The San Antonio Economic Development Foundation (SAEDF) is the region's economic and workforce development leader and master convener. SAEDF maintains its focus on optimizing resources to realize operational goals, strategic objectives and priorities in order to promote the recruitment and retention of jobs and investment from local, domestic and international markets. SAEDF's 2019 Business Plan incorporates international and regional economic development strategies to position San Antonio globally and promote economic mobility in the local community.

Charter:

- Vision: To propel the San Antonio region to the forefront of today's top performing cities.
- Mission: Lead the development and diversification of the San Antonio regional economy through the location and expansion of quality employers and job-producing investments.
- Unique Value Proposition: As a public-private economic development organization, SAEDF serves as an extension of industry to build networks and develop business opportunities on behalf of our public-sector partners. SAEDF serves as the San Antonio region's lead marketing organization, working daily to promote the community as a prime location for quality employers. SAEDF also provides complimentary site selection assistance through customized site searches, research and analytics, to streamline a company's entrance into the San Antonio regional market.
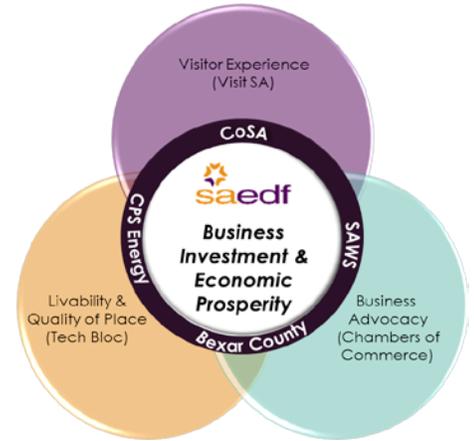
Strategic Framework:

SAEDF's strategic framework focuses on business attraction, retention and expansion, and workforce development within targeted industries. These services assume a collaborative approach to economic development, all focused on generating new jobs for our community and driving San Antonio to an economically healthy and prosperous future.

Planning Assumptions:
The San Antonio region has many assets that make it a desirable place for both residents and businesses. The area is projected to add a significant number of new residents by 2020, expanding its existing workforce and ability to support growing business. Driving the influx is the attractiveness of San Antonio's deeply-rooted military cluster, growing financial institutions, flourishing tourism and hospitality sectors, and emerging bioscience and technology sectors.

This industry diversity and the region's business-friendly, low-tax environment, municipally-owned utilities (CPS Energy and SAWS), and state-sponsored business relocation opportunities, have contributed to healthy economic growth and employment throughout the city.

San Antonio's connectivity by air, sea, rail and land along with our central geographic location makes the city an attractive location for new and expanding operations. By air, travelers have access to over 54 non-stop destinations, including international locations in Mexico and Canada. San Antonio is connected to international trade routes by road and rail, sitting at the crossroads of major interstates (I-35, I-37 and I-10) and highways (Hwy 281) that connect us East-West and North-South, and to seaports nearby in Houston and Corpus Christi. These geographic assets and ease of connectivity position San Antonio advantageously for considerable growth, presenting the need to think regionally and compete globally.

2019 Economic Outlook:
San Antonio's industry profile is as unique as its history, with a diversified concentration of industries and headquarters in healthcare, retail, food services, education, business and financial services, manufacturing and recreation. In the near term, those established industries' performance will set the course for the regional economy.

Job growth in 2017 was 2%, slowing to 1% during the first ten months of 2018[1]. Labor markets tightened at the beginning of 2018 with the unemployment rate falling to an 18-year low. It rose slightly, to 3.3% in September, but fell back to 3.1% in October. The unemployment rate is expected to remain around the same percentage into 2019.

San Antonio's diversified industry clusters and considerable government presence likely helped the metro weather the Great Recession better than other metro areas of comparable size. Looking forward, these same traits that local leaders have worked to maintain will again stabilize the region as indicators point to recession.

The metro's proximity to expanding state-of-the-art military medical facilities, as well as large privatized research and bioscience institutions, should continue to drive growth in the health sector and enable San Antonio to be the lead in innovation and advanced healthcare technologies. Recent announcements, including the University of Texas at San Antonio's plans to establish a National Security Collaboration Center and School of Data Science at their downtown campus and Texas Research and Technology Foundation's Innovation Center, will lead further investments into education and downtown infrastructure, with the potential to attract new tech businesses as well as talent and young professionals into the urban core.

