

The 2015 PPI Tech/Info Job Ranking



BY MICHELLE DI IONNO AND MICHAEL MANDEL

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Introduction

This policy brief reports the top 25 tech counties in the country, based on the 2015 PPI Tech/Info Job Index.

The top three counties are in the Bay Area—first is San Francisco County, followed by Santa Clara County (Silicon Valley), and San Mateo County. Travis County, home of Austin, Texas, takes fourth place, with Utah County (Provo, Utah) ranking fifth.

The top 25 list also includes well-known tech hubs such as King County (Seattle), New York County (New York City), Middlesex County (Cambridge, Mass.) and Suffolk County (Boston). However, the PPI Tech/Info Job Index also identifies some unexpectedly strong performers, including East Baton Rouge Parish (Baton Rouge, La.) and St. Charles County (St. Louis, Mo. Metro Area).

This is the third year that we have ranked counties by the PPI Tech/Info Job Index, which is based on the number of jobs added in their tech/info industries from 2011 to 2014, relative to the size of the local economy. PPI defines the tech/info sector as including telecom, tech, and content industries, including wired and wireless telecom, Internet search and publishing, and movie production (see complete list of included industries in the methodology section).

As in previous years, we find that the local economies with the highest PPI Tech/Info Job Index tend to have a faster growth rate of non-tech jobs. This result supports the proposition that benefits from a strong tech/info sector spill over to the rest of the local economy.

Diversity of the List

The PPI Tech/Info Index provides an objective measure of the importance of telecom, tech, and content job growth to local economies. Not surprisingly, the Bay Area scores very high. However, we can see signs of the tech boom spreading to other parts of the country.

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Take Collin County, Texas, number six on our list. The county, located northeast of Dallas, includes Plano, already home to U.S. corporate headquarters of companies such as Ericsson, HP Enterprise Services, Huawei, J.C. Penney, Siemens PLM Software, and Toyota Motors USA. Recently, the county has been a burgeoning tech/info hub and has attracted many new companies. For example, CVE Technology Group Inc., an electronics company, moved its headquarters from New Jersey to Collin County in mid-2014. By the end of 2015 they plan to employ 1,200 workers in the county.¹

In 14th ranked Bergen County, New Jersey, just outside of New York City, South Korea-based LG Electronics is expanding their North American headquarters. In late-2013 the giant maker of televisions and smartphones broke ground on a new 360,000 square-foot corporate campus that will allow them to double its local employment by 2019.²

Multnomah County, Oregon hit 17th on our list as its main city, Portland, has been a magnet for big tech companies. For example, eBay opened a Portland office in 2010 and increased office space by 50 percent in 2012.³ Software analytics company New Relic quadrupled its Portland office space in 2012.⁴ Google expanded its operation in Portland, moving in to 15,000 square feet of new space in October 2015⁵ and Japanese digital graphics company Wacom plans to lease 56,000 square feet of Portland office space beginning next year.⁶

Tech/info employment in East Baton Rouge Parish, Louisiana, 18 on the list, has grown with a combination of both big and small companies. For the big, there is IBM, which announced plans for an 800-job technology center in Baton Rouge in March 2013. Many game development studios have moved into the area over the past few years as well, such as Electronic Arts, Firebrand Games, and Crawfish Games. In addition, Louisiana Technology Park in Baton Rouge created Level Up Lab in 2012 with the aim of creating and attracting new digital media companies to Louisiana.⁷

And Dallas County, ranked at 19 on our list, is benefitting from the presence of companies such as AT&T. Indeed, telecom employment in the county grew by 12.3 percent between 2011-2014, with an employment increase of 2.9 million jobs, as the telecom giant invested over \$7 billion in Texas from 2010-2012.⁸

Virginia Beach, number 23 on the list, is benefitting from the growth of companies like locally-based Marathon Consulting. The IT consulting firm has been named to Inc. Magazine's list of the 5000 fast growing companies in the United States every year from 2011 to 2015.^{9,10} Another Virginia Beach technology company that is growing is DOMA Technologies, a cloud-based data and document management company. As of October 2014 they were planning to expand their operation, creating 150 jobs.¹¹

In number 24 St. Charles County, Missouri, northwest of St. Louis, a portion of the growth in technology jobs can be attributed to their thriving aerospace supplier industry. In 2013, Seyer Industries completed a 35,000 square foot expansion in the area, while LMI Aerospace was announcing a 49,000 square foot expansion of their operations.¹²

The 25 counties that ranked with the highest PPI Tech/Info Job Index saw an average private sector job gain of 10.4 percent between 2011 and 2014.

