's tech ecosystem over time.

ECONOMIC IMPACT OF SAN ANTONIO'S IT INDUSTRY

The San Antonio IT economy consists of three major sub-sectors:

1

Information Technology Companies

Information technology companies include both large, established international enterprises and small, innovative startups. They produce both IT products (e.g., computer equipment) and IT services (e.g., website hosting). San Antonio's IT private sector industry is largely concentrated in software, web development and internet services. They employ a significant number of IT professionals, as well as many other employees necessary to run their businesses.

2

Corporate IT

IT workers at non-tech companies also make up an important part of every city's IT economy. San Antonio, home to five Fortune 1000 companies and scores of other organizations of all sizes, has a rich corporate IT sector that employs thousands of IT professionals.

3

Federal/Department of Defense (DOD) Cyber Missions

The third sub-sector consists of federal government agencies (including numerous military commands and national security organizations). This sub-sector is especially important in San Antonio, home to the second-largest concentration of information security professionals in the country and numerous other Federal missions.

THE ECONOMIC IMPACT OF INFORMATION TECHNOLOGY COMPANIES

— Technology Companies

Information technology is now a $10.8 billion industry
in San Antonio – more than triple its size two decades ago.

Figure 1. Economic Impact of IT on San Antonio's Economy, 2000-2020

INFORMATION TECHNOLOGY
Economic Impact

Billions

Year	Value
2000	3.4
2010	8.5
2015	8.8
2016	8.8
2017	9.1
2018	9.1
2019	10.1
2020	10.8
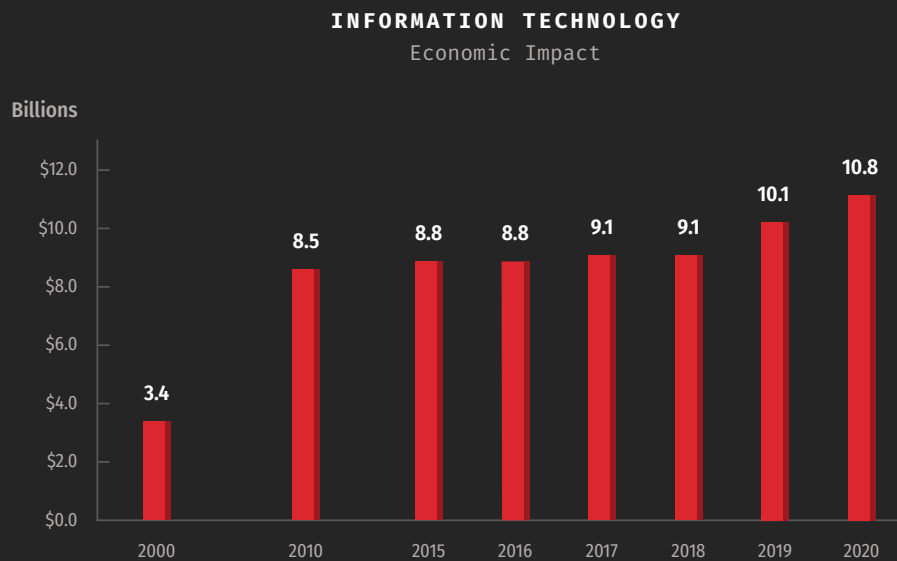
IT Services and IT Products

The economic impact of the San Antonio IT industry was relatively stable over most of the past five decades, with a noticeable uptick in 2019 and 2020. This overall pattern conceals the dynamic changes that have been taking place within the industry.

To understand this, it's helpful to look more closely at the individual sectors that make up the San Antonio IT economy:

⊞ Companies that supply IT services such as web hosting and custom computer programming, and

⊞ Companies that produce and sell information technology products for customers, businesses, and the U.S. government.

The Products sector includes manufacturers of:

Computer and electronic equipment and components, wholesale trade (including business-to-business electronic markets), retail trade, and internet and software publishing.

The Services sector includes providers of custom computer programming and internet services, web hosting companies, IT training, and equipment repair services.

The IT industry has changed considerably over the past two decades. At the beginning of that period, 30% of the jobs were in the Products sector, but 50% of the industry's economic impact was in Products. A similar patterns prevailed in 2020: 25% of the jobs but 55% of the economic impact were in the Products sector."

For the industry as a whole, employment and economic impact remained relatively stable over most of the past decade, though with notable increases in 2019 and 2020.

