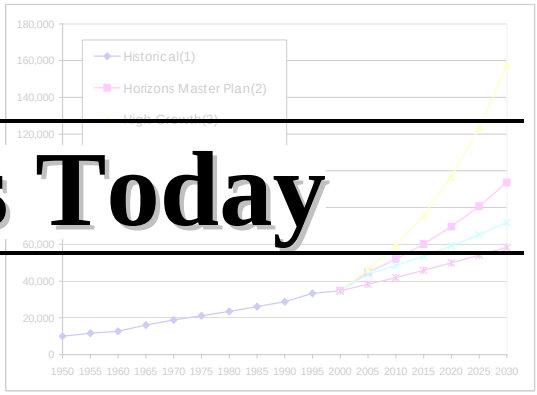
San Marcos

HORIZONS

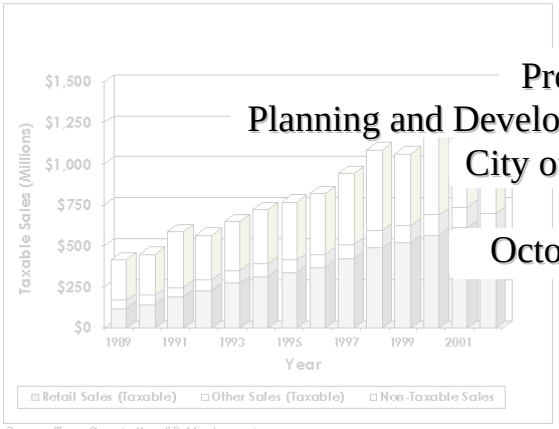


San Marcos Today

Prepared by
Planning and Development Services Department
City of San Marcos

October 1, 2004

Figure 18: Taxable Sales (1984 – 2002)



Source: Texas Comptroller of Public Accounts.

Table 11: Cost of Living Index for the City of San Marcos (1995 & 2003)

	1995 Index	Above/Below National Average	2003 Index (First Qtr)	Above/Below National Average
	98.2	- 1.8%	92.2	- 7.8%
	94.6	- 5.4%	82.7	- 17.3%
Housing	100.6	+ 0.6%	89.3	- 10.7%
	82.0	- 18.0%	79.4	- 20.6%
	103.8	+ 3.8%	103.7	+ 3.7%
Health Care	106.3	+ 6.3%	94.8	- 5.2%
Misc. Goods and Services	98.7	- 1.3%	98.7	- 1.3%

Source: ACCRA Cost of Living Index (First Quarter 1995 and First Quarter 2003 data)
(National Average = 100)

CITY OF SAN MARCOS

City Council

Susan Clifford Narvaiz - Mayor
Ed Mihalkanin - Place 1
Gaylord Bose - Place 2
Daniel Guerrero - Place 3
Bill Taylor - Place 4
John Diaz - Place 5
John Thomaides - Place 6

Planning and Zoning Commission

Robert Thornton, Chair
Irene Hindson, Vice-Chair
Bill DeSoto
George Forrester
Saul Gonzales
Phil Hutchinson
Elizabeth Robertson
Phillip Steed
Fred Terry

City Administration

Dan O'Leary, City Manager

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INTRODUCTION

In order to develop a plan for the growth and development of the community, it is important to understand the existing conditions that have shaped the community and the current trends that impact the future. The future of San Marcos is influenced not only by the events that occur locally, but also by the events that occur in the surrounding region. This document presents a variety of demographic, social, and economic data for the City of San Marcos, as well as comparisons with the the surrounding county, cities, metro areas, as well as the state and nation. This document provides an overview of many of the factors and trends that influence the community and suggest implications for the future of the area.

This report is an update to Chapter Two (San Marcos Today) of the Horizons Master Plan, which was adopted in 1996. This report updates much of the demographic information from the adopted plan with newer information, mostly from the 2000 Census. Below is a brief description of the different sections within this report:

- Regional Setting: A city is not an island unto itself, but rather is an integrated part of a larger region. It is important for the City to understand the interrelationships with the surrounding region in order take advantage of available opportunities as well as to help address shared regional problems. This section briefly describes San Marcos' regional setting.
- The People of San Marcos: San Marcos is a diverse community. Demographic characteristics such as age, income, ethnicity, and household size influence growth and the provision of city services. This section details the characteristics of the people and housing within the community.
- The Economy of San Marcos: The strength of the local economy depends on a variety of internal and external forces. The economy is a major force influencing the rate and quality of growth in the city. This section details existing factors affecting the economy in San Marcos including local and regional trends.

REGIONAL SETTING

San Marcos is located in south-central Texas between the cities of Austin and San Antonio. Three of the ten largest cities in the United States (Houston, Dallas and San Antonio) and 70% of the population of Texas are located within 200 miles of San Marcos.

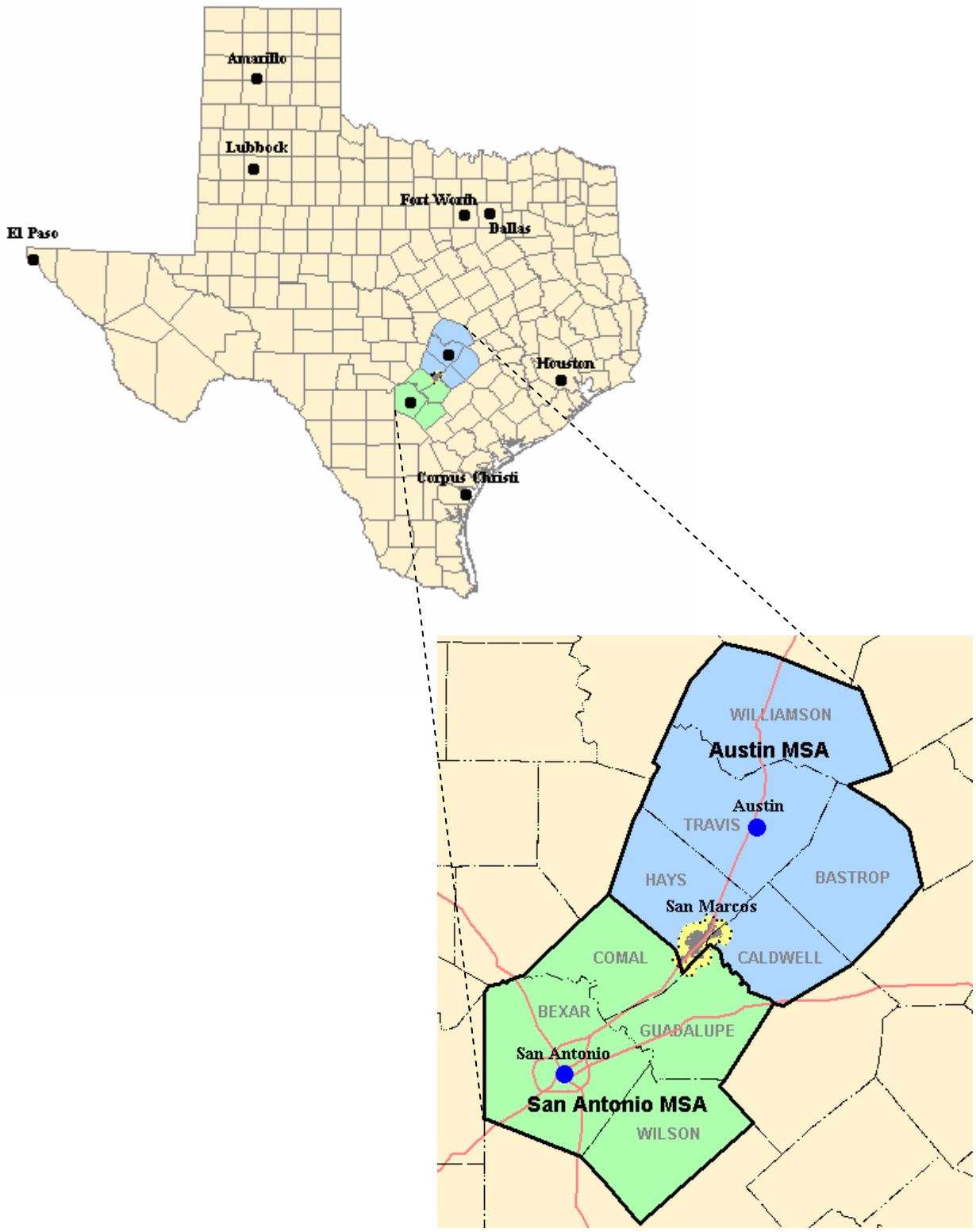
San Marcos is located along Interstate Highway 35 (IH-35) near the center of the Austin-San Antonio Corridor. Austin, the State Capital, is 26 miles north on IH-35, while San Antonio, a major tourism destination, is 45 miles to the south. Businesses in San Marcos are well positioned to serve the markets in both cities. San Marcos has directly benefited from this strategic location and several companies have chosen to locate their facilities in the city due to its proximity to these large urban markets.

San Marcos is designated as part of the Austin-Round Rock Metropolitan Statistical Area (MSA), formerly the Austin-San Marcos MSA. For consistency, this plan will refer to simply the Austin MSA. The Austin MSA includes Hays, Travis, Williamson, Bastrop, and Caldwell counties. The Austin MSA currently has a population over 1.2 million.

San Marcos is the county seat and largest city in Hays County. According to the 2000 U.S. Census, approximately 36% of Hays County's population reside in San Marcos, down from 44% in 1990. The majority of the city is located in Hays County with parts located in Caldwell and Guadalupe Counties. The two-mile Extra-Territorial Jurisdiction (ETJ) of the City extends into four counties (Hays, Caldwell, Comal, and Guadalupe). The City of San Marcos covers over 25 square miles and its ETJ covers an additional 92 square miles.

Map 1, on the following page, shows the location of San Marcos within the State and the Austin-San Antonio Corridor.

Map 1: San Marcos Location Map



THE PEOPLE OF SAN MARCOS

Population

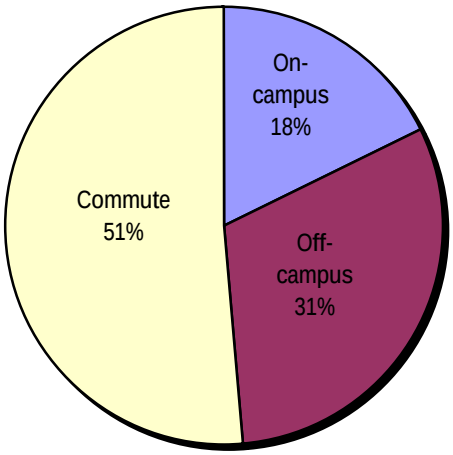
This section details the population characteristics of the City of San Marcos with comparisons to Hays County, the Austin and San Antonio metro areas, the State of Texas, and the U.S.[1]

Current Population

The 2000 Census population for the City was 34,733. The estimated population as of January 1, 2004 was 44,769[2]. About three-fourths of the City's population lives west of IH-35 and one-fourth east of the Interstate. The estimated population within the City's 2-mile extra-territorial jurisdiction (ETJ) is 10,935.[3]

Texas State University-San Marcos had a 2001 enrollment of approximately 23,500 students. According to the university's Institutional Research and Planning, about 11,500 of those students lived in San Marcos, both on and off campus. The remaining 12,000 students commuted from surrounding communities. Students commute primarily from within the Austin-San Antonio Corridor. Figure 1 shows the residency status of Texas State students in 2001.

Figure 1: Residency of Texas State Students



[1] Unless noted otherwise, all data is from the U.S. Census Bureau's 2000 Census of Population and Housing.

[2] Based on Planning and Development Services Department estimates using annexation data, building permits issued, and occupancy rate estimates.

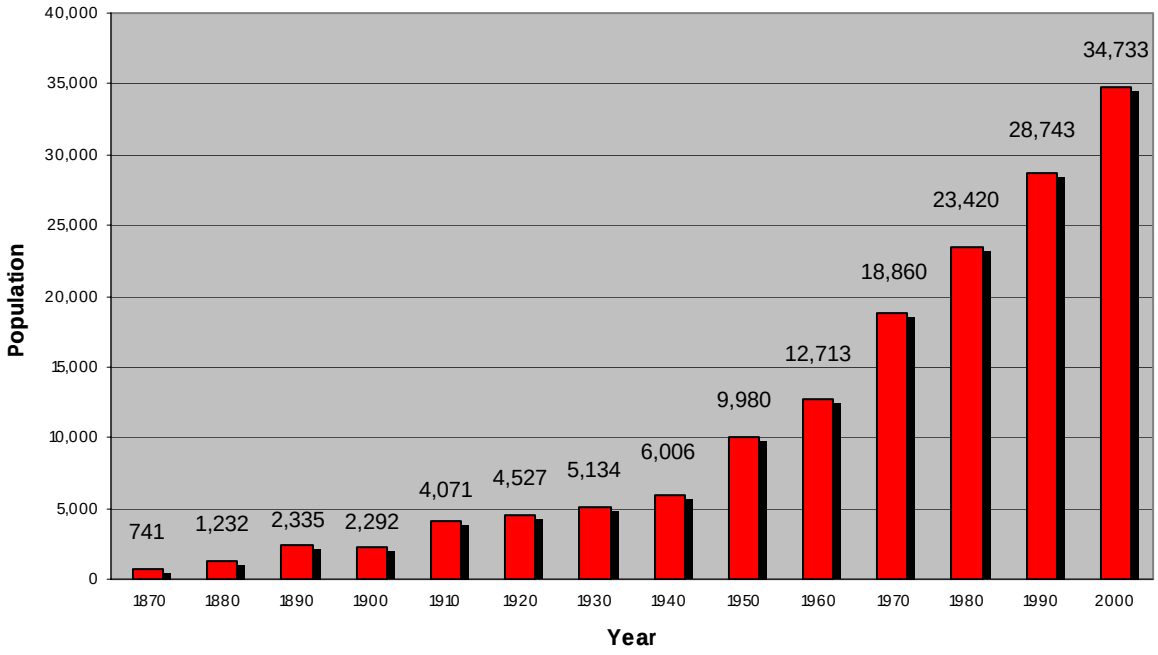
[3] Planning and Development Services Department estimate, August 2002.