Top 25: PPI Tech/Info Job Index					
	County	PPI Tech/Info Job Index	Growth of Tech/Info Jobs 2011-14	Growth of Non-Tech/Info Jobs 2011-14	Location
1	San Francisco County, Calif.	5.1	54.7%	13.8%	San Francisco, Calif.
2	Santa Clara County, Calif.	3.7	29.3%	11.2%	San Jose, Calif.
3	San Mateo County, Calif.	3.6	33.1%	13.3%	San Francisco MSA
4	Travis County, Texas	3.0	41.4%	15.5%	Austin, Texas
5	Utah County, Utah	2.9	32.6%	15.8%	Provo, Utah
6	Collin County, Texas	2.1	21.5%	18.0%	Dallas MSA
7	Wake County, N.C.	1.4	18.3%	12.3%	Raleigh, N.C.
8	King County, Wash.	1.3	12.4%	9.4%	Seattle, Wash.
9	Suffolk County, Mass.	1.2	28.6%	5.9%	Boston, Mass.
10	New York County, N.Y.	1.2	12.1%	8.5%	New York City
11	Washtenaw County, Mich.	1.1	22.6%	3.6%	Ann Arbor, Mich.
12	Dane County, Wis.	1.1	16.9%	5.4%	Madison, Wis.
13	DeKalb County, Ga.	0.9	15.0%	6.0%	Atlanta MSA
14	Bergen County, N.J.	0.9	22.1%	2.5%	New York MSA
15	Williamson County, Texas	0.9	36.5%	15.1%	Austin MSA
16	Boulder County, Colo.	0.9	8.0%	9.2%	Boulder, Colo.
17	Multnomah County, Ore.	0.9	25.3%	8.9%	Portland, Ore.
18	East Baton Rouge Parish, La.	0.9	32.6%	8.3%	Baton Rouge, La.
19	Dallas County, Texas	0.8	14.9%	8.0%	Dallas, Texas
20	Santa Barbara County, Calif.	0.8	25.0%	6.9%	Santa Barbara, Calif.
21	Cobb County, Ga.	0.8	16.0%	13.1%	Atlanta MSA
22	Middlesex County, Mass.	0.8	8.2%	5.3%	Cambridge, Mass.
23	Virginia Beach City, Va.*	0.8	22.5%	4.7%	Virginia Beach, Va.
24	St. Charles County, Mo.	0.8	19.4%	7.9%	St. Louis MSA
25	Salt Lake County, Utah	0.8	16.0%	9.7%	Salt Lake City, Utah

Data: Bureau of Labor Statistics, Progressive Policy Institute

*The U.S. Census Bureau treats independent cities as county equivalents for statistical purposes.

High-paying, high-productivity jobs

Our research indicates that the tech/info sector is attractive to local economic development strategies. The tech/info sector offers high-paying, high-productivity jobs, where the wages are growing faster than the national average.

First, based on our calculations from Bureau of Labor Statistics data, we find that jobs in this sector paid a national average of \$84,800 in 2011, including bonuses, compared to a \$46,300 national average for all other private sector jobs. Moreover, wages in the tech/info sector rose by 13.1 percent from 2011 to 2014, compared to a 6.8 percent rise in the rest of the private sector (without adjusting for inflation).

	Average Wages 2014	Wage growth 2011-2014
Tech/info sector	\$84,800	13.1%
Rest of private economy	\$46,300	6.8%

The tech/info sector is also carrying more than their weight in terms of productivity. As of 2013, the sector only accounted for 3.9 percent of private sector employees nationally, but yet was responsible for 6.8 percent of private sector gross output. Tech/info jobs are the types of high-paying, high-productivity jobs that can help bring money into communities and fuel local economies.

