

Austin American-Statesman

Survey gives Austin high marks for tech workers' cost of living. Could that help its chances at Amazon's HQ2?

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As Amazon ponders its final decision on where to locate its \$5 billion second headquarters project, will the retail giant factor in how far its workers' salaries would go in whatever city it chooses?

If so, a new study by online jobs marketplace Hired.com could help Austin's chances for landing the project, which Amazon has dubbed HQ2.

In a survey of major U.S. tech hubs, Austin has the best adjusted cost of living for technology workers, Hired's study found.

Amazon said its second headquarters will bring 50,000 jobs to the winning city. Salaries will average more than \$100,000 per year, and the facility will be 500,000 square feet to start out but could grow to as much as 8 million square feet. Amazon has narrowed the possible sites to 20, and Austin is one of the finalists.

In Hired's study, Austin topped New York, Boston, Washington D.C. and Denver -- all among Amazon's 20 finalists for HQ2 -- as the most cost-efficient place for tech workers to live.

"It's been a really perfect storm in Austin," Hired CEO Mehul Patel said. "It's been a high standard of living, companies having big demand and being a desirable place to live."

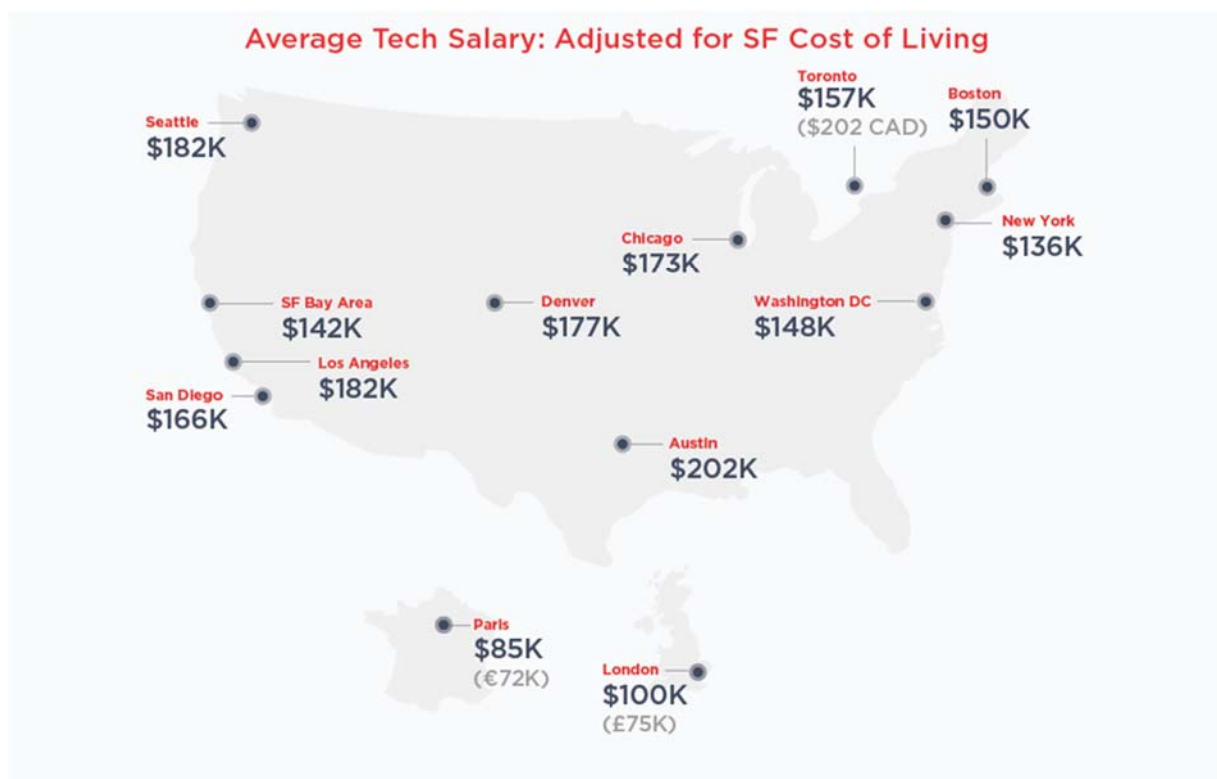
When it announced the project last September, Amazon listed preferences for its HQ2 site, among them being in a community "where our employees will enjoy living, recreational opportunities, educational opportunities, and an overall high quality of life," the company said. Amazon has also said that financial incentives will play a role in which site it chooses.

Hired compared how much each city's average tech worker salary would be worth in San Francisco, which has one of the nation's highest cost of living. Hired pulled data from more than

420,000 job interviews on their site, as well as housing, groceries, transportation and other economic data from crowdsourcing data site Numeo.

The researchers found that while the average tech worker in Austin earns an annual salary of \$118,000, that would equate to being paid \$202,000 in San Francisco when adjusted for cost of living. For comparison, both average and adjusted average tech worker salary in San Francisco is \$142,000, according to Hired.

After Austin, the cities with the highest adjusted tech worker salaries were Seattle (Amazon's hometown), Los Angeles, Denver, Chicago, San Diego, Toronto and Boston. Tech jobs analyzed included those in software development, product management and data analytics.



Courtesy of Hired.com

Large companies typically monitor cost of living and employee satisfaction, said John Boyd from The Boyd Co., a New Jersey-based corporate site selection consultancy.

“Labor markets are tightening throughout the country and it is getting more difficult and costly to relocate employees and their dependents,” Boyd said in an email interview. “Amazon will be factoring in all the moving parts here, high cost of living, competitive local hiring challenges and the enormous -- unprecedented -- magnitude of the national hiring and relocation tasks that lie ahead for the company.”

Hired also surveyed about 700 tech workers across their site, asking them which city they would prefer to relocate to if they had to move. Austin ranked second behind Seattle.

“It’s not a coincidence that where (tech workers) would relocate to would be Austin. Low cost of living is a driving factor,” Patel said. “If you can get great talent where it’s also cheapest for the candidate, it’s a win for the companies. It’s not a coincidence Austin is seeing (investment from) all of these companies that are big corporations.”

Like other large tech firms here with a notable Central Texas presence (Facebook, Apple, IBM and Samsung, among others), Amazon has been investing in Austin in recent years.

The company doubled its local workforce from 2016 to 2017 to more than 900 employees.

At 3.1 percent, Amazon also had the fourth-largest share of tech job postings in Austin during 2017, according to recently released data from job site Indeed that included job listings for software engineers, developers, product managers and other jobs.

Amazon’s HQ2 short list:

- Austin
- Atlanta
- Boston
- Chicago
- Columbus, Ohio
- Dallas
- Denver
- Indianapolis
- Los Angeles
- Miami
- Montgomery County, Maryland
- Nashville
- Newark
- New York City,
- Northern Virginia
- Philadelphia
- Pittsburgh
- Raleigh, N.C.
- Toronto
- Washington, D.C.