Figure 2. Economic Impact of IT Products and Services, 2000-2020

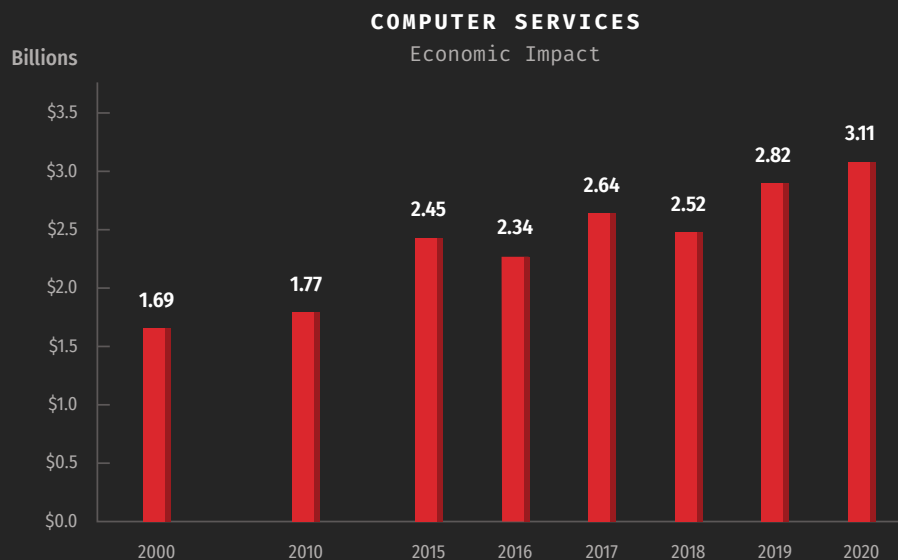**INFORMATION TECHNOLOGY**
Economic Impact of Industry Sectors
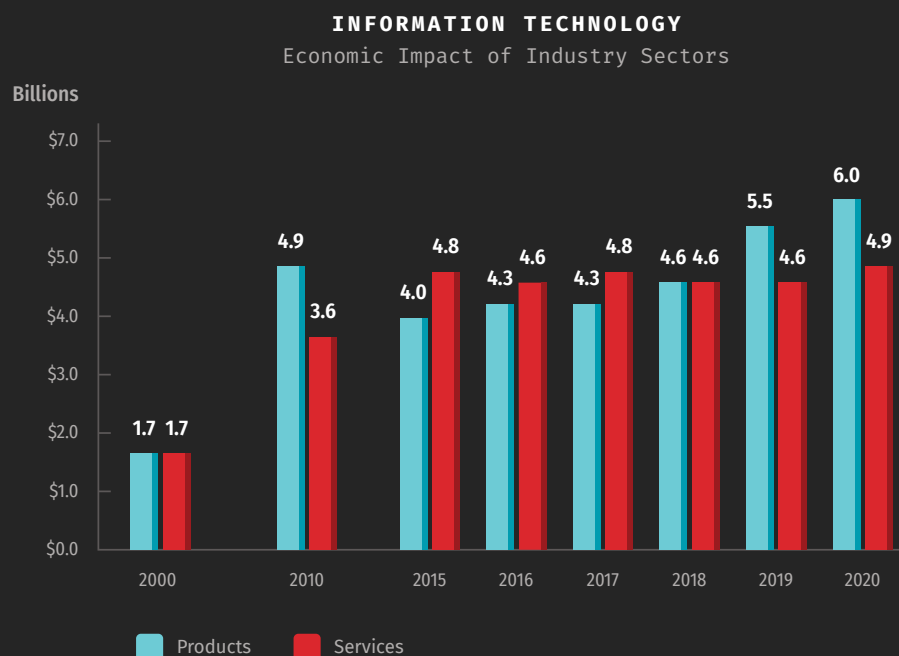
Growth in computer systems design and programming services sub-sectors

In recent times San Antonio has become a mecca for large data centers, with both local companies (like Rackspace Technology and Frost Bank) and major international firms (including Microsoft, Lowe's, J P Morgan Chase and others) establishing a presence in northwest San Antonio. Much of this appears to be driven by the sale of land for corporate data center construction in the previously biotech focused Texas Research Park by the managing Texas Research & Technology Foundation.

Within the Computer Services industry sector, there has been growth in the computer systems design and programming services sub-sector. Workers in the computer systems design industry write the software that runs computers, design the integration of software and hardware, and operate data processing facilities.

The economic impact from computer services is more than twice what it had been only a decade earlier, and employment in these services is now 41% of the entire industry's employment in San Antonio (up from 34% of the industry total in 2010).

Figure 3. Economic Impact of Computer Services in San Antonio, 2000-2020

COMPUTER SERVICES
Economic Impact

Billions

Year	Value
2000	1.69
2010	1.77
2015	2.45
2016	2.34
2017	2.64
2018	2.52
2019	2.82
2020	3.11

SALARIES & EMPLOYMENT IN THE IT INDUSTRY

IT professionals work in IT companies, non-tech companies and various federal entities. Since tech companies also have non-IT employees, it is important to avoid double-counting.

