

Quietly, AMD has grown its Austin work force 30 percent this year

Engineering jobs created by expansion at chip companies helps offset growth in low-paying hospitality sector.

By [Kirk Ladendorf](#)

AMERICAN-STATESMAN STAFF
Wednesday, Nov. 24, 2010

Advanced Micro Devices Inc. has been quietly adding engineering and technical talent in Austin this year as it gears up to deliver a flurry of new computer processor chips over the next few years.

The chipmaker said its Austin employment totaled just over 2,900 people at the end of October, up about 700, or more than 30 percent, from the start of the year, with much of the growth coming from high-paying engineering and other technical jobs.

"Over the year, we have added considerably more local head count with regard to engineering resources," spokesman Mike Silverman said.

Much of the reason, he explained, is Fusion, AMD's long-awaited program that couples a central processor and a graphics processor on a single chip.

AMD's expansion this year has been global. The company said it had 13,163 workers worldwide in October, up from 10,400 at the end of last year.

"There has been a lot of sustained growth among chip design companies in Austin," said technology recruiter Kim Butler with Greywolf Consulting Services. "A lot of it is being led by audio technology. Companies have been hiring engineers of all flavors in design, test and design verification. This growth has kind of sneaked up on us."

Economists said AMD's job growth, coupled with expansion at Samsung Electronics Co. and several other chip companies in Austin, gives a shot in the arm to the local economy. Many jobs for experienced chip design engineers pay \$100,000 a year and up.

Those jobs help offset the lower-paying jobs that have provided almost half of the net job growth in Central Texas in the past year.

According to the Texas Workforce Commission, Central Texas employers added 18,200 jobs in the 12 months that ended in October, and almost half of that — 8,500 jobs — was in the leisure and hospitality category.

AMD's job growth "is fantastic news for the semiconductor industry in Austin," said economic development consultant Angelos Angelou. "The industry has been plagued by layoffs and downsizing in

the last few years. This is welcome news to have one of our major employers" add several hundred high-paying engineering jobs.

AMD is only one of several tech companies expanding in Austin this year. Samsung's massive fab expansion project in Northeast Austin is expected to create about 600 additional full-time jobs by next year as well as nearly 3,000 temporary jobs for the construction project. Cirrus Logic Inc., a leading maker of audio chips, has announced it will build a downtown headquarters complex on West Sixth Street to house its expanding work force in Austin, which is approaching 400 workers. Intel Corp., AMD's arch rival, said it also is expanding and has about 1,000 workers in Austin, which is the center for development of its Atom family of low-power processors.

Other chip-related companies expanding in the area include ARM Holdings and Silicon Laboratories Inc. Even equipment maker Applied Materials Inc. began adding jobs during the summer after three years of cutbacks. Applied, which had 1,500 full-time Austin workers in July, said it would be hiring 100 more permanent workers because of an uptick in business.

For AMD, the growth comes after years of budget-cutting as the company worked to get its spending in line with revenue that was affected by a high-profile product misfire and a resurgence of competing products from Intel.

But in the past two years, AMD began the spinoff of its costly chip manufacturing operations and reached a historic antitrust lawsuit settlement with Intel last November that brought it \$1.3 billion in cash.

Now executives say AMD must focus harder than ever on delivering on the promise of new products based on several innovative new designs.

The first Fusion chips, code-named Ontario and Zacate, are in production and are expected to be used in low-power desktop and portable computers that will be introduced early next year.

AMD has unveiled a road map during the next two years that includes several Fusion chips for desktop PCs and notebooks. Intel also has chips in the works that combine a computer processor and a graphics processor, but analysts say Intel lags behind AMD for the moment in graphics design capability. Analysts say AMD's product launches over the next two years are more numerous than the company has previously attempted, so it has had to bring on more software and hardware engineering talent to support the effort.

Austin is a good place to hire such talent, notes analyst Nathan Brookwood with Insight 64 , because the city is a noted center for chip design work.

Brookwood notes that AMD has an ambitious schedule of planned projects that it is pledging to complete and deliver to computer makers in a timely fashion.

"If you are going to put up a road map like that, you have to support it," Brookwood said. "People in the computer industry don't take kindly to chip companies that have vaporware road maps."

Courtesy of JB Goodwin