Population History

The population of San Marcos has steadily increased from 9,980 in 1950 to 34,733 in 2000. This more than tripling of the population in 50 years represents an average annual growth rate of 5.0%. Much of the city's rapid growth is due to the large increases in enrollment at Texas State University during the period.

Figure 2, below, shows the historic change in population for the City.

Figure 2: San Marcos Population History, 1870-2000



US and State Trends

Between 1950 and 2000, the population of the United States grew from about 151 million to over 281 million for an average annual growth rate of 1.7%. The population in the State of Texas has increased from almost 8 million in 1950 to almost 21 million in 2000 for an average annual growth rate of 3.4%. Population growth in the state is expected to continue outpace the nation in the foreseeable future.

Austin and San Antonio MSA trends

The San Antonio MSA grew from 556,881 to 1,592,383 between 1950 and 2000. This increase represented an average annual growth rate of 3.7%. The San Antonio metro area is expected to continue at a moderate growth rate. The Austin MSA grew from a 1950 population of 256,645 to 1,249,763 in 2000. This average annual growth rate of 7.7% was one of the highest in the country. While this phenomenal rate of growth isn't expected to continue, the Austin MSA will continue to experience rapid population growth.

Hays County and Texas State Trends

Hays County's population grew from 17,840 in 1950 to 97,589 in 2000, a fivefold increase. This increase represented an average annual growth rate of 8.9%. This large population increase is attributable to growth pressures from the Austin and San Antonio metro areas and the large enrollment increases at Texas State University. The biggest decade of growth occurred between 1990 and 2000, which saw an increase of almost 32,000 people. The population of Hays County is projected to more than double by 2020[4] due to the growth of San Marcos and Texas State, and the continued suburbanization of northern Hays County as Austin grows southward.

Enrollment at Texas State increased at a slow, steady rate through the first half of the century. During the 1960's, enrollment levels increased dramatically. The number of students enrolled at the university increased from 2,013 in 1950 to 23,556 in 2000. Approximately one-half of these students live within the City of San Marcos, making up approximately one-fourth of the City's total population.

[4] Capital Area Metropolitan Planning Organization (CAMPO), 2017 Population Projections for Hays County, December 6, 2002

Figure 3: Population Trends, Austin & San Antonio MSAs

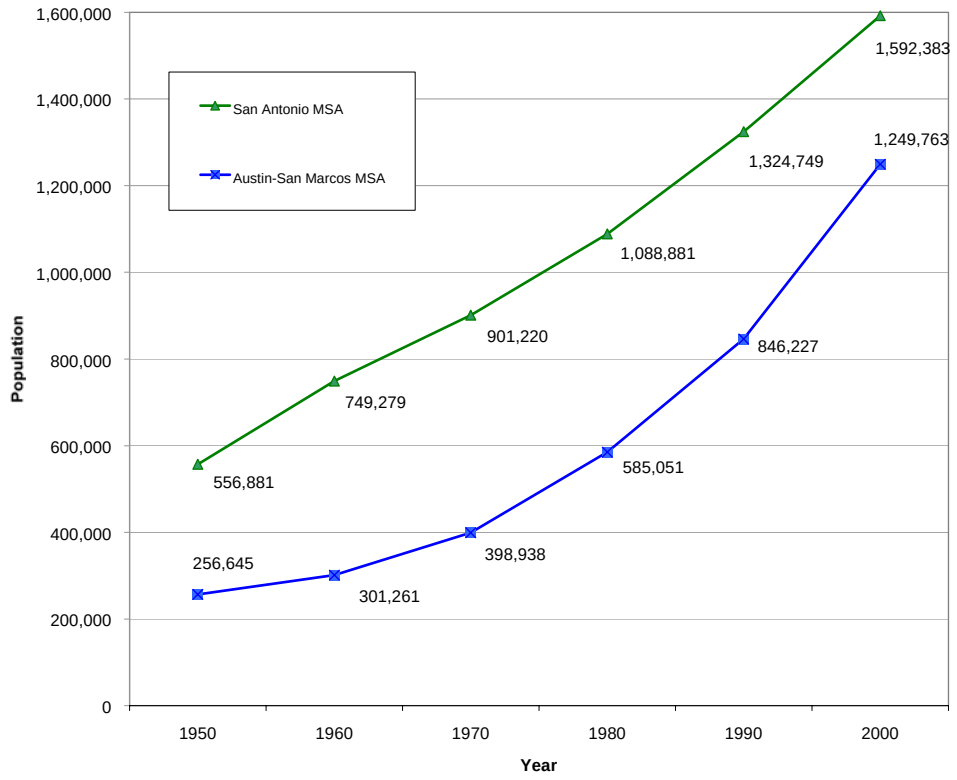
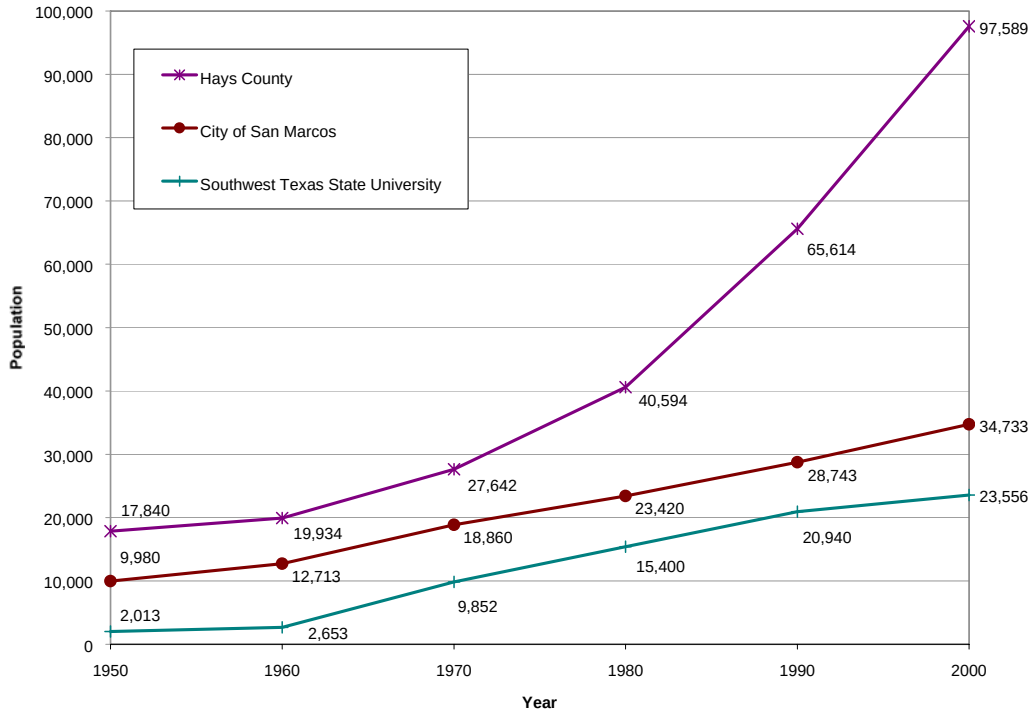


Figure 4: Population Trends, Hays County, San Marcos, and Texas State



Population Projections

Projecting future population is important for helping communities plan for the future needs of residents. It is important to remember that accurately estimating future population is difficult for small areas, such as the City of San Marcos. Therefore, these projections should be considered an educated guess based on past trends and foreseeable changes in the future. Unforeseen changes in the local or regional economy or significant changes in migration, can dramatically affect population growth in the City.

Texas State student population has remained around 23,500 for the past few years. According to university projections, the anticipated enrollment at Texas State in 2005 is 26,500. City projections assume that approximately half of Texas State students will continue to live within the City of San Marcos. The City of San Marcos is expected to continue to experience growth, particularly as the greater Austin urbanized area continues to grow southward. Figure 5 below and Table 1 on the following page show the population projections for the city over the next 25 years. The projection labeled "Horizons Master Plan" is the projection chosen as the official projection for this plan. San Marcos is projected to more than double in population by the year 2030, reaching a population of almost 94,000.

Figure 5: City of San Marcos Population History & Projections, 1950-2030

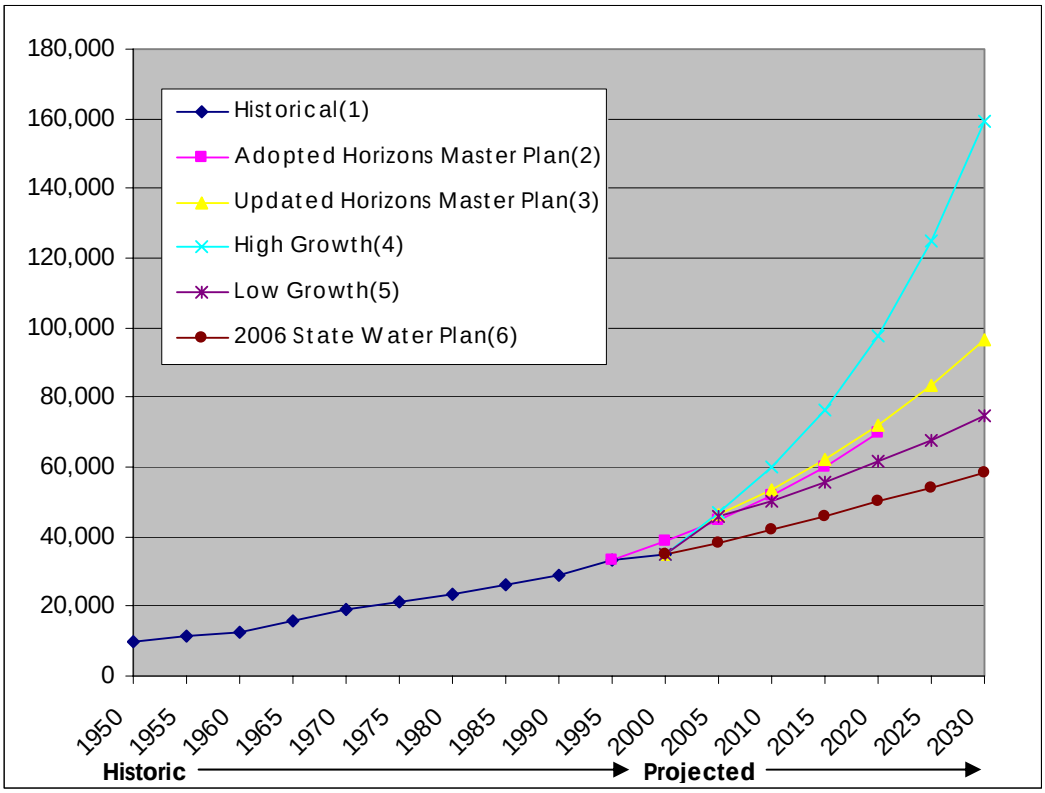


Table 1: City of San Marcos Population History & Projections, 1950-2030

		Historical[1]	Horizons Master Plan [2]	Updated Horizons Master Plan[3]	High Growth[4]	Low Growth[5]	2006 State Water Plan[6]
Historic	1950	9,980					
	1955	*11,631*					
	1960	12,713					
	1965	*16,071*					
	1970	18,860					
	1975	21,140					
	1980	23,420					
	1985	26,081					
	1990	28,743					
	1995	33,321	33,321				
	2000	34,733	38,628	*34,733*	34,733	34,733	34,733
Projected	2005		44,781	46,112	*47,007*	*45,664*	*38,283*
	2010		51,913	*53,457*	*59,995*	*50,417*	41,832
	2015		60,181	*61,971*	*76,570*	*55,665*	*45,895*
	2020		69,767	*71,841*	*97,725*	*61,458*	49,957
	2025			*83,284*	*124,725*	*67,855*	*54,165*
	2030			*96,548*	*159,184*	*74,917*	58,372

Source: City of San Marcos Planning and Development Services Department, unless noted
2005 updated to reflect the estimated January 2004 population of 44,769
Figures in blue were interpolated from source data

Notes:
(1) US Census Bureau, Texas State Data Center, and City of San Marcos
(2) City of San Marcos, "Horizons Master Plan" (adopted February 1996)
(3) 1980-2003 growth rate (~3% exponential growth)
(4) 1990-2000 growth rate (~2% exponential growth)
(5) 2000-2003 growth rate, excluding annexation (~5% exponential growth)
(6) South Central Texas Regional Water Planning Group, August 2002 (DRAFT Projection)

Population Origin

Table 2 shows the place of birth for the residents of the City of San Marcos in the year 2000, as well as comparisons with the County, State, and U.S.. Of the foreign born population in San Marcos, two-thirds were born in Latin America, including 57.5% in Mexico.