According to Texas Workforce Commission data collected for employers, a total of 20,718 individuals worked for IT companies in San Antonio in 2020. This includes all the employees of those companies, not just the IT professionals.

However, the majority of the IT professionals in San Antonio work for companies and agencies whose primary focus is outside IT. Texas Workforce Commission data organized by occupational category places the number of individuals employed in IT jobs across the private sector in greater San Antonio in 2020 at 31,600. Since this includes IT professionals who work at IT companies, adding these two figures would involve a sizable degree of double counting.

Tech Bloc and Port San Antonio conducted its own survey of Federal agencies in San Antonio, including military commands, national security organizations and other Federal enterprises. (A complete list of the agencies contacted can be found in the appendix at the end of this report.) This sampling, which is extensive but not exhaustive, found 16,471 cybersecurity professionals doing IT work for the Federal government. These 16,471 Federal employees are not included in the TWC occupational data for the private sector, so it is appropriate to combine those two estimates.

Figure 4. IT Industry Employees and Federal IT Employees, 2008-2020

YEAR	IT INDUSTRY EMPLOYEES	FEDERAL IT EMPLOYEES
2008	20,590	NA
2014	24,690	9,687
2016	27,240	NA
2018	27,330	16,471
2020	31,600	NA

Our best estimate, then, is that **more than 48,000 IT professionals work in the Federal and private sectors in San Antonio.** This is a substantial (40%) increase over the 34,377 IT professionals identified in the 2014 IT Economic impact Study.
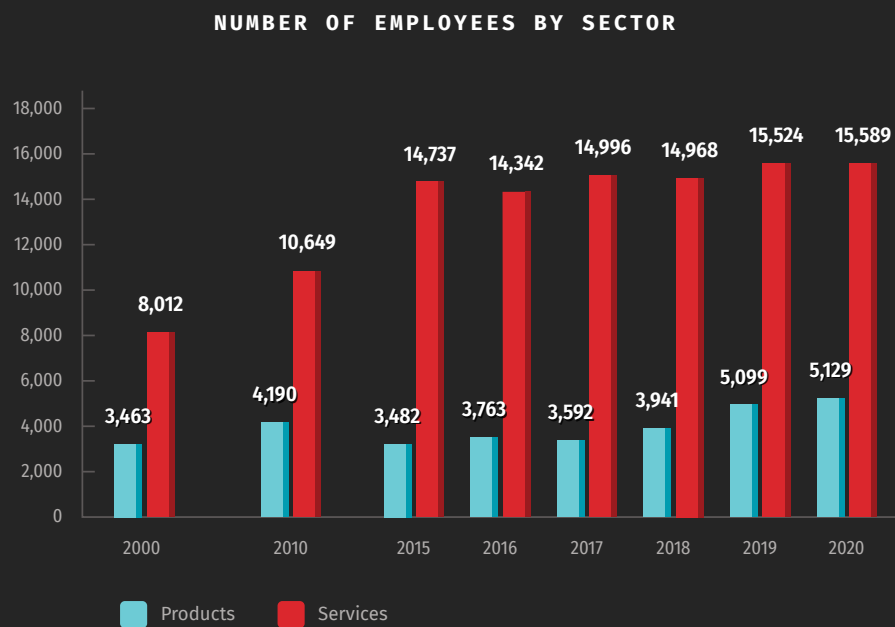
It's also important to note that the number of civilian IT professionals increased by more than 50% over the past dozen years.

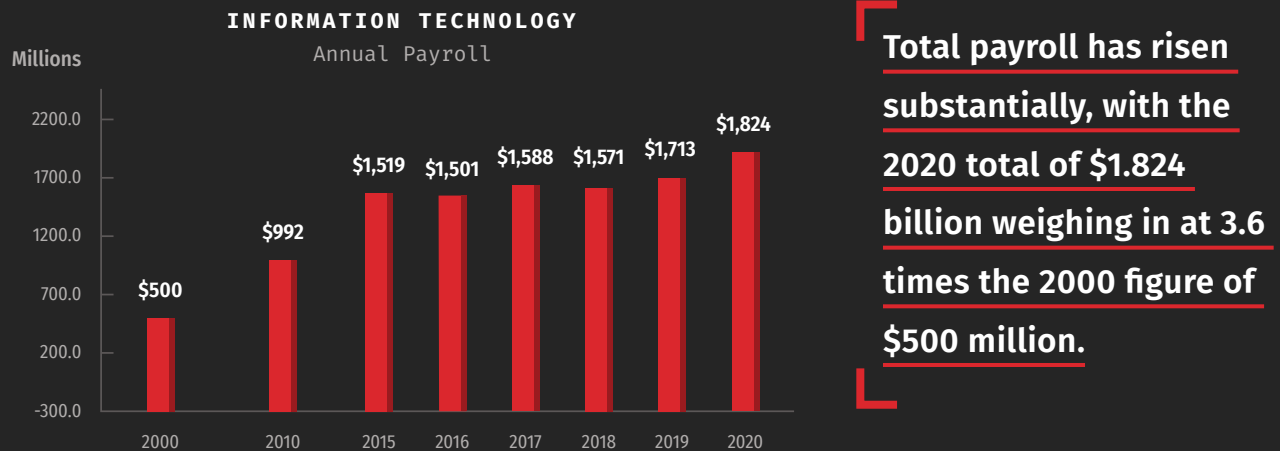# SALARIES AND EMPLOYMENT IN THE INFORMATION TECHNOLOGY INDUSTRY