On the trade front, Texas is the largest exporting state and has a lot to gain or lose pending national trade policies. New tariffs enacted since 2018 have sparked a global trade war with other countries. Canada, Mexico, the EU and China have already retaliated or announced plans to retaliate worth billions of dollars in tariffs on American-made products. In Texas, over $13 billion of exports are threatened with retaliatory tariffs, putting over 3 million Texas jobs at risk. Much like at the state level, Canada and Mexico are San Antonio's largest export markets. To keep these markets open and free, we are supporting our chambers as they advocate for the ratification of the U.S.-Mexico-Canada (USMCA) Free Trade Agreement in 2019.

The region's population increased by approximately 10.5% in the past 5 years (2013 - 2018), growing by approximately 235,000[2] residents. This year, the population is expected to increase approximately 1.5%, adding 40,000 residents by 2020 and helping the San Antonio – New Braunfels MSA maintain its position as one of the fastest growing cities in the US.[3] The millennial population, which currently makes up 22% of the total population, is above the national average[4] and remains a significant contributor to San Antonio's population growth by way of migration.

Sources:
[1] *LMCI Tracer 2, Texas Workforce Commission (October, 2018) Retrieved from: www.tracer2.com*
[2] *Emsi (2018); Economy Overview. Retrieved from economicmodeling.com*
[3] *Ura, Alex (2018). San Antonio tops national list in population gain; Houston growth is sluggish, Texas Tribune. Retrieved from: https://www.texastribune.org/2018/05/24/texas-census-san-antonio-tops-national-list-population-houston-growth/*
[4] *Emsi (2018). Economy Overview Report, San Antonio-New Braunfels, TX, Population characteristics. Retrieved from: economicmodeling.com December 12, 2018*

Industry Outlook: Tailwinds & Headwinds

Sustaining growth is vital to maintaining San Antonio's MSA prosperity. For the region's target industries, growth is forecasted to continue, but at a slower rate in 2019. With unemployment at an all-time low in the region, state and national labor markets are expected to tighten, causing this constraint. Additional factors include a slower housing market and global economies where growth is showing slow-down. However, the San Antonio region's diverse industry profile in Biosciences, Manufacturing, Information Technology (IT) and Cybersecurity, Military installments, and growing financial hub are attributed to the region's resiliency during any economic downturns, paving the way for continued prosperity in 2019 and beyond.

- Industry Tailwinds:
  - San Antonio's expanding **cybersecurity sector** represents a significant opportunity for growth and global recognition. With over forty cybersecurity firms headquartered in San Antonio, the city maintains the second largest concentration of IT, information assurance and cybersecurity professionals in the nation, outside of the Washington D.C. area. Fueling this growth is the city's continued support and investment in education and creation of a cybersecurity workforce. Investment in information technology and cybersecurity entrepreneurial development and education through expanding local programs like CodeUp, Geekdom and planned expansions from the University of Texas San Antonio and Texas A&M San Antonio will support San Antonio's continued development of a skilled cybersecurity workforce.[5]

  - **Manufacturing** product sales and growth remain steady and stay in the top five industries for the gross regional product. Virtually every segment of manufacturing is represented by the companies within the San Antonio region ranging from food processing and automobiles to aircraft and solar panels. The manufacturing industry's annual economic impact is estimated at over $40.5 billion in 2016.[6]

  - **Biosciences and health services** continue to support significant job growth in the area, with a combination of private and government operations. Employment in private health-related institutions accounts for about 13% of San Antonio's workforce[7], higher than in other major Texas metros, including Houston. Its share grew in the last ten-year period, adding approximately 50,000 net new jobs with average earnings per job at $54,000. San Antonio's proximity to military medical facilities, as well as privately funded research and health institutes, are a strong asset and include the San Antonio Military Medical Center (the nation's largest military hospital), Wilford Hall Ambulatory Surgical Center at Lackland Air Force Base, the University of Texas Health Science Center at San Antonio, the Texas Biomedical Research Institute and the Texas Research Park.[8,9]

  - **Business and financial services** continue to be a growing sector and account for 9%[9] of the local workforce, making it the fifth largest industry cluster in the region. San Antonio is headquarters to USAA (United Services Automobile Association) and Frost Bankers Inc. Employment in the business and financial institutions rose 14% in five years, in line with other major state metros and 7% above the national average.[10] With recent financial company relocations, job growth can be expected to remain but at slightly lower levels of approximately 9% by 2022.