And perhaps most importantly, the benefits of tech/info growth appear to spillover to the rest of the local economy. The 25 counties that ranked with the highest PPI Tech/Info Job Index saw an average private sector job gain of 10.4 percent between 2011 and 2014. Meanwhile, private sector employment only grew at a rate of 6.8 percent on average for all other large and medium-sized counties examined.

Equally interesting, these 25 counties on our list produced an average non-tech/info job gain of 9.5 percent between 2011 and 2014, compared to a 7.0 percent average for the non-ranking counties. In addition, the top 25 counties experienced an average private sector wage growth of 9.0 percent from 2011-2014, while the national average was 7.3 percent.

	Average Private Employment Gain 2011-2014	Average Non-Tech/Info Employment Gain 2011-2014
Top 25 Counties	10.4%	9.5%
Non-ranking counties*	6.8%	7.0%

**See Methodology section for an explanation of which counties were used.*

The implication is that policies to encourage tech/info growth are more likely to boost the overall economy. As mayors and local officials are becoming increasingly active in policymaking, it is important for them to advance policies that encourage tech-type industries. Innovation creates well-paying jobs and well-paying jobs enrich local economies. What's more, the diversity of places on our list suggests a high-growth economy is not just for the traditional tech powerhouses such as Silicon Valley, but has broader applicability.

The Methodology

In 2013, PPI introduced the PPI Tech/Info Job Index in order to quantify the link between the tech/information sector and overall growth. This marks the third con-

Innovation creates well-paying jobs and well-paying jobs enrich local economies.

secutive year that PPI is ranking counties by the strength of their tech/info sector. Last year's report is the source of the figures cited in the March 2015 *New York Times* article, "What is the Next 'Next Silicon Valley'?"

For the purposes of this ranking, the tech/info sector consists of the following telecom, tech and content industries spanning NAICS 51 and NAICS 5415: Broadcasting (Internet, cable and over-the-air); Custom computer programming (including app developers and web developers); Data processing and hosting (including cloud computing); Film, video, and sound recording (conventional and digital distribution); News services (i.e. Reuters, Bloomberg, Associated Press); Publishing (print and digital); Software; Web search portals and social media; Wired and wireless telecom; Other computer-related services.

Only counties with populations over 300,000 as of 2012 were used. All estimates are based only on private sector jobs. The PPI Tech/Info Job Index is defined as the increase in tech/info jobs in the county between 2011-2014, divided by 2011 total private employment in the county, multiplied by 100. Thus, an index of 1 means that the new tech/info jobs created from 2011-2014 equals 1 percent of total private employment.

Endnotes

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- ⁸ PRNewswire, “AT&T Invested More Than \$7 Billion in Texas from 2010 Through 2012 to Enhance Speeds, Reliability and Performance for Customers, February 20, 2013, <http://www.prnewswire.com/news-releases/att-invested-more-than-7-billion-in-texas-from-2010-through-2012-to-enhance-speeds-reliability-and-performance-for-customers-192035781.html>.
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 - ¹⁰ Editors of Inc., “Inc. 5000 2015: The Full List: Our annual ranking of the fastest-growing private companies in America,” *Inc.*, 2015, <http://www.inc.com/inc5000/list/2015/>.
 - ¹¹ Associated Press, “Tech firm expanding Virginia Beach operations,” October 21, 2014, <http://www.washingtontimes.com/news/2014/oct/21/tech-firm-expanding-virginia-beach-operations/>.
 - ¹² Brian Flinchpaugh, “St. Charles County’s economic growth could continue in 2013,” *St. Charles County Suburban Journal*, February 14, 2013, http://www.stltoday.com/suburban-journals/stcharles/news/st-charles-county-s-economic-growth-could-continue-in/article_7af38010-b62d-503c-b421-4cc524c42502.html.

About the Authors

Michelle Di Ionno is an economist at the Progressive Policy Institute. Michael Mandel is the chief economic strategist at the Progressive Policy Institute.

About PPI

The Progressive Policy Institute (PPI) is an independent research institution that seeks to define and promote a new progressive politics in the 21st century.