While the industry's economic impact has more than tripled since 2000, employment has grown more slowly. This is due in part to the relative shift of IT activity in San Antonio from the production of products to the provision of services.

Figure 5. Number of employees by sector, 2000-2020

NUMBER OF EMPLOYEES BY SECTOR

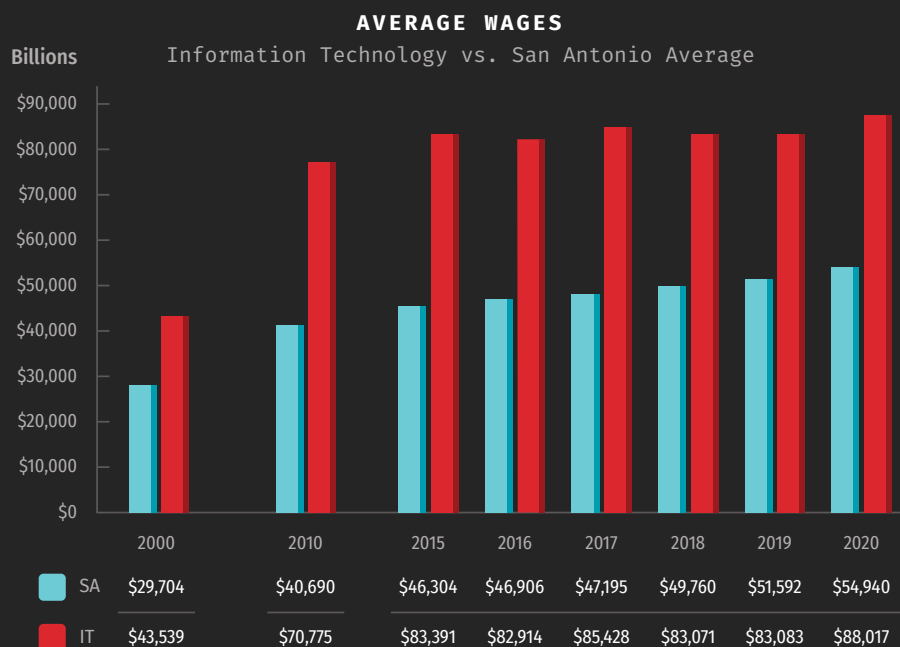| Year	Products	Services
2000	3,463	8,012
2010	4,190	10,649
2015	3,482	14,737
2016	3,763	14,342
2017	3,592	14,996
2018	3,941	14,968
2019	5,099	15,524
2020	5,129	15,589

Products   Services

In addition, many of the internet-services functions like web hosting produce large revenues with very small workforces. These jobs pay well, and their economic impact is large, so the region has gained greatly from this evolution even as employment has grown relatively slowly.

Figure 6. IT Annual Payroll, 2000-2020

INFORMATION TECHNOLOGY
Annual Payroll

Millions

2200.0	
1700.0	
1200.0	
700.0	
200.0	
-300.0	

$500 $992 $1,519 $1,501 $1,588 $1,571 $1,713 $1,824

2000 2010 2015 2016 2017 2018 2019 2020

Total payroll has risen substantially, with the 2020 total of $1.824 billion weighing in at 3.6 times the 2000 figure of $500 million.

These are well-paying jobs. Average wages, reflecting the trend toward more-specialized, high-value employment, are double what they were in 2000. The average annual wage in the IT industry in 2020 was $88,017. In the high-growth areas of computer and internet services, the average is $87,919. By comparison, the average wage across the San Antonio economy in 2020 was $54,940.