Table 2: Population Origin, 2000 Population

Place of Birth:	San Marcos	Hays County	Texas	U.S.
Texas	74.9%	70.6%	62.2%	60.0%*
Outside Texas, U.S. Northeast	2.7%	3.4%	2.8%	6.6%
Outside Texas, U.S. Midwest	6.4%	7.1%	6.6%	7.8%
Outside Texas, U.S. South	6.0%	7.0%	8.9%	9.0%
Outside Texas, U.S. West	3.7%	5.1%	4.5%	4.3%
Outside the U.S., U.S. Territories	0.3%	0.2%	0.2%	0.6%
Outside the U.S., American parents	1.1%	1.0%	0.9%	0.7%
Outside the U.S., Foreign	4.9%	5.6%	13.9%	11.1%

* This figure for the U.S. represents the population born in their state of residence.

Population Mobility

Table 3 shows the mobility of San Marcos residents over the past five years compared to Hays County, the State of Texas, and the U.S. as a whole. The population of the City is much more mobile than the County, State, and Nation. While less than half of San Marcans lived in Hays County five years ago (46.6%), more than three-fourths of Texans (76.6%) and Americans (79%) lived in the same county as they did five years prior. However, most of this influx is from other counties in Texas, with just under 8% coming from out-of-state or foreign countries. Much of this movement can be attributed to the University population which is highly mobile and tends to turnover as new students enter and other students leave.

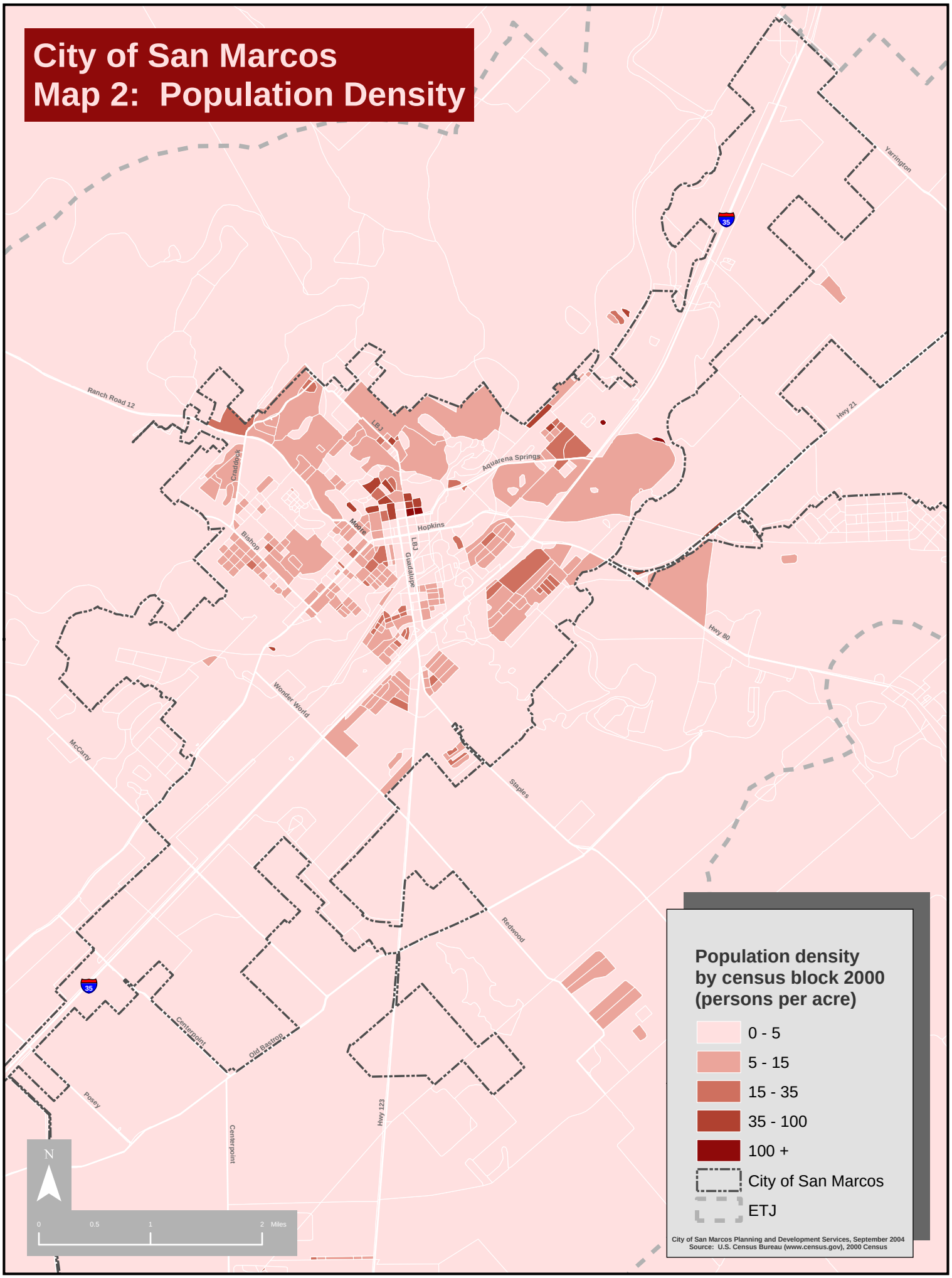
Table 3: Population Mobility, 1995-2000

Status in 1995:	San Marcos	Hays County	Texas	U.S.
Lived in same house	28.6%	41.4%	49.6%	54.1%
Same county, different house	18.0%	15.4%	27.0%	24.9%
Same State, different county	45.8%	35.5%	12.5%	9.7%
Different State	5.9%	6.1%	7.1%	8.4%
Foreign Country	1.8%	1.6%	3.8%	2.9%

Population Density

Map 2, on the following page, shows the population density by census block for the City. This map shows that the greatest concentration of residents is near the core of the city. The highest density areas are residence halls on the university campus and large apartment concentrations along the IH-25 corridor. Other areas of higher density reflect small-lot single family homes.

City of San Marcos
Map 2: Population Density

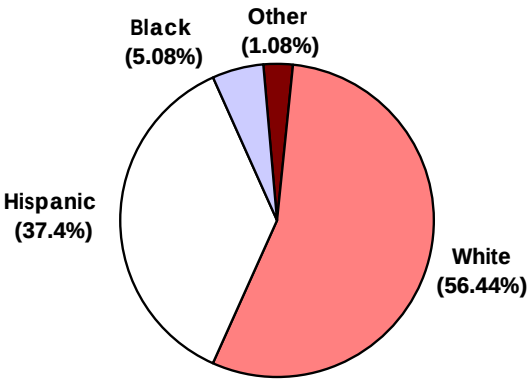


Social Characteristics

Race/Hispanic Status

The people of San Marcos are ethnically diverse. According to the 2000 census, the population is 56% White, 37% Hispanic, 5% Black, and 1% Other, including those who listed multiple races. Figure 5 presents San Marcos population by race/hispanic status. Map 3, on page 18, shows the distribution of minority population throughout the city.

Figure 6: San Marcos Population by Race/Hispanic Status, 2000



Minority group population has increased in San Marcos over the past two decades, a trend mirroring that of Texas and the nation as a whole. While Anglos continued to comprise the majority of the population in 2000, immigration as well as higher birth rates among minority groups has led to greater percentages of minorities. In Texas, the proportion of the population that is Anglo is decreasing, African Americans remains stable, and the Hispanic and Other categories are increasing as a percent of the total population.

Anglos

Anglos (non-Hispanic Whites) comprised 69% of the population of the United States in 2000, down from 75% in 1990 and 78% in 1980. While the actual number of Anglos increased from 1980 to 1990, their growth rate was slower than that of other ethnic groups. This trend was more pronounced in the State of Texas where Anglos declined from 66% of the total population in 1980 to 61% in 1990 to 52% in 2000, a trend expected to continue.

In the City of San Marcos, Anglos, the largest ethnic group, comprised 56% of the population in 2000, down slightly from 57% in 1990 and 59% in 1980. This compares to 65% for Hays County, 61% for the Austin metro, and 39% for the San Antonio metro.

Hispanics

Hispanics accounted for 13% of the U.S. population in 2000, up from 9% in 1990 and 6% in 1980. Texas has historically been closely associated with Mexico. The number of Hispanics living in the state has always been in greater proportions than in the U.S. overall. Hispanics are the largest minority group in Texas, with almost one-third of Texans claiming Hispanic ancestry in the 2000 census. This is an increase from 26% in 1990 and 21% in 1980.

In the City of San Marcos, Hispanics accounted for 36% of the population, about the same as in 1990 and 1980. This 36% compares to 29% for Hays County, 26% for the Austin metro, and 51% for the San Antonio metro.

African-American

Historically the largest minority group in the U.S., African Americans represent approximately 12% of the total population, now second in number to Hispanics. Nationwide, the African American population as a percentage of the total population has remained fairly constant over the last two decades. The percentage of African Americans in Texas has mirrored the nation holding fairly constant, between 11% and 12% of the total population.

In the City of San Marcos, the African American population remained fairly constant at about 5%, compared to 4% for Hays County, 8% for the Austin metro, and 6% for the San Antonio metro.

Other

In this plan, the Other category includes Native Americans, Pacific Islanders, Asians, and those who selected 2 or more races on the Census form. In most areas in the U.S., Asians comprise the majority of this category. In the U.S. as a whole, this category increased from 2.4% in 1980 to 3.6% in 1990 to 6.4% in 2000. In Texas the percent of the population in this category increased from 1.4% in 1980 to 2.2% in 1990 to 4.2% in 2000.

In the City of San Marcos, the Other category represents 2.8% of the population, up from 1.1% in 1990 and 0.9% in 1980. This compares with 2.6% for Hays County, 5.5% in the Austin metro, and 3.2% in the San Antonio metro.

