

INFORMATION & COMPUTER TECHNOLOGY

Information and Computer Technology is one of six industry clusters identified in 2004 by Gov. Rick Perry as part of his long-term, strategic job creation plan. The IT cluster was selected because of its powerful potential for future economic growth, and because it is an important contributor to the other five clusters. The IT cluster encompasses many industry segments, including computers, software, telecommunications, and IT services. Dell, Microsoft, Texas Instruments, HP Enterprise Services, VCE, Cisco, and National Instruments are just a few of the major IT employers that call Texas home.

COMPUTER SYSTEMS DESIGN AND SERVICES

Computer Systems Design and Services ranks as the largest sector in Texas' Information Technology Services industry with 69 percent of the state's industry employment, and overall employment increases of more than 9 percent between 2007 and 2010. That growth is due to the increasing importance of online services, such as cloud computing, which make the computer systems design sector critical to government, education, and businesses across industries. Within the sector, the computer systems design services area, which includes all types of outsourcing and consulting firms, and a growing number of cyber security companies, dominates in terms of both firms and workers.

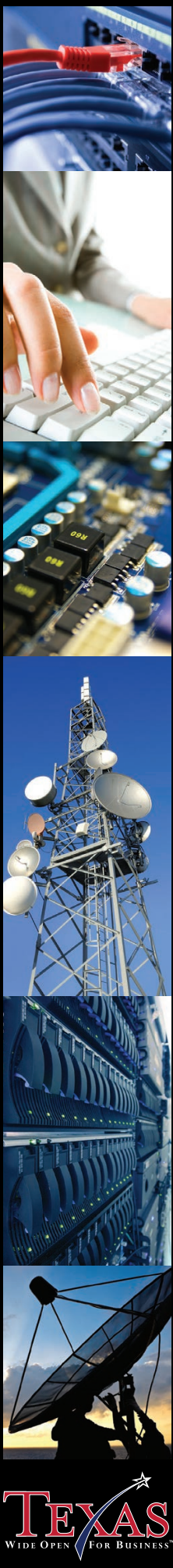
San Antonio has emerged as a cyber security national center of excellence, beginning over 20 years ago with security operations at Kelly Air Force Base. In 2009, the U. S. Air force activated the 24th Air Force, also known as the Air Force Cyber Command, at Lackland Air Force Base in San Antonio, with the objective to protect Air Force operations and prepare for future cyber wars. The city is also home to the National Security Agency's (NSA) Texas Cryptology Center, an NSA data center, as well as approximately 80 defense contractors—with many focused on information security.

DATA PROCESSING AND HOSTING

The Data Processing and Hosting (DPH) sector accounts for 17 percent of the state's IT services employment. It includes companies offering data processing and hosting services, as well as Internet Service Providers (ISPs) and Web search portals. In 2010, one out of approximately every 10 U.S. DPH workers was employed in Texas and one out of approximately every 13 U.S. DPH firms was located in Texas, according to Bureau of Labor and Statistics data. Additionally, Texas ranked No. 1 nationally for DPH sector employment.

Texas data centers serve U.S. and global hosting providers and customers numbering in the millions. The state is one of the nation's top locations for data centers because of its centralized location, reasonable power costs, independent energy grid, favorable weather, and skilled work force. In June 2011, Gov. Rick Perry signed Texas House Bill 1841, which improved the Texas business climate for hosting and data center companies. The bill states that an individual or business whose only activity in the state is Internet hosting is not "engaged in business" in the state and therefore does not have to collect Texas sales and use taxes from customers.

In August 2007, Gov. Rick Perry announced a \$22 million TEF investment in San Antonio-based Rackspace Hosting, as part of state and local efforts to secure the company's expansion of a new facility in the San Antonio area. The investment is projected to generate more than \$100 million in capital investment and create approximately 4,000 new jobs by 2015. In December 2011, Rackspace signed a long term lease for over 58,000 square feet for a new data center in Richardson, Texas. Rackspace has become one of the biggest hosting and cloud companies in the U.S., with over 3,800 employees, 161,000 customers, and 74,000 services.



SOFTWARE PUBLISHING

The Software Publishing sector includes software design, development and publication; computer and video game publishing; and providing support services to software purchasers.

Computer and video gaming has become a major part of the state's software publishing segment and entertainment industry. In fact, the latest data from the Entertainment Software Association (ESA), a national industry group, indicates that Texas ranks No. 2 nationally for computer and video game employment, with over 13,600 individuals directly and indirectly employed by the industry.

Texas is home to 159 video gaming companies employing over 4,500 industry professionals, according to the Texas Film Commission. Austin has the highest levels of the state's sector employment, with 3,237 game industry jobs. Dallas ranks No. 2 with 1,051 jobs, followed by Houston with 200.

WEB-BASED SERVICES

The Web-based Services sector is comprised of internet publishing and broadcasting companies, web search portal operators, and telecommunications service companies such as internet service providers.

Major companies doing business in Texas in this breakout primarily fall within the Internet publishing and broadcasting services area. They include some of the world's largest news and publishing companies, as well as a number of major telecommunications and Internet firms, such as AT&T, Verizon, Amazon.com, News Corporation, and Google.

Texas Enterprise Fund awards have been key in attracting relocation and expansion projects of high profile Web-based services companies to Texas. In February 2010, Gov. Rick Perry announced a \$1.4 million TEF investment for California-based Facebook to create a sales and operations office in Austin. This investment will create 200 jobs and more than \$3.1 million in capital investment. Facebook opened its Austin office in May 2010 and doubled its Austin office space in October 2011. The Austin office represents Facebook's first major U.S. expansion outside of California and is its second largest operation outside of California.

In April 2011, a \$2.8 million TEF investment was awarded to eBay Inc. for the expansion of its Austin facility. This investment will create 1,050 high-paying jobs and generate an estimated \$5.1 million in capital investment through facilitating the expansion of various eBay Inc. business units, including PayPal units currently located in Austin.

For more information visit TexasWideOpenForBusiness.com