Figure 7. Average IT Wages Vs. San Antonio Average, 2000-2020

AVERAGE WAGES
Information Technology vs. San Antonio Average

Billions

$90,000	
$80,000	
$70,000	
$60,000	
$50,000	
$40,000	
$30,000	
$20,000	
$10,000	
$0	

|	2000	2010	2015	2016	2017	2018	2019	2020
SA	$29,704	$40,690	$46,304	$46,906	$47,195	$49,760	$51,592	$54,940
IT	$43,539	$70,775	$83,391	$82,914	$85,428	$83,071	$83,083	$88,017

THE LOCATION OF IT IN SAN ANTONIO

In some cities, tech startup activity and employment tends to cluster in geographical hotspots. In San Antonio, there have been several public sector and private developer investments to cluster employment in tech hubs across the city. This year's report provides a first look at where IT employment is concentrated in San Antonio, and the results of some of the city's efforts to build employment density and hubs.

So where are the concentrations of IT employment located across the city? To answer that question, we disaggregated data from 2007 through 2019 from the Texas Workforce Commission down to the zip code level as provided by Emsi, a national labor market analytics firm. The results are displayed in the map below.

Figure 8. San Antonio IT workforce locations by zip code, 2019
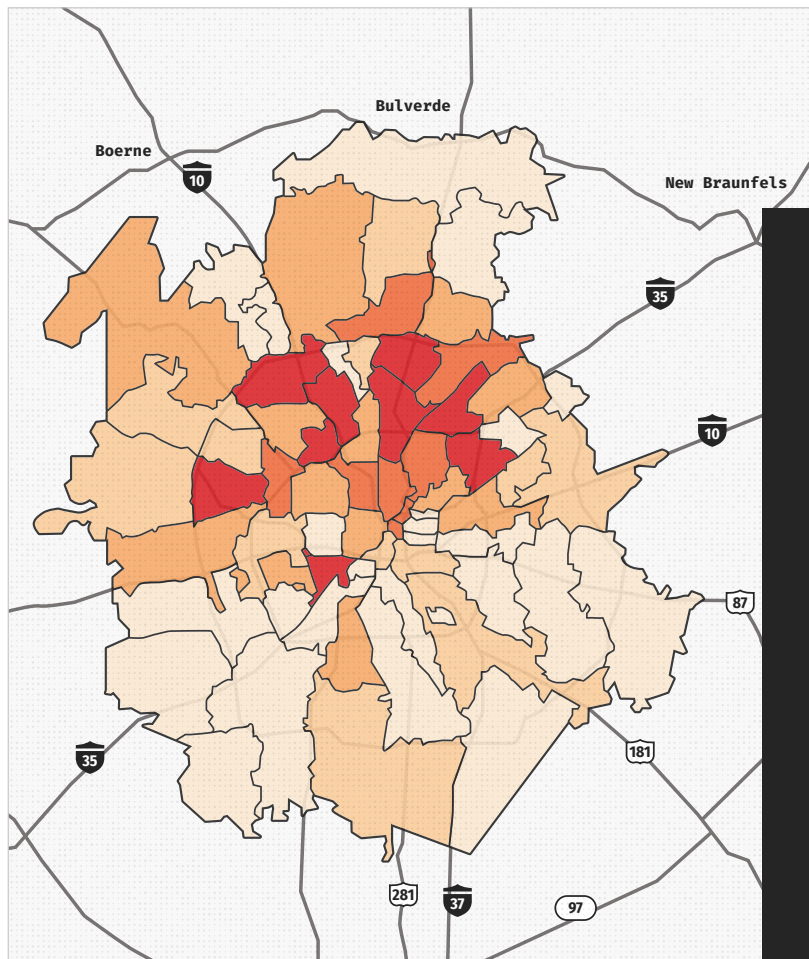
Looking at the map, a few hubs of IT employment stand out:

- The 281 North corridor, stretching north from Alamo Heights
- The Northeast corridor, along I-35 from downtown to Selma
- The Northwest corridor, along I-10 outside of Loop 410
- Westover Hills
- Port San Antonio, and
- Downtown/Mid-Town

Frost Tower. Photo by courtesy of Weston Urban.

Gaining a deeper understanding of this clustering requires an examination of the relative size and growth rates of these and other hubs. This can be done by combining employment data for the member zip codes of the various hubs.

Interestingly, some of the lead employment clusters (281 North, for example) have grown despite proactive, city-wide attempts to market and grow other areas into distinct tech hubs. Many of these large-employer-driven zones are more car-centric and suburban in character, and their growth seems to be driven by affordability, accessibility and convenience.

In contrast, more urban districts (downtown/midtown for example) and federal/DoD installation zones have received more concentrated investment and marketing efforts to cluster tech employment. Employment data shows that some of these efforts are having an impact. For example, after the Base Realignment and Closure in 2001, Kelly Air Force Base was redeveloped into the Port Authority of San Antonio. Today, Port San Antonio is the single largest commercial industrial property in Bexar County and is home to the largest concentration of IT employees, thanks to its many private and Federal employers.