City of San Marcos
Map 3: Minority Population

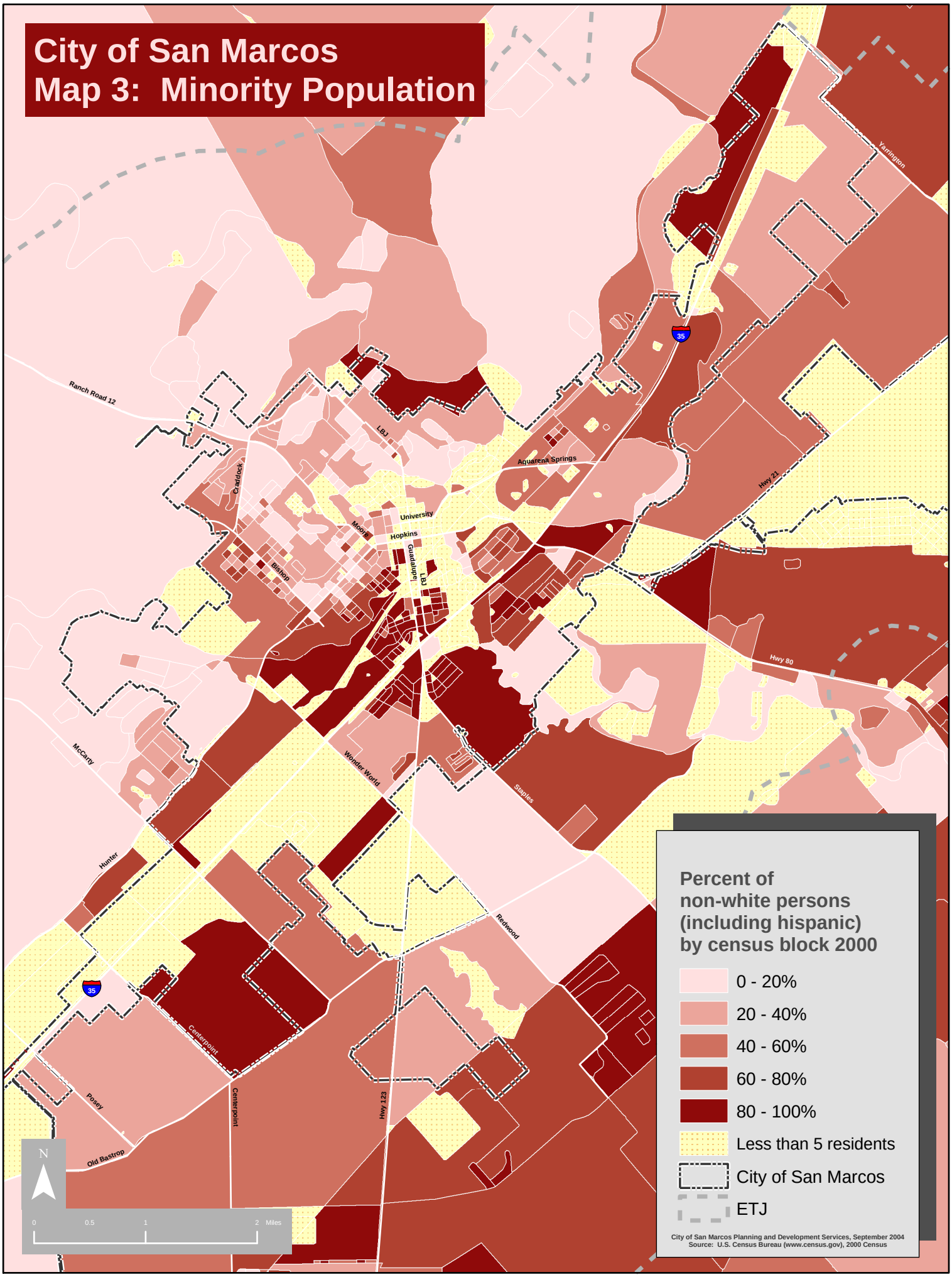


Figure 7: Population by Race/Hispanic Status, 1980

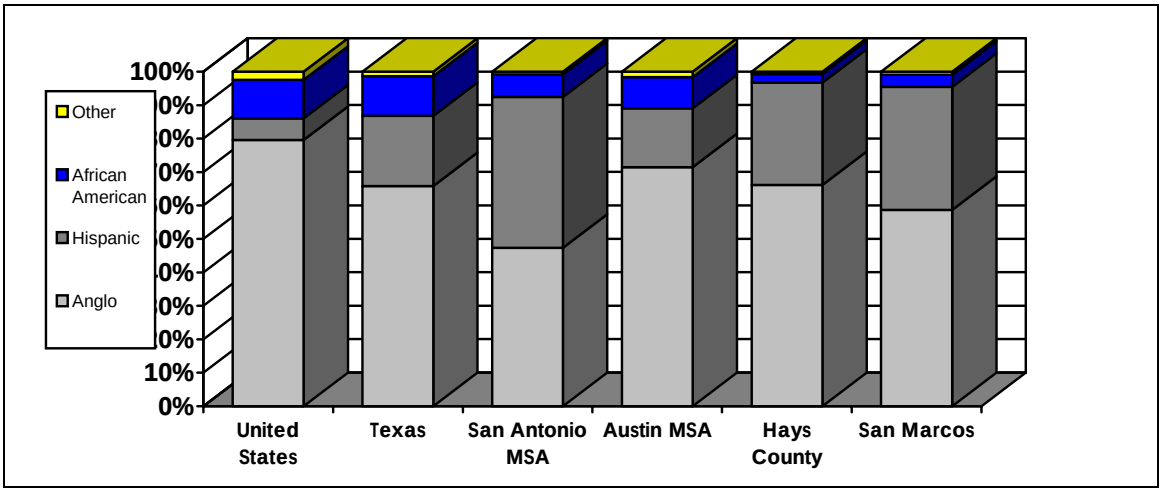


Figure 8: Population by Race/Hispanic Status, 1990

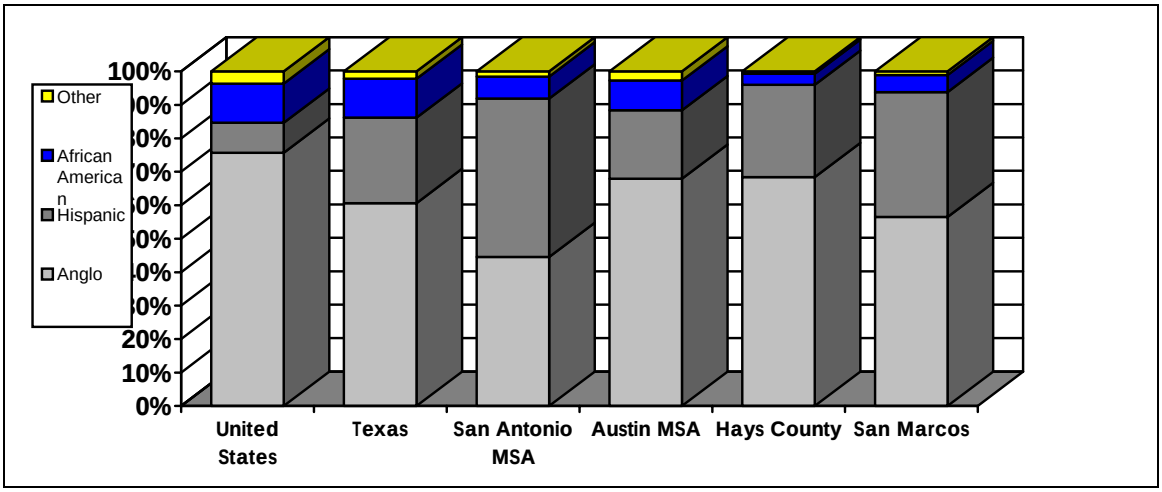
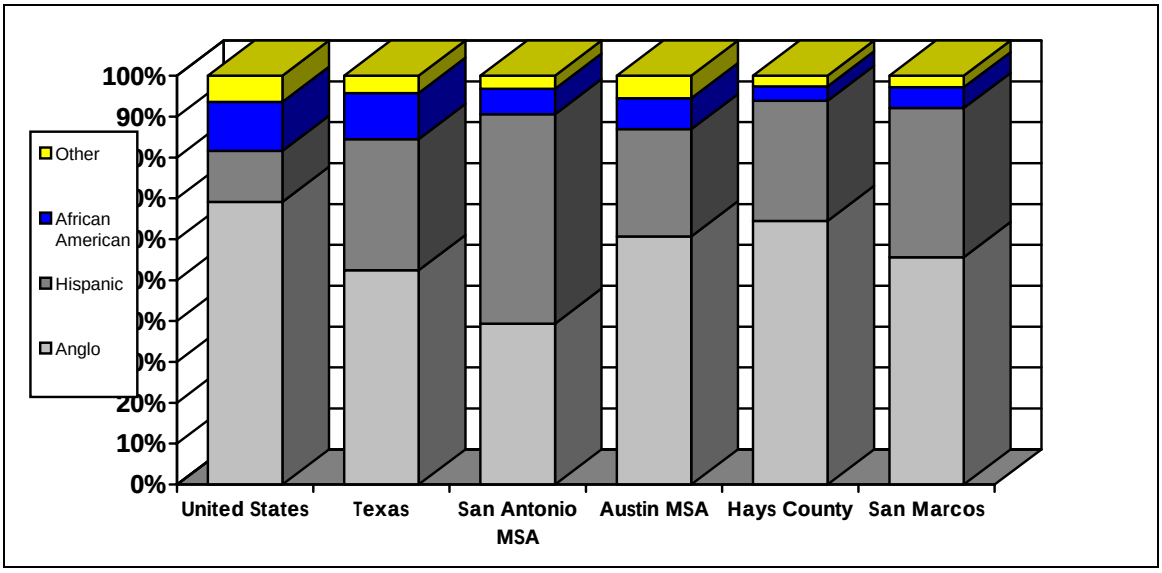


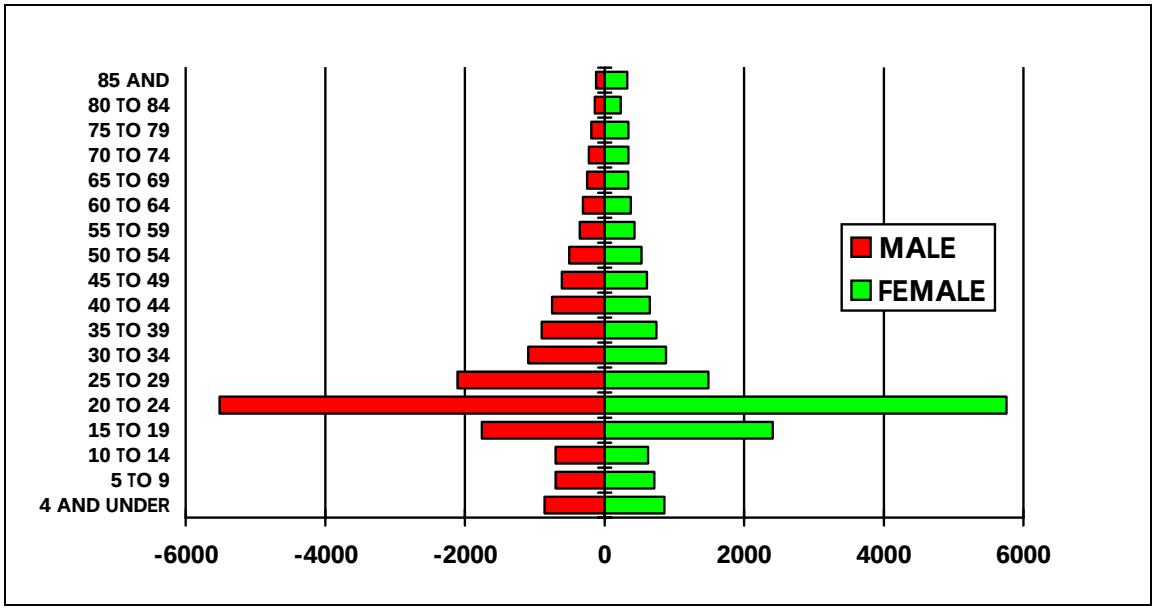
Figure 9: Population by Race/Hispanic Status, 2000



Age and Gender

The population of San Marcos is predominately young. Figure 10 shows the impact of the city's large student population. According to the 2000 Census, the median age in San Marcos is 23.3 years old. Fifteen percent of the population is under the age of 18 (vs. 26% for the U.S. as a whole). Seven percent is 65 or older (vs. 12% for the U.S.). By far the largest cohort is the 20 to 24 year olds at 33% (vs. 7% nationwide). This is due to the large university student population in the City. Figure 10 shows the City's population by age and gender.

Figure 10: San Marcos Population by Age and Gender



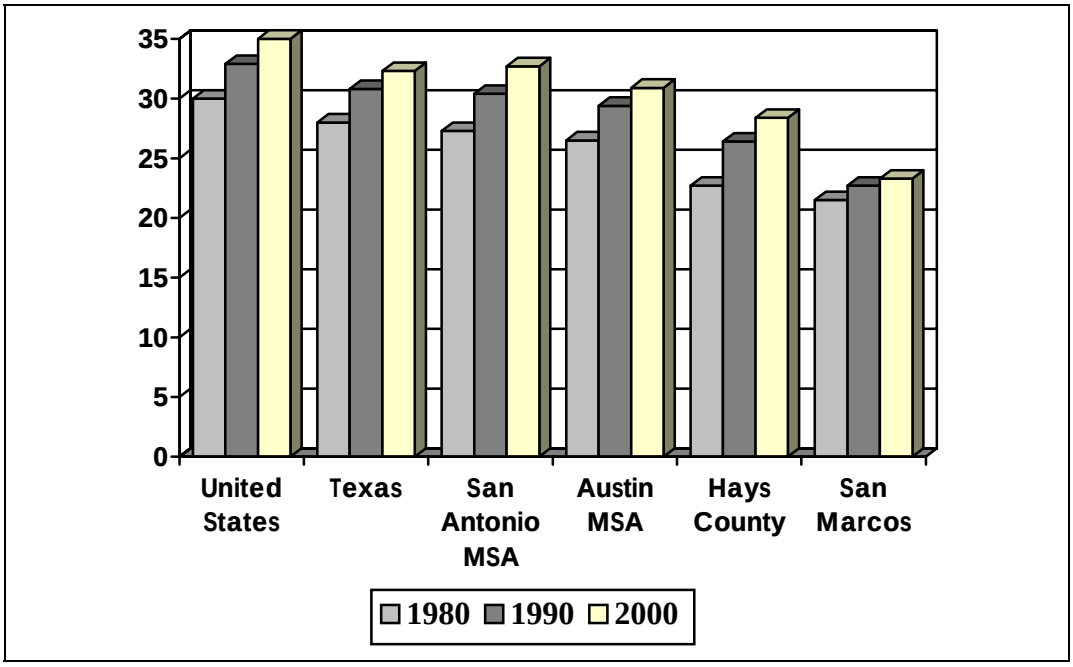
Age Trends

The median age of Americans has been increasing in recent decades. As families are getting smaller, there are less children to offset the aging of the baby boomers. In addition, people are living longer today than in the past, as evidenced by the growing percentage of the population over the age of 65. Almost 13% of the population of the U.S. was 65 or over in 2000, up from 11% in 1980. As the baby boomers edge towards retirement, this percentage will continue to increase.