  - **Tourism**, which includes the associated clusters of recreation and food services, is one of the area's most important industries, with local attractions drawing millions of visitors annually and generating $15.3 billion in economic impact.[11] Employment expanded by 33% in food services and 18% in recreation between 2010 and 2017 period. These clusters make up nearly 15% of all metro jobs.[12] Increases in hospitality jobs are expected to grow 10% in the next five years. Credit for growth can be attributed to the San Antonio Tourism Public Improvement District (TPID), which was passed by City Council in 2018. These special districts are expected to be boosted through increased fees on visitors that will go directly to promoting San Antonio.

Sources:
[5] *Velasquez,JJ. (2018) UTSA Lands $70 million for Cybersecurity Center, School of Data Science, Rivard Report. Retrieved from: www.rivardreport.com*
[6] *Butler, Richard V. Ph.D., Stefl, Mary E., Ph.D., (2017). San Antonio's Manufacturing Industry: Economic Impact in 2016. Retrieved from: http://www.sama-tx.org*
[6,7,8] *Assanei, Laila, Davis Kristin E., Slijk, Christopher (2018). Federal Reserve Bank of Dallas: At the Heart of Texas Cities' Industry Clusters Drive Growth.*
[9] *Butler, Richard V. Ph.D., Stefl, Mary E. Ph.D. (2018). San Antonio Chamber of Commerce Healthcare and Bioscience Economic Impact Study 2018.*
[10] *Emsi (2018). Industry Snapshot. Retrieved from: economicmodeling.com*
[11]*Visit San Antonio (2017) 2017 Road Map Annual Report. Retrieved from: http://partners.visitsanantonio.com, December 15,2018*
[12]*Assanei, Laila, Davis Kristin E., Slijk, Christopher (2018). Federal Reserve Bank of Dallas: At the Heart of Texas Cities' Industry Clusters Drive Growth.*

- Industry Headwinds:
  - o A continued shortage of skilled workers may constrain growth in high-paying sectors and limit the area's ability to attract firms and investment. Explicitly, a short supply of in-demand skills in data science, artificial intelligence, and tech-related skills are top considerations. Regionally, San Antonio continues to trail other metros in educational attainment. Twenty-six percent of the San Antonio population age 25 and over holds a bachelor's degree or higher[13], compared with the state's average of 28%. The region's less educated population and high-level economic segregation relative to other large Texas metros, combined with increasing housing unaffordability and low paying service employers in retail and recreation, has restrained median incomes.[14]

  - o The three large military installations and the defense and security cluster are vulnerable should federal budget cuts occur in the future. Joint Base San Antonio (JBSA) reports the total economic impact of military operations at more than $27 million.[15] Federal budget cuts that affect these installations would be detrimental to the region.

  - o As a historic center of cultural confluence and trade, the San Antonio region maintains favorable economic and cultural relationships around the world, with jobs supported by trade and export activities. The impact of current dynamic federal policy on trade and investment, both within North American and beyond, continues to challenge the San Antonio community's strategic efforts in this space. Data will continue to drive the evolution of the community's global development strategy and tactics, but must be balanced with the ever-evolving federal policy on trade and investment.

Strategic Objectives:

SAEDF identified and defined San Antonio's target industries as headquarters, biosciences, information technology, cybersecurity, corporate, military and advanced manufacturing which includes aerospace, new energy and transportation. While the focus on target industries remains, other institutions such as financial and professional services operations, distribution, and other sectors that have well-established infrastructure, supply lines, and labor force pipelines, are expected to grow and remain a part of SAEDF's regional commitment for investment and expansion.

The objectives below represent SAEDF's goals as they relate to essential and current baseline services, and correspond to the goal areas of the Jobs and Economic Competitiveness section of the SA Tomorrow Comprehensive Plan. These objectives are the result of the region's current economic drivers, including the need to enhance community-centric approach and meet investor performance expectations, and serve as mechanisms to execute the community's economic development strategy effectively.

- **Business Attraction:** Strengthen the San Antonio region's competitive position for job producing investments within targeted industries, both domestically and internationally.
- **Global Development:** Promote and attract foreign direct investment and enhance trade opportunities for San Antonio regional companies.
- **Business Retention and Expansion (BRE):** Provide businesses the support to stay, grow and prosper in the San Antonio region.
- **Workforce Development:** Cultivate a high-quality regional workforce development system driven by employers in target industries.
- **Administrative Services:** Maximize operational efficiencies to empower internal lines of business.
- **Community and Investor Relations:** Sustain and grow financial resources through development and enhancement of SAEDF investor relations.

