Gov. Perry Addresses the Texas Economic Development Council

*Note - Gov. Perry frequently departs from prepared remarks.

Monday, September 29, 2008

Thank you, Mike [McKinney, TEDC Chairman] for that kind introduction and for all the work you and your folks do to make Texas the economic envy of the civilized world.

Gathered here today are representatives from all across our state, including folks from the area that was blasted by Hurricane Ike. As you know, Ike gave our state a pretty good uppercut to the ribs and we’re more than a little beat up in that area…but Texas is still punching.

At the federal level, we sent a team to Washington last week to update Congress on the situation and asked them for a first wave of funding relief. Getting the $11.5 billion we requested will really accelerate our recovery.

But we’re not waiting around for the federal government to fix all of our problems. You know as well as I do that individual Texans, small businesses and local communities started cleaning up as soon as the winds died down. They have been working ever since to return to their homes, reopen their businesses and continue working for their future.

I believe that all of you here today have an important role to play in our recovery from Ike. Your efforts are just as important as those of utility crews that have been working around the clock to restore power, or builders who are beginning to piece homes and businesses back together.

You represent one of the main strengths of Texas: our spirit of entrepreneurial innovation. Along with our work ethic and compassion for our fellow Texans, that entrepreneurial mindset is what will cause that part of our state to come roaring back.

And roar back we will.

Now, some of you may be looking out across the financial landscape, and worrying about your future. Even worse, you might have made the mistake of listening to the panicked voices of the media, and started to believe their claims that the sky is officially falling, that it’s time to grab the family and head for the storm cellar.

Let me assure you that, here in Texas, that is not the case. Everything I’m seeing indicates that the Texas economy is still strong.

The same elements that have made us the leading job-producing state in the nation, the top exporting state in the
nation, and the number one place to start, expand or move a business have not changed all that much.

Unless some CEOs decided to pack up moving vans and move out of Texas last night, we still have more Fortune 500 companies headquartered within our borders than any other state.

On the residential housing side, we still have the healthiest default rate of any large-population state, due in part to the fact that our real estate prices didn't run away over the past few years like they did in some other states.

Our traditionally higher standards for home equity borrowing have also kept people from over-extending themselves like they have across the country.

On the financial side, our Texas-based banks and credit unions are still financially healthy and lending into their communities.

Our unemployment rate is still well below the national average and we are still creating jobs faster than anyone else.

We still have one of the most favorable climates for business that you'll find anywhere.

I had the pleasure a couple weeks ago of welcoming Dr. Art Laffer to Austin where he shared the results of a study his team did on the economic differences between Texas and California. Hopefully you remember Dr. Laffer from his famous diagram, the Laffer Curve, and his role in the economic transformation of our country under Ronald Reagan.

Well, Dr. Laffer concluded that, when it comes to taxes and their impact on our citizens, Texas versus California isn't even a fair fight. Just because we have no personal income tax, companies reap an up-front benefit of about $115 per thousand dollars spent over the same amount spent in California.

Bottom line, we STILL have a great story to tell and I appreciate the way that you all tell it in recruiting businesses to come to Texas.

No matter what storms may rage, be they weather or financial, we will remain strong by working our hardest, by keeping Texas competitive in the global marketplace.

You've seen the reports from our Competitiveness Council, so you have a good idea of where we're headed. You can rest assured that those objectives haven't changed.

Now, not everyone in government shares our same sense of urgency that compels us to push so hard for competitiveness. That's why you and I both need to keep educating them on its importance.

They need to know that their agencies, their actions, and their policies do have an impact on our competitiveness at the city, state and international level.

Now more than ever, we need to compete for jobs, investment and the other good things that happen when a company chooses your city, your region, our state.

It might even help you to get your hands on a site selector's list of criteria and show the government folks you work with what those companies are looking for.

I think they'll be surprised at the array of variables a site selector considers, but they should also be motivated to lead differently.

Jobs and investment are a great way to measure success.

If you haven't already, I also encourage you to start working as if your competition isn't the next town over, but the most attractive cities in the world.
That’s a high bar to clear, but it is a mindset that will help you, your organization and your community push for the kind of change, improvement and competitiveness that will set you apart.

On our end, we’re going to keep beating the drum for Texas and we’re going to keep trying to improve the tools we have to draw investment and jobs.

For example, the Enterprise Fund has led to nearly 52,000 new jobs since it was created, attracting $13.7 billion in total capital investment.

Considering that as the return on an investment of about $364 million, I’d say we’re making a difference.

The Emerging Technology Fund and the $114 million we’ve invested from it are spurring the commercialization of new ideas all over the state.

I believe that both of these funds are an essential part of our economic development strategy and I intend to ask for more money in the next session and keep it focused on creating great results.

So, in my view, things are still going strong in Texas. Our country as a whole is experiencing some financial trouble that will be felt, but I believe we’re positioned to weather it better than any other state.

So let’s keep working together, elevating our competitive position and spreading the word about the state we all love so much.

May God bless you and may He continue to bless the great state of Texas.