



From the office of Texas Workforce Commission

Chairman Tom Pauken

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House Select Committee on Federal Economic Stabilization Funding Written Testimony Submitted by Tom Pauken Chairman of the Texas Workforce Commission February 10, 2010

Chairman Dunnam and Committee members. I apologize for not being able to appear before your committee as requested. Regrettably, I had a prior commitment. I would like to submit the following written testimony to the committee:

Texas is still feeling the effects of the economic downturn affecting the nation; however, the state is still faring much better than the many other states. In December 2009, the unemployment rate in Texas rose slightly to 8.3 percent, but still remained well below the December national unemployment rate of 10 percent. Additionally, Texas had the lowest overall seasonally adjusted unemployment rate compared to other large states. By way of comparison, the state of California's seasonally adjusted unemployment rate for December 2009 was 12.4 percent, or just over 4 percentage points higher than Texas'.

As I mentioned the last time I appeared before your committee, there is a pressing need for change in our nation's economic policies. There was very little included in the President's stimulus package to help spur job creation and capital investment. I fear this will lead our nation down a path to a jobless recovery, which will continue to adversely affect our nation as well as the state of Texas. Previous reports by the U.S. Department of Labor Bureau of Labor Statistics stated that the U.S. economy lost over 7 million jobs since the end of 2007. That number was revised last week upwards to a total payroll decrease of 8.4 million since the start of the national recession.

Economic policies that encourage job creation and capital investment are essential to spur the kind of economic recovery needed to restore strength to the U.S. economy and get our nation's citizens back to work. This is illustrated by comparing the current state of the economy in Texas with the rest of the nation. Over the past decade, Governor Perry and the Texas Legislature have instituted policies of fiscal restraint and lower taxes that have made Texas the number one place for business in our nation. Even in the midst of this national recession, Texas continues to attract business and individuals seeking job opportunities in our state.

Nationally, jobs in the private sector have experienced negative growth over the last decade. According

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to the U.S. Department of Labor Bureau of Labor Statistics, between January 2000 and January 2010 private sector jobs fell by approximately 3.155 million jobs, or a negative 2.86 percent.

Meanwhile, Texas created 724,300 private sector jobs between December 1999 and December 2009 which was a 9.3 percent increase in private sector employment over that decade, according to a December 2009 Labor Department report. This was the largest private sector job gain in the nation over the last decade among the ten largest, labor market states. Among those states, the only other state to have positive, private sector numbers was Florida which had a 4.3 percent gain. The other eight states in that category lost private sector jobs during that same time period, with Michigan losing nearly 20 percent of its private sector employment.

These figures, coupled with the fact that Texas has consistently remained almost 2 percent below the national unemployment rate throughout this economic downturn, demonstrate that the economic policies implemented in our state over the last decade have created a favorable economic climate that positions our state to lead the United States out of the worst national recession it has experienced since The Great Depression.

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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.