Sources:
[13] *Emsi (2018). Economy Overview Report, San Antonio-New Braunfels, TX, Population characteristics. Retrieved from: economicmodeling.com December 12, 2018*
[14] *Assanei, Laila, Davis Kristin E., Slijk, Christopher (2018). Federal Reserve Bank of Dallas: At the Heart of Texas Cities' Industry Clusters Drive Growth.*
[15] *Butler, Richard (2018) Information retrieved through personal contact.*

Operations Plan:

Each strategic objective has a corresponding operational plan designed to accelerate progress towards each goal. Aligned quantitative goals and initiatives serve as performance measures to promote accountability and engagement, and to manage performance.

The initiatives outlined in the broader operations plan further define activities to support organizational goals. They are designed to foster private and public coordination and collaboration, increase private-sector leadership and maximize resources. SAEDF works with community partners to implement mutually agreed upon key initiatives and tactics to realize the organizational mission, summarized below.

Business Attraction: Strengthen the San Antonio region's competitive position globally for job-producing investments within targeted industries.
- Partner with industry allies on out of market event activations
- Conduct familiarization tours for targeted audiences
- Refine San Antonio marketing "Tool Kit" (to include an industry asset mapping exercise)
- Enhance reputation, relationship, and knowledge of San Antonio with corporate executives, site selection consultants, and brokers

Global Development: Promote and attract foreign direct investment and enhance trade opportunities for San Antonio regional companies.
- Finalize Brookings GCI market prioritization
- Enhance trade and export program and services
- Develop Foreign Direct Investment (FDI) promotional strategy for 2020

Business Retention and Expansion (BRE): Provide businesses the support to stay, grow and prosper in the San Antonio region.
- Enhance C-Suite relationships with local organizations
- Focus on BRE assists
- Work with local automotive manufacturers to enhance supplier network
- Enhance BRE reporting

Workforce Development: Cultivate a high-quality regional workforce development system driven by employers in target industries.
- Identify and leverage existing programs to attract and place talent that meets workforce demand
- Align academic and industry leaders to address skills gaps
- Skills Gap Analysis & Training Provider Assessment (Cyber/Bio)
- Continuous improvement and scaling of work-based learning programs
- Develop Workforce Asset snapshots aligning with target industry asset mapping
- Support launch of College Promise

Administrative Services: Maximize operational efficiencies to empower internal lines of business.
- Continue CRM enhancement
- Conduct industry asset mapping
- Deploy Employee Engagement Strategy
- Initiate website redesign
- Increase brand awareness for target industries
- Refine San Antonio marketing "Tool Kit"
- Develop strategic plan 2025

Community and Investor Relations: Sustain and grow financial resources through development and enhancement of SAEDF investor relationships.

- Implement a regional marketing plan
- Investor-level adjustment initiative
- Enhance investor experience
- Develop a community engagement strategy
- FTA member legacy transition

Key Performance Indicators:

Key performance indicators (KPI) are a set of quantifiable measures to gauge SAEDF performance in influencing and accelerating the San Antonio MSA's economy and targeted industry growth. These metrics are used to determine progress in achieving the organizations strategic and operational goals, and also to compare performance against other peer cities.

San Antonio vs. Peer Cities Rankings

Median Household Income	GDP	Annualized Job Growth	Economic Mobility (GINI)	Startup Activity	Entrepreneurial Growth
DENVER	SAN JOSE	AUSTIN	KANSAS CITY	AUSTIN	AUSTIN
SAN DIEGO	PHOENIX	CHARLOTTE	PHOENIX	SAN DIEGO	SAN DIEGO
AUSTIN	SAN DIEGO	JACKSONVILLE	**SAN ANTONIO**	**SAN ANTONIO**	**SAN ANTONIO**
PORTLAND	DENVER	PHOENIX	SAN DIEGO	PHOENIX	PHOENIX
SALT LAKE CITY	PORTLAND	PORTLAND	JACKSONVILLE	DENVER	DENVER
KANSAS CITY	CHARLOTTE	DENVER	PORTLAND	KANSAS CITY	KANSAS CITY
PHOENIX	AUSTIN	SALT LAKE CITY	AUSTIN	SAN JOSE	SAN JOSE
CHARLOTTE	KANSAS CITY	**SAN ANTONIO**	DENVER	CHARLOTTE	CHARLOTTE
JACKSONVILLE	**SAN ANTONIO**	TAMPA	SALT LAKE CITY	PORTLAND	PORTLAND
SAN ANTONIO	SALT LAKE CITY	KANSAS CITY	CHARLOTTE	JACKSONVILLE	JACKSONVILLE
TAMPA	JACKSONVILLE	SAN DIEGO	TAMPA	SALT LAKE CITY	SALT LAKE CITY