But, while downtown has recently received focused investment in startup growth and clustering efforts, it ranks below the other hubs in the number of tech workers. As a result, downtown IT businesses include a larger proportion of small (1-10 employee) startups, while the outlying hubs house larger, more mature IT employers. It's also worth noting that these tech employment clusters have remained fairly constant over the past dozen years (2007 to 2019), largely due to their anchor employment tenants.

One final factor to consider is the pandemic impact on where people are working since spring 2020. Both large and small employers have a larger percentage of their employees working remotely, going into the office part-time, infrequently, or not at all.

Many Federal and defense activities and consumer-facing businesses leveraging IT expertise require workers to work at the company location. Yet, it appears the pandemic has driven employees working at startups, smaller businesses and some established enterprises like USAA to largely work at home or other remote work locations. Therefore it is important to note that the map reveals the phycial office addresses of workers employed at companies as reported by TWC without data tracking for remote work.

**Figure 9. TWC Employees by Zip Code, 2007-2019**

NODES	ZIP CODES	2007	2013	2014	2015	2016	2017	2018	10-YGR	5-YGR	AGR
Downtown/Midtown	05, 15	878	1225	1288	1394	1452	1533	1620	84.50%	32.23%	5.7%
USAA/Medical Center	30, 29, 40	1714	2206	2259	2403	2372	2434	2508	46.31%	13.71%	3.5%
UTSA Main	49,56, 55	1305	1643	1672	1808	1867	1945	1992	52.68%	21.28%	3.9%
281 N. Corridor (Gur Airport)	16, 32, 13	2656	3350	3496	3718	3846	4043	4198	58.02%	25.31%	4.2%
Westover Hills / 151	51, 38	1579	1715	1713	1779	1906	1872	2018	27.82%	17.69%	2.3%
Rackspace / Windcrest	18, 17	1751	2549	2631	2715	2639	2645	2725	55.64%	6.90%	4.1%
Brooks	35	28	37	39	43	42	45	50	77.57%	33.56%	5.4%
TAMU SA	24	149	179	187	192	188	192	198	33.05%	10.69%	2.6%
JBSA / Fort Sam	34, 09, 08	808	973	1024	1075	1154	1192	1248	54.49%	28.32%	4.0%
Port SA	26, 25, 41, 36	990	1395	1407	1418	1359	1337	1468	48.32%	5.24%	3.6%
Stone Oak	58, 57	792	945	968	1046	1087	1124	1161	46.68%	22.83%	3.5%

The table above shows Texas Workforce Commission IT employment aggregated by the zip codes that comprise each of the major IT employment nodes.

However, over one-third of the IT workforce is employed by federal/DoD missions. These positions are not contained in the state data sources for national security and other reasons. Tech Bloc, in association with Port San Antonio, has obtained these federal/DoD employment figures, as discussed earlier in this report. While we know their location across zip codes, the specifics of this data are restricted from public release. Though not listed in the attached TWC employment table, we've adjusted the aggregate rankings based on the unique DoD employment data obtained by this report.

Tech Bloc's ranking of the largest tech employment centers based on the latest employment TWC data and adjusted for unlisted federal/DoD positions is:
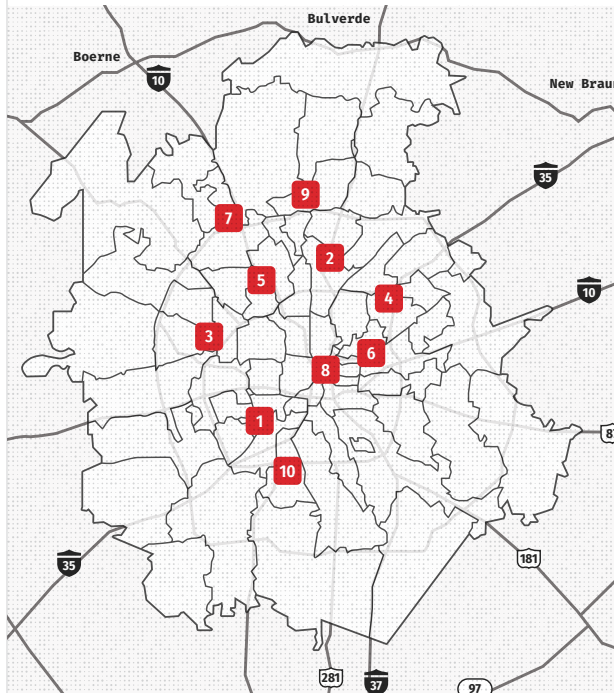
(1) **Port San Antonio** (twice as large as the next biggest)

