Gov. Perry Meets with State Leaders to Discuss Texas Economy

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

Monday, October 06, 2008

Thank you all for being here today and thank you for your principled leadership of these Texas institutions that fortify our state’s economy.

I have asked you to join me here today to discuss the realities of the Texas economy, in the context of the financial turmoil that has our nation in an uproar.

I have to say I’m disappointed that Congress bailed out corporate America last week, …and honestly not surprised that their miracle cure hasn’t fixed the stock markets.

Now, I’ll admit there may be a few provisions in this bill that benefit Texas like the sales tax extension, but the truth is that Congress passed a $700 billion taxpayer-funded bailout for corporate America, that included $470 million to create jobs in Hollywood, and tax breaks for wooden arrow makers.

Regardless of what Washington DC does or does not do to fix this long-term problem, I am pleased to say our state’s economy is better suited than just about any other to weather this financial storm.

Our state’s level of residential mortgage defaults is the best among the top ten states ranked by population.

I believe that is due to a number of reasons including the fact that Texans didn’t get quite as caught up in the runaway pricing of homes, and our traditionally stronger guidelines for home equity borrowing and lending kept Texans from squandering their equity in ways that have plagued other states.

Reports that indicate our state’s unemployment figures are well below the national average. In
fact, our statewide unemployment rate of 5% is 1.1% lower than the national average. That’s the biggest spread below the national number since 1984. Also, for comparison, our statewide unemployment rate is nearly 1.5% lower than the rate during the economic crunch in 2002 and 2003.

At the same time, we continue to be the national leader in job creation. Nearly half the jobs created in the U.S, approximately 46%, were created in Texas from August ’07 to August of this year. That represents an increase of 252,000 jobs for Texans while the nation lost 279,000 jobs. In just August of this year, Texas gained 6,700 jobs.

There is no doubt that this growth springs from the entrepreneurial spirit that guides the Texas business community, but I would also credit the efforts we’ve made to cut taxes, reform our legal system, and press for sensible regulations.

Over the years, leaders in the public and private sectors have worked hard to diversify our state’s economy, so that we will not be held captive by the failings of any particular industry or market segment.

We are still home to more Fortune 500 companies than any other state and remain the nation’s number one exporting state.

However, Texas is not an island. As strong as our economy is, it is still interlaced with the economies of other states that are in worse condition.

Our investments through institutions like yours are also affected by these national and international struggles. Fortunately, you have employed wise, diversified approaches to investing that also insulate us from this turmoil.

So, today, I want to have a frank conversation about the realities of the national situation, its impact on Texas, and discuss strategies to keep Texas strong as we move forward.

###