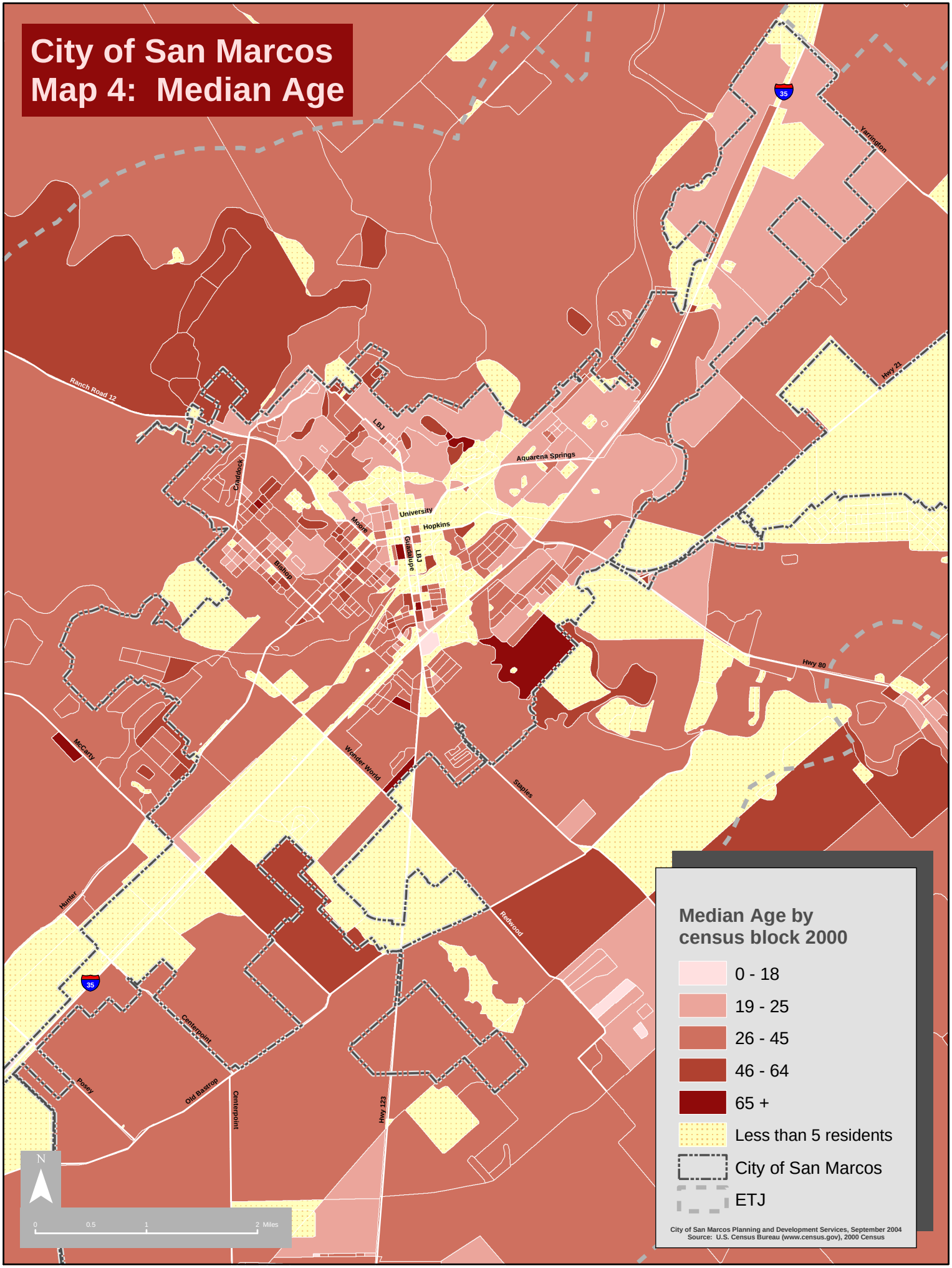
The median age in the United States was over 35 years, compared to almost 33 years in 1990 and 30 years in 1980. In Texas, the median age grew from 28 years in 1980 to almost 31 years in 1990 to over 32 years in 2000. The median age for the nation is higher than that of Texas because Texas has a larger minority population, who on average have more children per family. Also, regions of the country growing rapidly in population, such as Texas, tend to be younger as economic opportunities attract young workers and families.

Hays County, and San Marcos in particular, have relatively young populations due to the large number of Texas State students. The median age of San Marcos increased from 21.5 to 23.3 between 1980 and 2000. The general aging of the Texas population as well as an increase in the average age of Texas State students accounts for this increase. The median age of Hays County increased more dramatically, from 22.7 to 28.4. Hays County has a higher median age than San Marcos because the influence of Texas State students is partially offset be retirees attracted to the scenic Hill Country.

Figure 11: Population by Median Age, 1980-2000



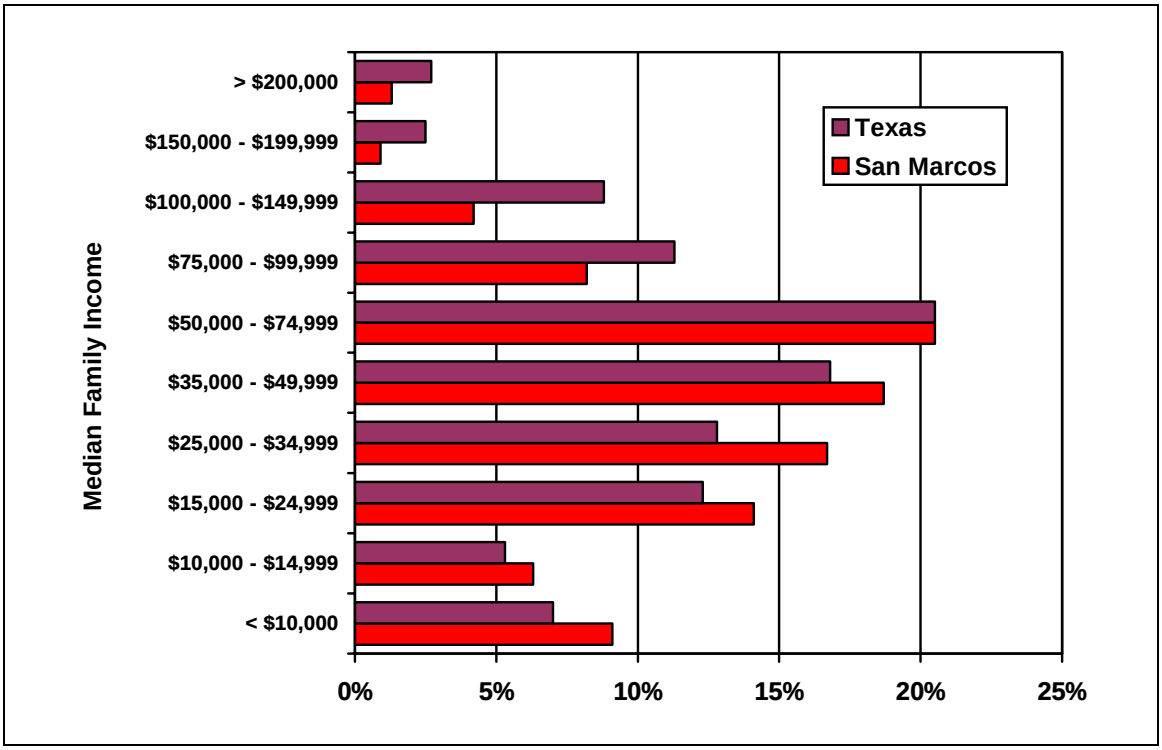
City of San Marcos
Map 4: Median Age



Income

The City of San Marcos has a median family income (MFI) of $37,113[5]. Hays County has a MFI of $56,287. The Austin MSA has a MFI of $59,426. Figure 12 shows the income distribution for families in San Marcos compared with the State of Texas as a whole.

Figure 12: San Marcos Income Distribution, 2000



Based on data from the U.S. Department of Housing and Urban Development, almost 71% of San Marcos residents are classified as low to moderate income (i.e., in households making less than 80% of the MFI for the Austin MSA). Among family households, 37% qualify as low to moderate income, 21% qualify as low income (less than 50% of the MFI for the MSA), and 11% qualify as very low income (less than 30% of the MFI). According to the 2000 census, 29% of the population of the City is living below the

[5] "Family income" is used instead of "household income" to alleviate some of the influence of the student population on these income figures. Students, who tend to have relatively low incomes, bring down the household income of the City. Families include only those households with two or more related individuals living together.

poverty level, including 13.8% of families. The high percentage of students included in the San Marcos population contributes somewhat to the relatively low income level. However, the figures still indicate that San Marcos has an income distribution skewed toward the lower income ranges.

Income Trends

Adjusting for inflation, the median household income in the City of San Marcos increased 30% between 1989 and 1999[6] after having decreased by 18% the previous decade. Likewise, the median household income also increased about 30% for Hays County and the Austin metro area between 1989 and 1999. This follows smaller increases the previous decade (15% for Hays County and 4% for the Austin metro). The San Antonio metro area and the State of Texas showed smaller increases of 12% and 10% respectively. These were still higher than the national increase of 4%.

Table 4: Trends in Median Household Income, 1979-1999

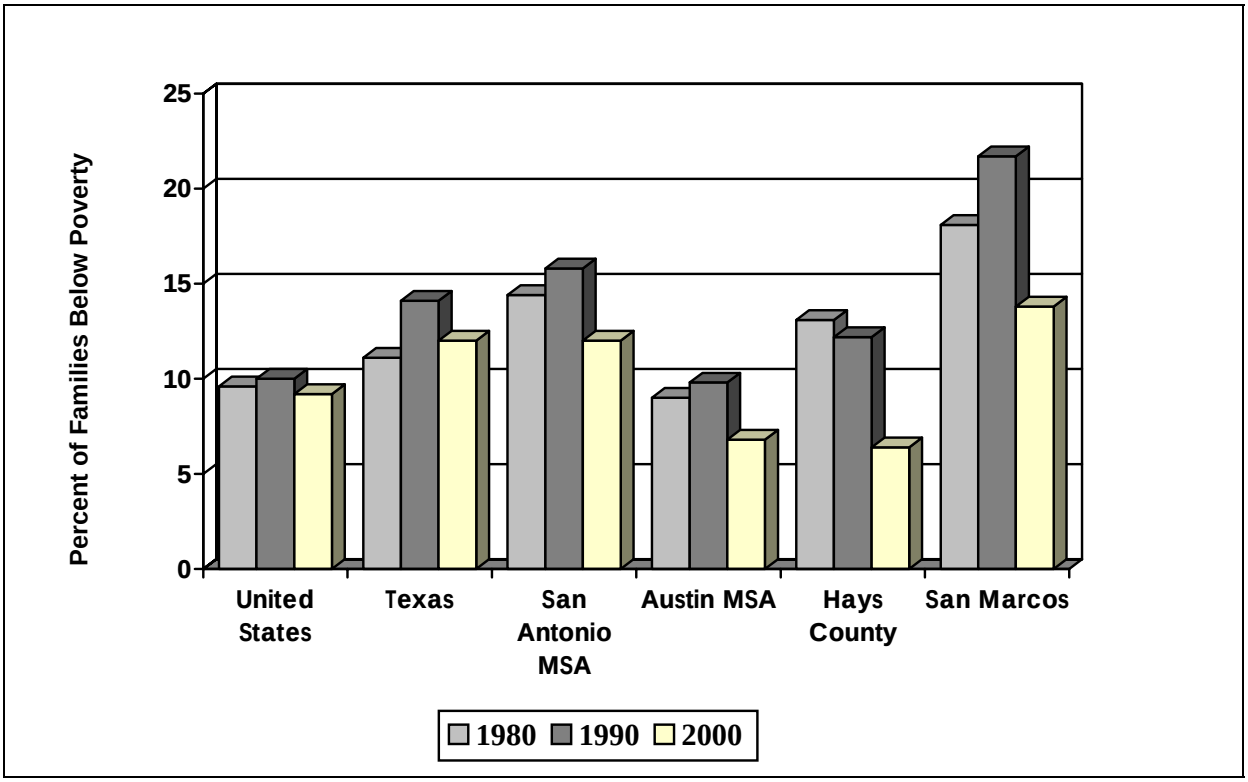
	Median Household Income			Change	
	1979*	1989*	1999	1980-1990	1990-2000
San Marcos	$24,200	$19,900	$25,800	- 18%	+ 30%
Hays County	$29,800	$34,300	$45,000	+ 15%	+ 31%
Austin MSA	$36,700	$38,300	$49,000	+ 4%	+ 28%
SanAntonio MSA	$34,900	$34,900	$39,100	0%	+ 12%
Texas	$38,300	$36,300	$39,900	- 5%	+ 10%
U.S.	$38,700	$40,300	$42,000	+ 4%	+ 4%

*Adjusted to 1999 dollars using the "Consumer Price Index (US Average)" from the U.S. Bureau of Labor Statistics [www.bls.gov/cpi]