(2) **281 North Corridor**

(3) **Westover Hills/Highway 151**

(4) **Rackspace/Windcrest**

(5) **USAA/IH-10/Medical Center**

(6) **Joint Base San Antonio / Fort Sam Houston**

(7) **UTSA Main Campus / NW Loop 1604**

(8) **Downtown / Broadway-Midtown**

(9) **Stone Oak / 1604 North**

(10) **Texas A&M University San Antonio**

Beyond the nominal employment figures, we can also construct a picture of the relative growth rates of each IT employment hub by looking at employment data for each over the last five and 10 years. Of course, hubs growing from a smaller base number have the potential to generate higher growth rates.

The rankings contains 5 and 10-year growth rates based solely on Texas Workforce Commission data. As in the size rankings above, we've attempted to adjust the Texas Workforce Commission data with the unique DoD employment data obtained for this study. Tech Bloc's adjusted list of some of the fastest growing hubs of IT employment over the past 5 years are below.

(1) **Downtown / Midtown / Broadway**

(2) **Port San Antonio**

(3) **Westover Hills / Loop 410 and Hwy151**

(4) **Joint Base San Antonio / Fort Sam Houston**

(5) **281 North Corridor**

While many of the hubs that existed 10 years ago continue to show growth, it is important to note the emergence of a new significant hub for tech employment downtown during this same timeframe.

REGIONAL LEADERS AGREE – WE NEED A STRONG TECH ECONOMY

San Antonio's IT industry has expanded significantly over the last decade. More companies, from enterprise-level world-class leaders such as USAA, HEB, and Rackspace, to mid-sized and smaller businesses, are leveraging technologies for greater efficiency and impact. This growth in San Antonio's tech scene has become one of the city's major economic drivers, which is critical to the future of our rapidly growing city.

Bexar County leadership is focused on creating a friendly business environment to increase the economic momentum in downtown San Antonio and across the County. We are active in working with the startup community, soliciting feedback when developing policies that are inclusive and helpful. We also continue to work closely with tech entrepreneurs to stimulate more innovation-driven growth in Bexar County.

Bexar County is proactively engaging with business leaders and other important stakeholders to build a thriving economy that supports prosperity for all residents. We will continue to work alongside the business community in growing our tech industry in San Antonio.

Sincerely,

Nelson W. Wolff
Bexar County Judge

> "This growth in San Antonio's tech scene has become one of the city's major economic drivers, which is critical to the future of our rapidly growing city."

CONCLUSION

Information Technology is one of San Antonio's major industries with an economic impact of nearly $11 billion.

Pure IT commercial firms employ more than 20,000 San Antonians at high wages relative to other industries in the city. San Antonio's IT industry is growing rapidly in the internet and computer services sectors and shows no signs of abating.

The broader IT workforce in San Antonio includes more than 48,000 professionals who work in both civilian and military IT. The strength of this workforce has positioned San Antonio as a center of future IT growth, especially in cybersecurity, computer services and hosting. There is every indication that the IT industry in San Antonio will continue to grow and prosper.

