



TEXAS WORKFORCE COMMISSION

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Texas Responds to Natural Disasters and Economic Storms By Tom Pauken

Economic news used to make enjoyable reading. Not anymore — even here in Texas.

It is true that our state, thanks to its excellent business climate, has suffered less than most other states from the financial hurricane that made landfall during September. Unemployment is so high in Michigan — 9.3 percent — that the state already has had to borrow \$481 million from the federal government to replenish its Unemployment Insurance (UI) trust fund. In contrast, Texas has an October unemployment rate of 5.6 percent and even has been able to add nearly a quarter million jobs in the past year — at a time when the nation as a whole was losing 1.1 million jobs.

Texas has a well-deserved reputation for encouraging economic development and job creation — and keeping its fiscal house in order. While many states have raised taxes and gone on spending sprees, Gov. Rick Perry and the Texas Legislature have resisted the temptation to tax and spend as if there were no tomorrow.

Nonetheless, Texas has been negatively impacted both by national economic trends and the two physical hurricanes which reached our shores this year: Hurricane Dolly hit the Texas's lower Gulf Coast on July 23, and Hurricane Ike hit the upper Gulf Coast on September 13.

The Texas Workforce Commission (TWC) anticipated the need for speedy attention to unemployment claims in the wake of these natural disasters. Our local workforce boards moved quickly to work with our locally elected officials in determining what needed doing. To handle the additional workload of disaster-related unemployment claims, we added 168 telephone lines and 150 workers to our Tele-Centers in Fort Worth, San Antonio, McAllen and El Paso, operating extended hours and opening on Saturdays: the better and faster to get money moving to those in need. We transferred as many TWC employees as possible from other duties in order to meet the demand; we also hired additional workers and rapidly trained them.

Since Ike's quick but brutal visit, we have received 115,000 disaster-related claims and an estimated more than 250,000 follow-up calls. It takes an average of three weeks from when a claim is filed to the arrival of the first payment. We've pushed as hard as possible to make sure no claims, during that short but vital stretch, fall between bureaucratic cracks. In the first weeks after Ike, we distributed nearly \$1 million in disaster-related unemployment benefits. Likewise, TWC requested federal funding through the National Emergency Grant Program to create and fill 600 temporary jobs dedicated to the task of rebuilding the devastated areas.

The combination of Hurricane Ike and negative national economic trends resulted in our October unemployment rate increasing one-half percent from the previous month. Unemployment went up from 5.1 percent in September to 5.6 percent in October. While Texas still has nearly a 1 percent lower unemployment rate than the overall national rate, I would expect unemployment rates in Texas to continue to track the national trend upward in the months ahead.

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Unemployment insurance is, of course, only a temporary measure to help workers who have lost their jobs through no fault of their own and seek to find new employment. Our economy only will get better once we put policies in place to encourage job creation and economic growth.

We here in Texas can't control the decisions being made in Washington, D.C., and New York City on virtually a daily basis to bail out troubled financial institutions during this bursting of a bubble economy fueled by credit excess — excesses, by the way, which have been building for more than a decade. Nonetheless, common sense tells us that we need to get back to our core economic principles if we are to “put America back to work.”

Let me offer a few common sense ideas for getting us back on the right track: the encouragement of fiscal responsibility by our federal government and the preservation of a sound dollar; a business tax system that rewards savings and investment in the United States, rather than one that encourages the leveraging of companies with high levels of corporate debt while outsourcing good jobs abroad; an educational system which teaches our young people the basics along with the skills that our employers actually need; a de-glamorization of illegal drug use and a restoration of a strong work ethic; reduction of our dependence on unstable and expensive foreign sources of energy; and, something we should not neglect, employing the skills, character, and leadership of our veterans returning from Iraq and Afghanistan.

Texas is not immune from the negative economic trends in the U.S. and around the world. The push for “globalization” has its down side as well as its positives. Texans can be proud of our economic performance in recent years. With the example we have set here in Texas, we need to encourage the politicians in Washington to pay more attention to the Texas economic model. *The Wall Street Journal* has editorialized that other states should “be more like Texas.” Let me take that one step further and add that our national government should be more like our Texas government.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards call (512) 463-8556 or visit www.texasworkforce.org.