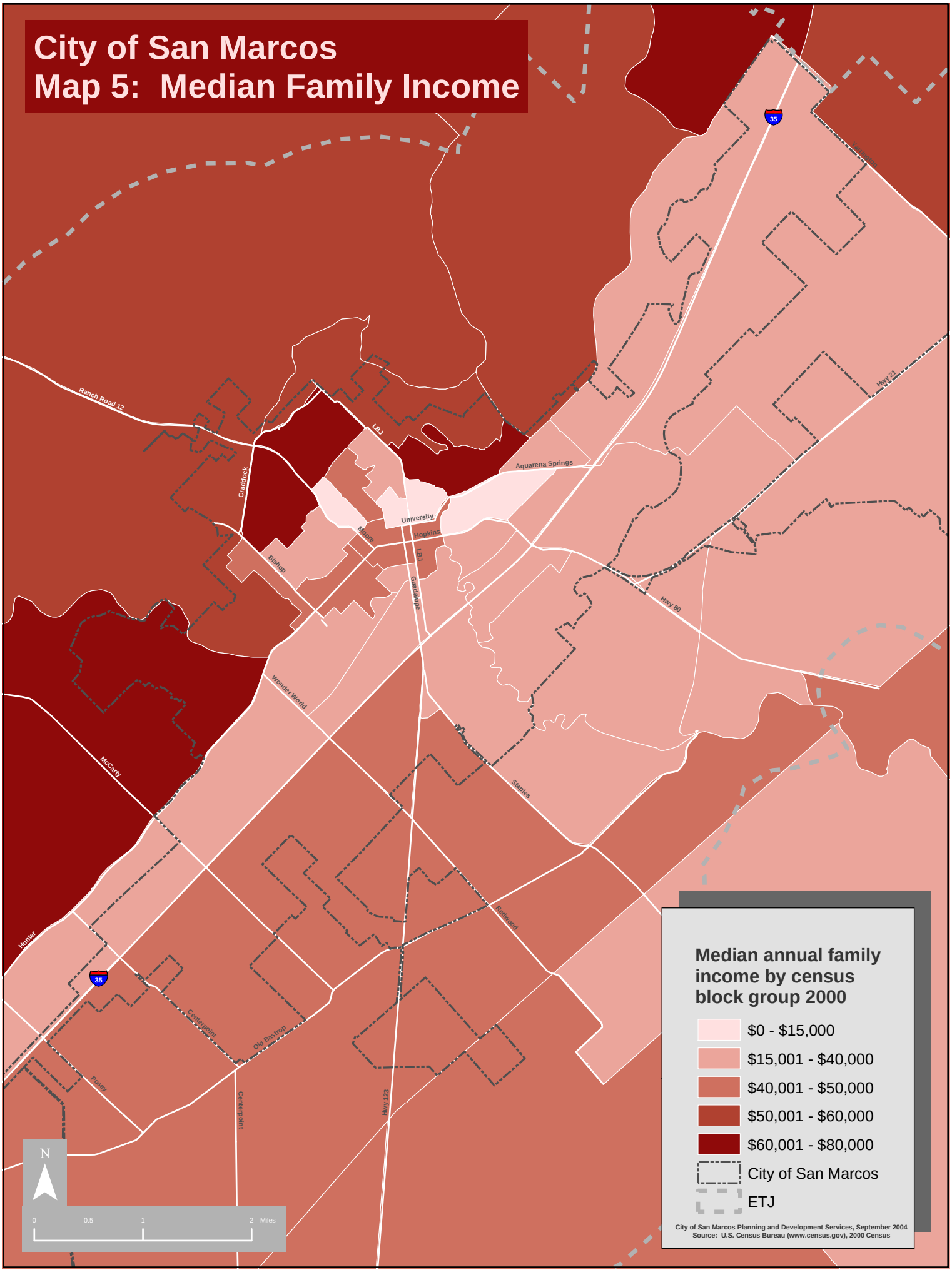
[6] All income figures in this section are inflation-adjusted to 1999 dollars to provide accurate comparisons.

In the City of San Marcos the number of families below the poverty level, as defined by the U.S. Census Bureau, decreased from 22% in 1990 to 14% in 2000. This figure also decreased in Hays County from 12% to 6%, in the Austin metro from 10% to 7%, and in the San Antonio metro from 16% to 12%. The State of Texas and the U.S. as a whole both saw decreases as well, from 14% to 12% in the State and from 10% to 9% nationwide. This reverses a general trend of increases during the previous decade of 1980 to 1990.

Figure 13: Poverty Level Comparisons and Change, 1980-2000



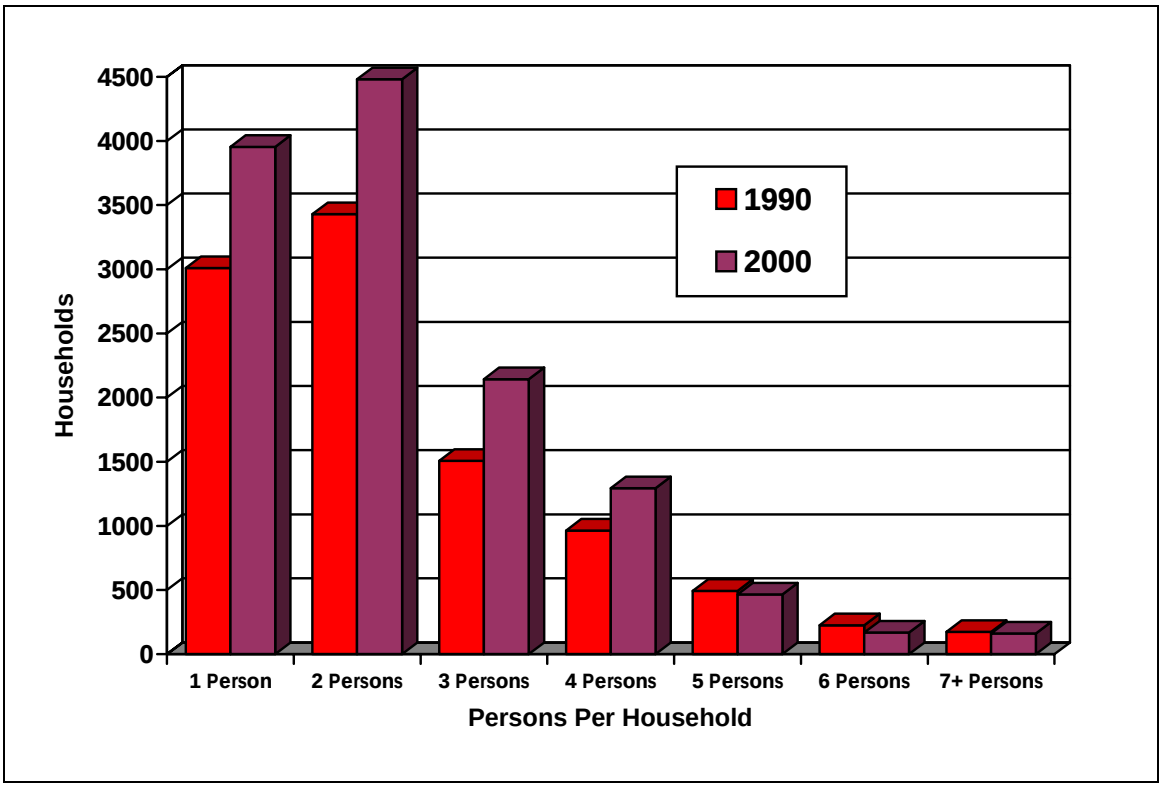
City of San Marcos
Map 5: Median Family Income



Households Characteristics

According to the 2000 Census, there were a total of 12,660 households in San Marcos. Of those, 42.5% are "family households" (a householder and one or more persons living in the same household who are related to the householder by birth, marriage, or adoption.) The remaining 57.5% are non-family households (a householder living alone or with non-relatives only [i.e., roommates]). Average family size in San Marcos is 3.08 persons and average household size is 2.31 persons. This low household size is largely influenced by the city's large student population. The number of persons living in households is 29,205 with the remaining 5,528 residing in group quarters (i.e., dormitories or other institutional facilities). Figure 14 shows San Marcos households by persons per household.

Figure 14: San Marcos Population by Persons Per Household, 1990 & 2000

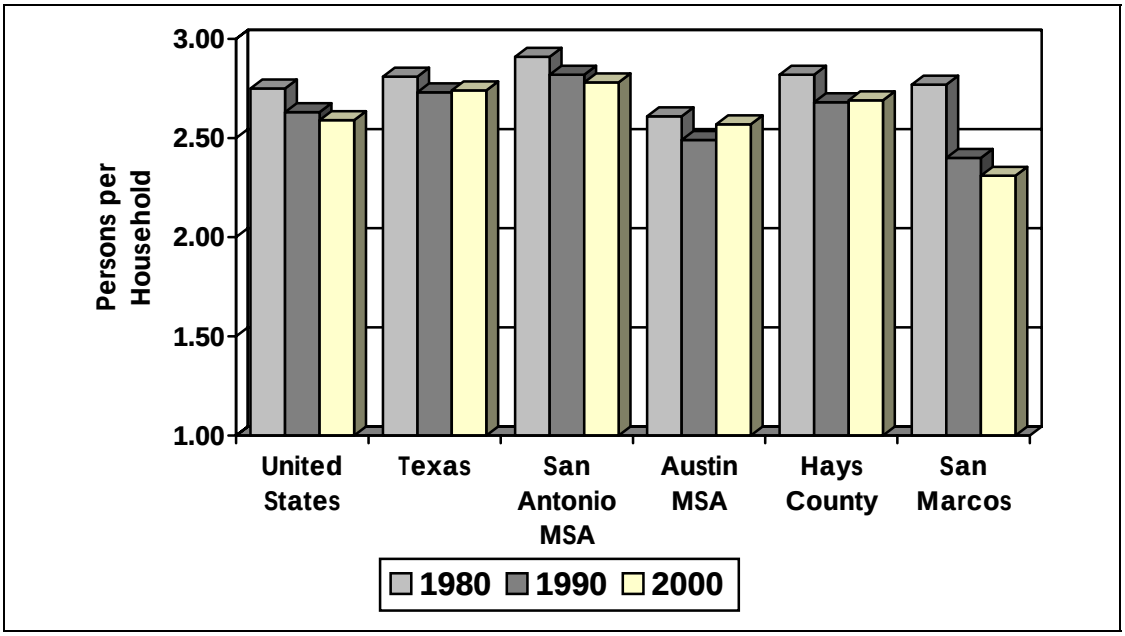


Household Characteristics Trends

Average household sizes in America have been decreasing over the past few decades as families are becoming smaller. Another factor in the decrease of average household sizes is the tendency for people to marry at an older age. In the United States, the average household size decreased from 2.75 in 1980 to 2.63 in 1990 to 2.59 in 2000.

The average household size in San Marcos in 2000 was 2.31, down from 2.40 in 1990 and 2.77 in 1980. There was a large decrease between 1980 and 1990 due to the large influx of students to San Marcos. The change from 1990 to 2000 paralleled the national trend. This trend for smaller households is likely to continue; however, the rate of decrease is expected to continue to slow down.

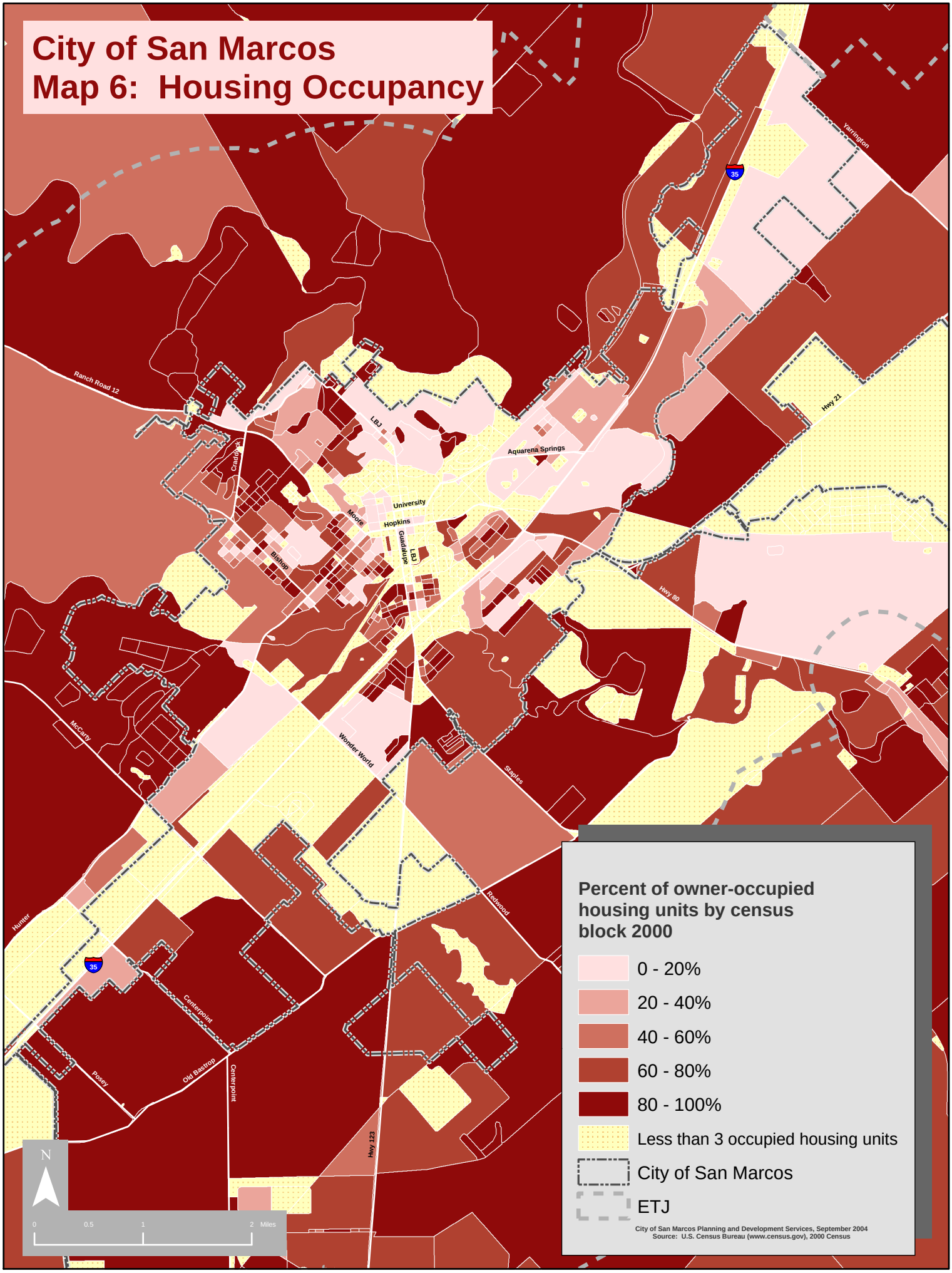
Figure 15: Population by Average Household Size, 1980-2000



Housing Characteristics

Map 6, on the following page, shows the distribution of rental vs. owner-occupied housing in the City.