This report offers a first look at the location of IT companies and employment in San Antonio. While the major clusters have remained the same over time, the relative growth rates of among them have diverged. Especially significant for the future is the employment strength of major hubs such as Port San Antonio, along with the emergence of a growing startup scene of small companies downtown.
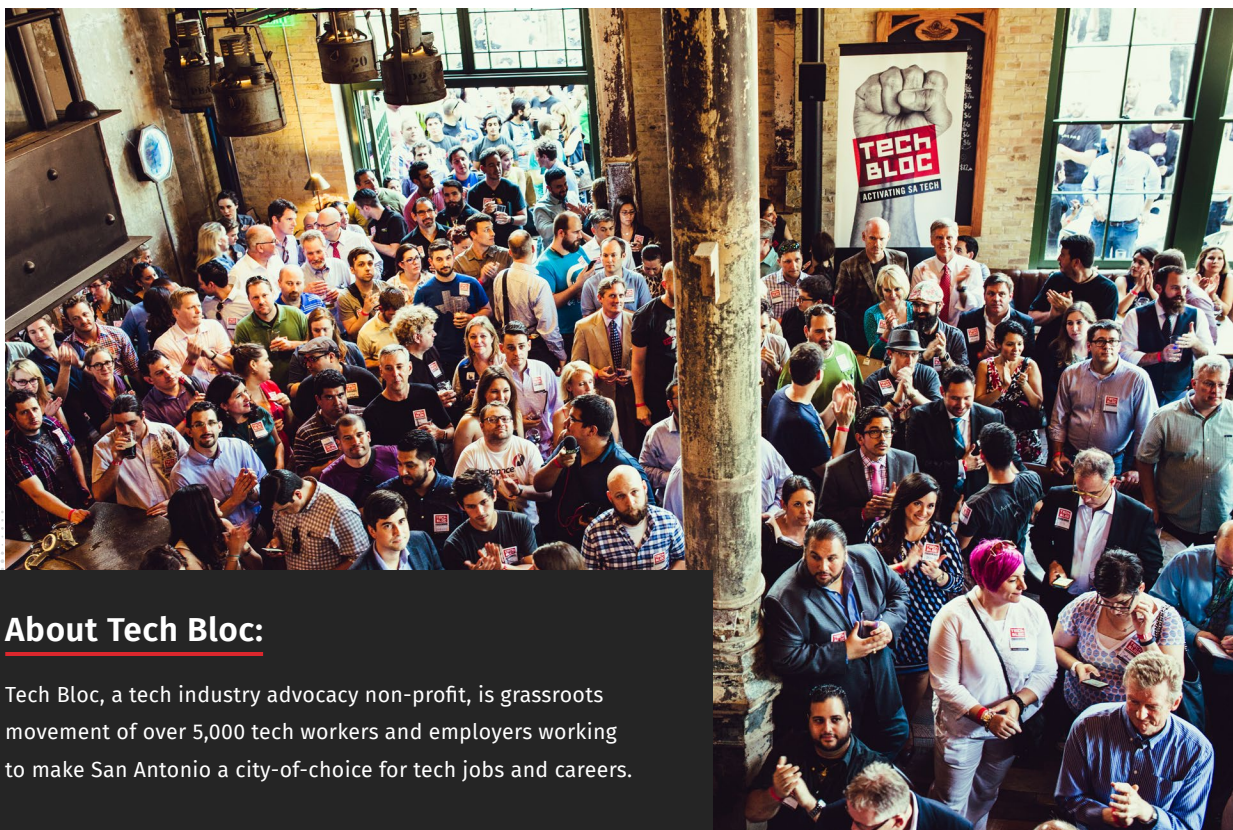
About Tech Bloc:

Tech Bloc, a tech industry advocacy non-profit, is grassroots movement of over 5,000 tech workers and employers working to make San Antonio a city-of-choice for tech jobs and careers.

METHODOLOGY AND DATA USED

The information for the economic impact estimates and IT industry employment presented here is derived from the Texas Workforce Commission's Covered Employment and Wages database. The data is aggregated by the TWC into the lines of business defined by the North American Industrial Classification System (NAICS) coding framework. It represents essentially a 100% sample of all the businesses with employees in each NAICS subcode.

The specific subcodes included in this study are listed below.

Figure 10. List of NAICS subcode for IT Workforce Economic Impact study

Products

Equipment Manufacturing

3341	Computer and Peripheral Equipment Manufacturing
3344	Semiconductor and Other Electronic Component Manufacturing

Wholesale Trade

42343	Computer and Computer Peripheral Equipment Wholesalers
42511	Business to business electronic markets

Retail and Publishing

454111	Electronic Shopping
5112	Software Publishers

Services

Reproduction Services

334614	Software and other pre-recorded CD, tape and record reproducing

Internet Services

518	Data Processing, Hosting and Related
52232	Financial Transactions Processing, Reserve and Clearinghouse

Computer Services

541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services

Training and Maintenance

61142	Computer Training
811212	Computer and Office Machine Repair
811213	Communication Equipment Repair and Maintenance

The information for the estimates of civilian professional IT workforce came from the Bureau of Labor Statistics' Occupational Employment Statistics website, as aggregated into zip codes by Emsi, a national labor market analytics firm.

The estimates of the military and federal workforce not included in the published TWC statistics came from a survey conducted by Tech Bloc in association with Port San Antonio. Figure 12 shows the list of military commands and national security organizations surveyed for Federal/Military IT employment numbers.

Figure 11. Agencies surveyed by Port San Antonio and Tech Bloc of Federal/Military IT employment

→ 16th Air Force (Air Forces Cyber)

→ Air Force Life Cycle Management Center – Cryptologic and Cyber Systems Division

→ 688th Cyberspace Wing

→ 67th Cyberspace Wing

→ NSA in Texas

→ Joint Information Operations Warfare Center

→ U.S. Secret Service

→ Federal Bureau of Investigation

→ Army Research Lab South – Cyber

→ Air Force Research Lab

→ U.S. Army Medical Information Technology Center

→ Air Force Life Cycle Management Human Resources Systems Division

→ Defense Information Systems Agency

→ Air Force Installation and Mission Support Center

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