City of San Marcos
Map 6: Housing Occupancy



Educational Attainment

Figure 16, below, shows the educational attainment of residents older than 25 years for the City in 1990 and 2000. Figure 17, on the following page, compares the educational attainment for the City of San Marcos with that of the county, MSA, state, and nation for the year 2000.

As of the year 2000, approximately 33% of San Marcos residents older than 25 had received a college degree, about the same as in 1990 (32%). Almost half (47%) of those without a college degree are high school graduates, a significant increase from only 36% in 1990. About 20% have less than a high school degree, down from 32% in 1990.

Figure 16: Educational Attainment for the City of San Marcos, 1990 & 2000

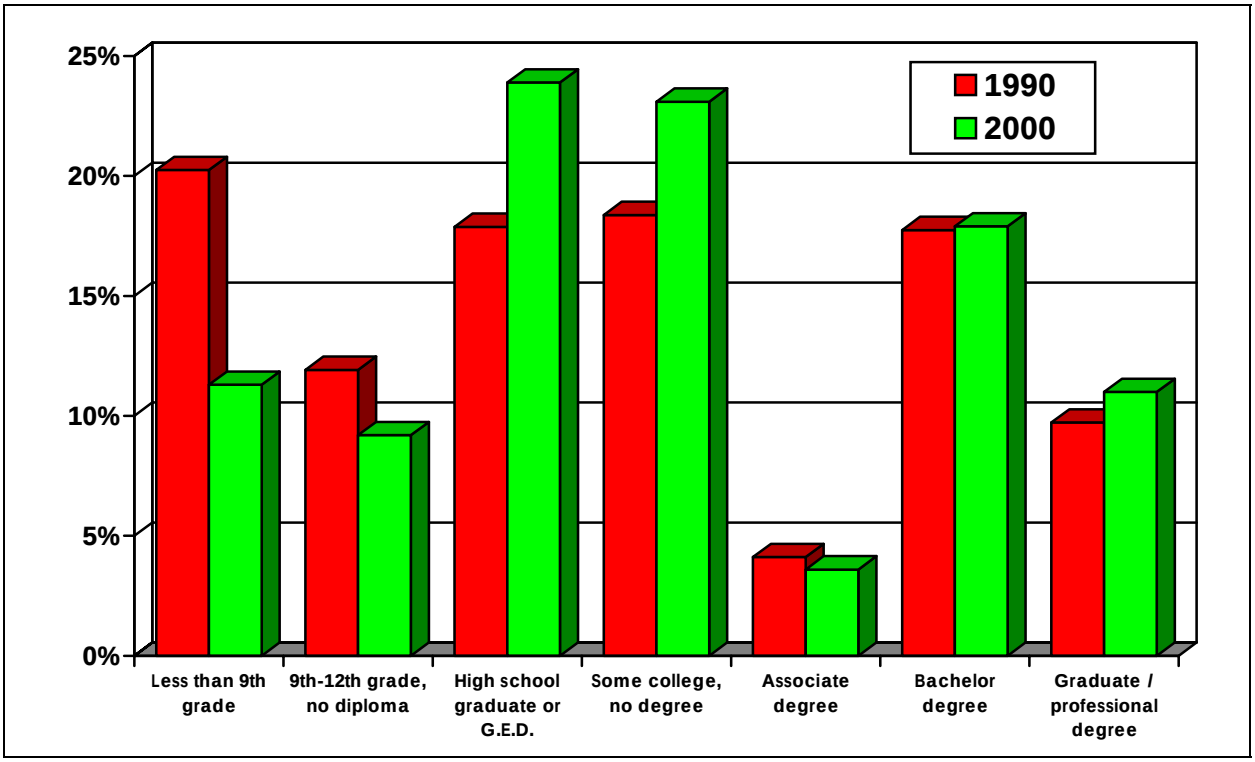
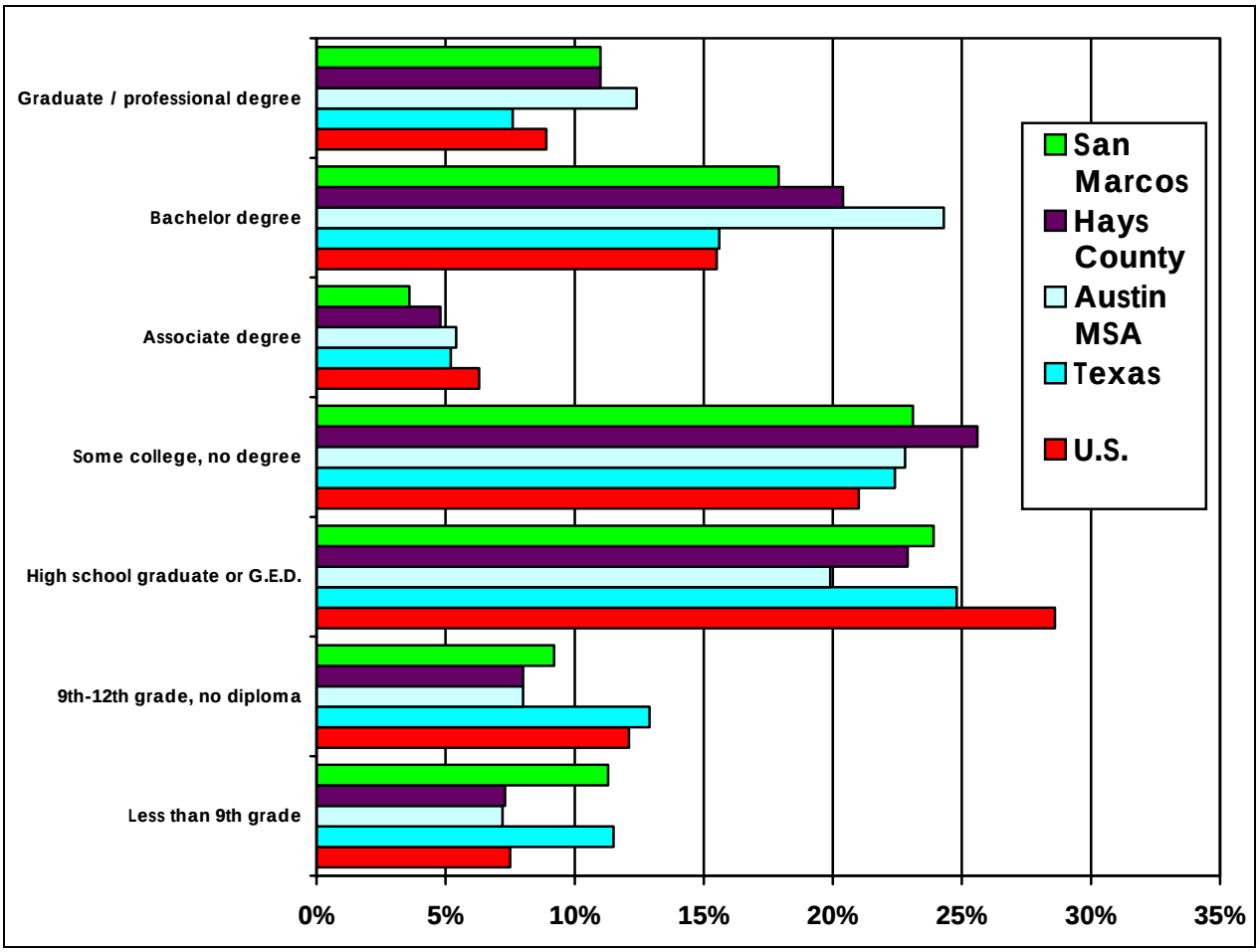


Figure 17: Educational Attainment Comparison, 2000



Language

Table 5 below shows the language spoken at home for residents of San Marcos. San Marcos has a much higher percentage of people whose primary language at home is Spanish as compared to the U.S. as a whole. Of this Spanish-speaking population, a greater percentage speak English "well" or "very well" as compared to the U.S. and the State of Texas. Approximately 4% of the City's population are within "linguistically isolated households", or non-Englsih-speaking households where no member of the household 14 years and older speaks English "very well". This represents almost 1,200 people in the City.

Table 5: Language Spoken at Home, 2000

Language Spoken at Home:	San Marcos	Hays County	Texas	U.S.
English	72.2%	76.9%	68.8%	82.1%
Spanish	25.5%	21.1%	27.0%	10.7%
Speak English "very well"*	70.9%	68.7%	54.4%	51.1%
Speak English "well"*	16.0%	16.5%	20.3%	20.7%
Speak English "not well" or "not at all"*	13.1%	14.8%	25.3%	28.3%
Other	2.3%	2.0%	4.2%	7.2%

* as a percent of Spanish speakers, not as a percent of the total population

THE ECONOMY OF SAN MARCOS

Economic Base

The Austin metro area's economic base is primarily the government, services, trade, and manufacturing sectors. Throughout the 1990's one of the largest factors in the economic growth of the Austin MSA was the increase in the high tech manufacturing sector, however, the recent economic downturn has hit this sector particularly hard.

San Marcos is located at the southeastern edge of Hays County and enjoys a strong and stable economic base built around education and government. The city's economy is diversifying and gaining strength in the tourism, retail, manufacturing, and health services sectors. According to the Texas Workforce Commission, the average 2002 San Marcos civilian labor force was 24,094, up from 17,216 in 1994. San Marcos accounts for 43% of the civilian labor forceof 56,249 in Hays County. This same data shows that San Marcos had an average unemployment rate of 7.6% in 2002, up from a decade low 3.5% in the year 2000.

Employment by Sector

Of the 18,621 employed residents 16 years of age and older in the City in 2000, 74% were employed by the private sector and 4% were self employed. The remaining 22% were employed by the government, 7% were employed by local government, 14% by the state, and 1% by the federal government. Table 6, below, shows a detailed breakdown of San Marcos employed residents by industry. The highlighted rows show the categories for which San Marcos has a significantly higher percentage in that industry compared to the state. These represent the predominant sectors for basic employment in San Marcos.

Table 6: Industry of Employed Residents

Industry	San Marcos Residents	San Marcos Percent	Statewide Percent
Agriculture, forestry, fishing and hunting, and mining	109	0.6%	2.7%
Construction	846	4.5%	8.1%
Manufacturing	1,276	6.9%	11.8%
Wholesale trade	269	1.4%	3.9%
Retail trade	2,928	15.7%	12.0%
Transportation and warehousing, and utilities	451	2.4%	5.8%
Information	630	3.4%	3.1%
Finance, insurance, real estate, and rental and leasing	879	4.7%	6.8%
Professional, scientific, management, administrative, and waste management services	1,227	6.6%	9.5%
Education, health, and social services	5,437	29.2%	19.3%
Arts, entertainment, recreation, accommodation, and food services services	3,121	16.8%	7.3%
Other services	747	4.0%	5.2%
Public administration	701	3.8%	4.5%

Source: US Census Bureau, 2000 Census (Table DP-3. Profile of Selected Economic Characteristics)

Major Employers

The following list, developed by the Greater San Marcos Economic Development Council, presents the major employers in San Marcos.

Table 7: Major Employers In San Marcos (2002)

NAME	TYPE	EMPLOYEES
1. Texas State University–San Marcos	State University	2,600
2. Prime Outlets San Marcos	Outlet Mall	1,400
2. Tanger Factory Outlet Center	Outlet Mall	1,400
4. San Marcos Consolidated Independent School District	Public school system	950
5. Hays County	County Government	748
6. Grande Communications	Telecommunications	700
7. Management Training Corporation	Vocational training	699
8. Central Texas Medical Center	Hospital	600
9. Hunter Industries	Asphalt hot mix	550
10. City of San Marcos	City government	492

Source: Greater San Marcos Economic Development Council

Texas State University–San Marcos

Texas State University–San Marcos (formerly Southwest Texas State University), has a current enrollment of approximately 23,500 and a campus of over 300 acres. It is the sixth largest public university in the state and the largest employer in San Marcos. Texas State has expanded its educational offerings to include more than 114 undergraduate, 81 master's, and 5 doctoral degree programs. Texas State directly employs approximately 2,600 people. Due to its size in relation to the rest of San Marcos, the university has a large impact on the economy of the city and surrounding area.

Outlet Malls

The development of two factory outlet retail centers in the city has had a strong impact on retail sales and tourism in San Marcos. Prime Outlets and the Tanger Outlet Center have a combined total of over 200 outlet stores. The centers employ approximately 2,800 persons. According to the Greater San Marcos Economic Development Council, the outlet malls attracted over 6 million shoppers in 2002. Since the vast majority of customers come from outside San Marcos, these facilities are similar to tourist attractions in terms of their economic impact.

Tourism

Other than the outlet malls, Aquarena Springs, Wonder World, the historic districts, and outdoor water recreation are the main attractions of the city's growing tourism industry. The downtown area also contributes to the growing tourism industry through its promotion of "San Marcos - A Texas Natural".

Manufacturing

Manufacturers in San Marcos process, install, and/or distribute products as diverse as aircraft components, lighting fixtures, and photographic equipment. The manufacturing sector accounts for approximately 12% of the total jobs in the San Marcos area. Of the 38 manufacturers in San Marcos, the top 10 are listed below.

Table 8: Major Manufacturers In San Marcos (2002)

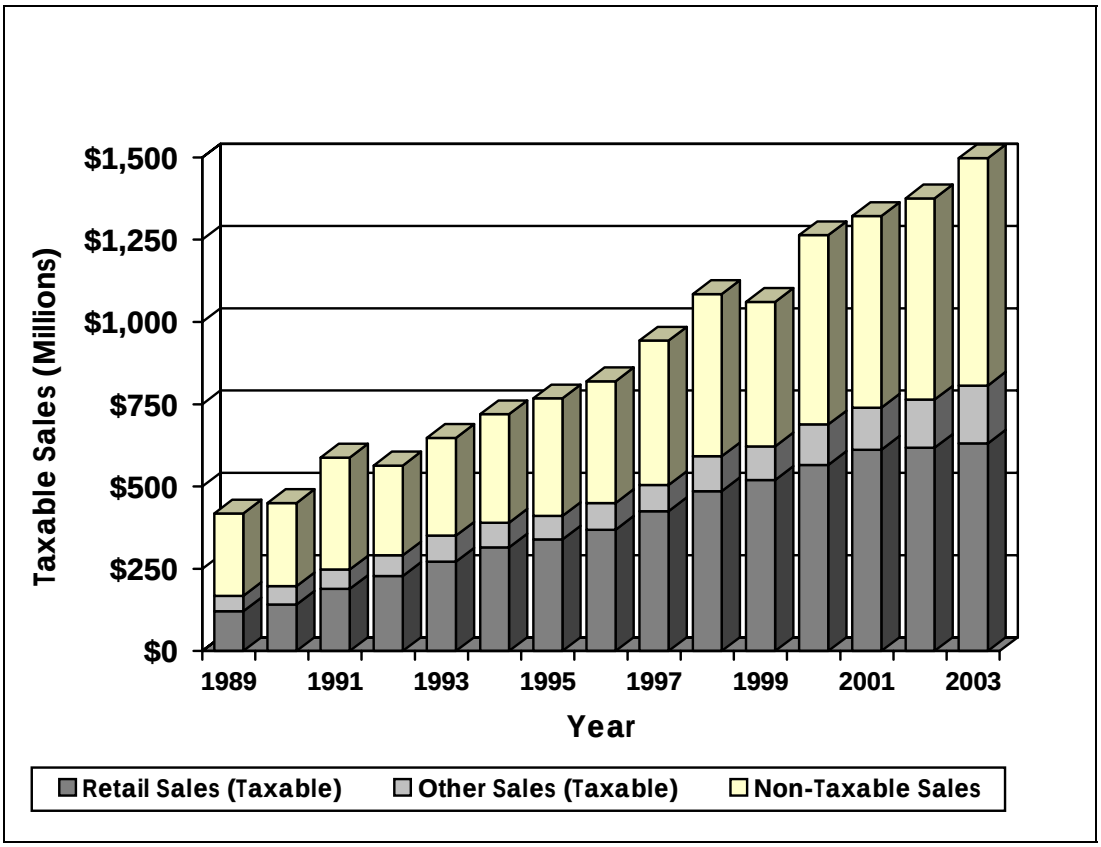
NAME	TYPE	EMPLOYEES
1. Hunter Industries	Asphalt hot mix	550
2. H.E.B. Distribution Center	Merchandise distribution	500
3. Pixel Magic	Digital photographic systems	328
4. Thermon Manufacturing	Conduction/Insulation	250
4. Butler Manufacturing	Prefab steel buildings	250
6. Wide-Lite Corp.	Lighting fixtures	170
6. Texas Lehigh Cement	Cement	170
8. Marshall Gas Controls	Gas BarBQ regulators	150
8. Chatleff Controls	Air conditioning components	150
10. Capital City Containers	Corrugated boxes	148

Source: Greater San Marcos Economic Development Council

Total Sales

Reported taxable sales have increased significantly in the City of San Marcos over the past decade. Total sales in San Marcos have more than tripled during the last 14 years, from $418 million in 1989 to $1,309 million in 2002. The openings of the two outlet malls in the early 1990's have had a dramatic effect on retail sales in San Marcos.

Figure 18: Taxable Sales (1984 – 2002)



Source: Texas Comptroller of Public Accounts.

Labor Force

Employment

In the State of Texas as a whole, employment increased an average of 3.3% per year between 1983 and 2003. Employment in the San Antonio MSA grew faster at 4.0%. Employment growth in the Austin MSA was very high at an average of 7.3%. Hays County saw very rapid employment growth at over 15% average per year. The City of San Marcos grew faster than the State as a whole at 5.7% average annual growth, but not as fast as the Austin MSA or Hays County.

Table 9: Area Employment

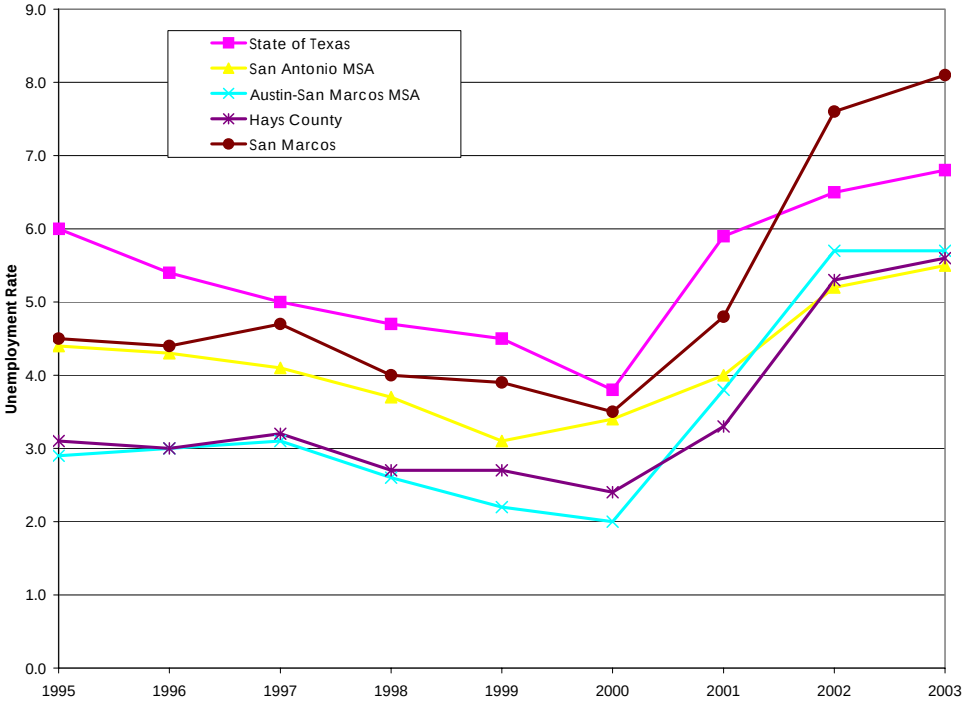
Jurisdiction	1983 Employment	1993 Employment	2003 Employment	1983 – 2003 Change	Ave. Annual Change
State of Texas	6,100,339	7,363,465	10,172,828	+66.8%	+3.3%
San Antonio MSA	433,061	557,507	781,555	+80.5%	+4.0%
Austin MSA	295,095	454,543	727,194	+146.4%	+7.3%
Hays County	13,197	23,334	54,237	+311.0%	+15.5%
City of San Marcos	10,084*	15379	22,664	+124.8%	+5.7%

Source: Texas Workforce Commission
* 1981 data from "City of San Marcos Master Plan" (1983)

Unemployment

Over the past nine years the unemployment rate for San Marcos has been higher than that for the Austin metro area and Hays County as a whole. In 2003 the City's unemployment rate reached 8.1, higher than the state figure of 6.8. Before 2002, the last time the unemployment rate in San Marcos was over 7% was in 1990. This upward trend in unemployment rates across the region reflect the national trend due to the current economic downturn.

Figure 19: Area Unemployment Rates



Source: Texas Workforce Commission

Place of Employment

Of the 18,154 employed residents of San Marcos age 16 years or older, approximately 61% work in San Marcos. Another 8% work in the remainder of Hays County and 31% work outside the County. Just under 10% work outside the Austin MSA.

Table 10: Place of Employment for San Marcos Residents* (2000)

Place of Employment	Residents	Percent
Total	18,154	100%
State of Texas:	18,106	99.7%
City of San Marcos	11,028	60.7%
Remainder of Hays County	1,379	7.6%
Outside Hays County:	5,699	31.4%
Remainder of Austin MSA	3,905	21.5%
Outside Austin MSA	1,794	9.9%
Out-of-state	48	0.3%

*Employed residents of San Marcos age 16 or older
Source: US Census Bureau, 2000 Census

Journey to Work

San Marcos is located between two large metropolitan cities, Austin and San Antonio. Because of this location, many San Marcos residents commute to jobs in nearby communities. Likewise, many San Marcos workers do not live in the city, but commute from out of town. Table 11, below, shows the workplace location for San Marcos residents (left column) and the residence location for San Marcos workers (right column).

Table 11: Journey to Work (2000)

Workplace for San Marcos Residents		Percent	Median Travel Time	Residence for San Marcos Workers		Percent	Median Travel Time
San Marcos	11,205	62%	10.4	San Marcos	11,205	46%	10.4
Austin	3,055	17%	40.3	Austin	1,305	5%	30.7
New Braunfels	600	3%	20.8	Redwood	755	3%	15.4
San Antonio	365	2%	45.8	New Braunfels	620	3%	25.1
Seguin	220	1%	30.2	Kyle	430	2%	15.6
Round Rock	120	1%	45.4	San Antonio	395	2%	45.9
Kyle	80	0%	15.2	Wimberley	360	1%	20.9
Georgetown	80	0%	15.1	Canyon Lake	245	1%	35.8
Wimberley	65	0%	30.1	Lockhart	240	1%	30.0
Lockhart	65	0%	25.5	Seguin	195	1%	30.7
Canyon Lake	55	0%	30.7	Luling	120	0%	30.6
Houston	55	0%	15.7	Round Rock	70	0%	50.1
Other*	2,170	12%		Other*	8,184	34%	
Total	18,135	100%		Total	24,124	100%	

Notes: Rounded to nearest 5, "Other" includes unincorporated areas
Source: Census Transportation Planning Package, 2000 Census, Part III data (www.transtats.bts.gov)

Cost of Living

San Marcos participates in a quarterly cost of living survey known as ACCRA which compares items from housing to groceries in over 300 cities nationwide. The report for the first quarter of 2003 shows San Marcos with a composite index of 92.2, indicating an average cost of living 7.8% below the national average. This compares to a composite index of 98.2, or 1.8% below the national average, in the first quarter of 1995. The following table presents the ACCRA cost of living index breakdown for San Marcos for 1995 and 2003. All of the cost of living indices for 2003 are lower, or the same as, the comparable index in 1995. This shows that the cost of living is not rising as fast in San Marcos as in the nation as a whole.

Table 12: Cost of Living Index for the City of San Marcos (1995 & 2003)

Categories	1995 Index (First Qtr)	Above/Below National Average	2003 Index (First Qtr)	Above/Below National Average
Composite Index	*98.2*	*- 1.8%*	*92.2*	*- 7.8%*
Grocery Items	94.6	- 5.4%	82.7	- 17.3%
Housing	100.6	+ 0.6%	89.3	- 10.7%
Utilities	82.0	- 18.0%	79.4	- 20.6%
Transportation	103.8	+ 3.8%	103.7	+ 3.7%
Health Care	106.3	+ 6.3%	94.8	- 5.2%
Misc. Goods and Services	98.7	- 1.3%	98.7	- 1.3%

Source: ACCRA Cost of Living Index (First Quarter 1995 and First Quarter 2003 data)
(National Average = 100)