THE Neal Spelce AUSTIN LETTER

www.AustinLetter.com

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Volume 22, Number 4

April 28, 2000

Dear Client:

While Democrats have conceded the 2000 statewide elections to the GOP, they are feverishly working to put together a formidable slate of candidates for 2002.

Here's one possible "dream team" touted by Democratic insiders: former San Antonio Mayor and HUD Secretary **Henry Cisneros** for the U.S. Senate, former Comptroller (and unsuccessful Lt. Governor candidate) **John Sharp** for Governor, Dallas Mayor **Ron Kirk** for Lt. Governor, Austin Mayor **Kirk Watson** for Attorney General, and **Paul Hobby** for Comptroller (Hobby was defeated two years ago for the job by Carole Keeton Rylander).

In theory, a "balanced" ticket to get a high turnout of Hispanic and African-American voters is what the Democrats need to be competitive again. A female candidate for a down-ballot office, such as Land Commissioner or Agriculture Commissioner, would complete the "balance."

Texans have contributed more than $42.6 million to political candidates in the 1999-2000 election season. **And 70% went to Republican candidates.** These figures were compiled by the Federal Election Commission. This may seem like a lot, but consider also that the state's favorite son is running for president. A large chunk of that 70% GOP total went to Gov. **George W. Bush**.

Most of the money is coming from individuals contributing at least $200 (about $33.4 million). Texans likewise doled out another $5.6 million in so-called "soft money" contributions to political parties, and political action committees (PACs) kicked in another $3.5 million.

Good or bad, Austin is not the hottest town when it comes to political largesse: Dallas and Houston, as you might expect, get the big money awards. The Highland Park area in Dallas leads the way with more than $1.1 million in GOP cash, but River Oaks and surrounding neighborhoods in Houston come close to that. Big Democratic givers live in or near those neighborhoods as well, but their contributions are only about one-tenth as large as those of their GOP neighbors.

With Governor **George Bush** and Vice President **Al Gore** (aided by the formidable fund-raising talents of President **Bill Clinton)** once again dragging the sack in Texas, sit back and watch the money meter climb even higher.

Employers looking to attract and keep that rare commodity -- the well-trained worker -- should look at some new trends in employee incentives and workplace environment.

According to the *Wall Street Journal*, workers want more time with their families, so some employers offer time-off in addition to, or instead of, more pay. You've also heard about flex time for women with families, but the concept is being extended to men as well. Family time during the day is being traded for work time at night and at home.

Employers are likewise offering personal services to their time-strapped, family-oriented workers, such as child-care, dry cleaning, and errand-running. A so-called "superclass" of employees willing to work longer hours and undertake more travel is forming to take the load off their colleagues who need to stay closer to home.

Finally, workplace cultures are changing rapidly. As the population ages, more workers will lose family members and close friends, breaking down barriers between public and private roles. Grieving and religious values are likely to become more prominent in the workplace, as are the ups and downs of personal and family relationships.

We all know that workplaces aren't the dark suit, white shirt places they used to be. But they might start looking more like a household than even casual Austin is used to.

Private sector high tech employers are turning increasingly to the state for Information Technology specialists.

According to State Comptroller **Carole Keeton Rylander,** 60% of the state's IT workers left for private employment during the last half of the 1990's, helping to fuel Texas' technology boom. The exodus has left the state searching desperately for trained IT workers at a time when the pressure to put state government on-line is greater than ever.

In response to the IT employee shortage, the Comptroller has teamed up with 73 state agencies and private high tech companies to create the "Texas IT Academy," a program that recruits and trains people for technology careers.

Once they have completed the program, trainees are placed in state IT jobs. In return for pay during the 10-12 week training period, trainees agree to work for the state for at least two years.

The Academy's first class will go to work this summer. With more than 800 state technology jobs currently unfilled, the timing couldn't be better. More information about the program is available at **www.texasitacademy.org**.

There is startling evidence of the need for regional planning in the Austin metro area. As one example, over the past decade, the number of people employed in the five-county Austin-San Marcos MSA has generally increased at a faster rate than the labor force, creating an increasingly tight labor market. In fact, it has been reported that in the 1990's, the average ratio of growth in the labor force to growth in employment was a surprising 0.93.

Of course, this fact comes as no surprise to Austin employers, who are looking for employees in virtually every sector of the economy. However, the raw numbers underlying the ratio are sobering indeed.

During the last decade, the Austin-San Marcos MSA **labor force ballooned an astounding 48.3%**, from 477,845 in 1990 to 708,800 in 1999. Total registered, non-agricultural employment leaped 64.6% during the same period. The rate of unemployment declined steadily from a 1990 high of 4.9% to a 1999 low of 2.3%.

To put those numbers in context, the labor force in the Dallas MSA grew 24.7%, while employment increased by 27.4%. The San Antonio MSA saw a similar labor force increase of 22.7% with an employment boost of 27.9%. Texas cities substantially outpace U.S. employment growth during the same ten-year period, which increased 20.1%.

There are a lot more interesting facts in the Central Texas Indicators 2000 report, a joint Travis-Hays-Williamson County (Caldwell and Bastrop Counties did not participate) project designed to track key economic, environmental and social health sustainability indicators in the tri-county region. We will be looking at it from time to time. But suffice it to say that Austin cannot plan its way out of the problems of growth without the cooperation of its neighbors. One indicator of that cooperation, will come Saturday, 5/6/00, when **Leander** citizens vote whether to **opt-out of Capitol Metro**.

Please remember to vote Saturday 5/6/00 in the elections for Mayor, Austin City Council and the Austin Independent School District Board of Trustees.

After flirting with other locations, the UTSystem administration has returned to Speedway and MLK for the 150,000 sq.ft. Jack S. Blanton Museum of Art. The location is across the street from the still-under-construction Bob Bullock State Museum, creating an attractive link between the UTAustin campus and the State Capitol complex.

As you may recall, the Blanton's design was the center of a controversy between the UTSystem Board of Regents and the museum's original architect, a Swiss firm that subsequently resigned the project.

Austin is the site of the International Downtown Association's (IDA) Spring Workshop 2000 5/6/00 to 5/8/00. Austin Mayor **Kirk Watson** will keynote the event, and other invited Austinites include **Michael Dell**, **Peter Zandan**, **Steve Papermaster**, **Chad Kissinger**, **Tom Stacy**, **Will Wynn**, **David Bodenman** and **Larry Speck**.

According to the Downtown Austin Alliance, the "nation's best Information Technology minds will address how the information age is changing the business backbone of the nation, and how courting this new engine can redefine Downtown." For information about the workshop, you can access the IDA website at www.ida-downtown.org or phone the DAA at 512/469-1766.

NAI/Commercial Industrial Properties is projecting a market adjustment with regard to investment properties, as investors' return requirements interact with existing property owners' high expectations of property values. As a result, we speculated in our 3/17/00 issue that land transactions may slow somewhat because of this adjustment, but the experts at NAI/CIP say there is no immediate direct connection. It is reasonable to expect the land market to remain hot as developers strive to accommodate pent-up demand for new product. At the same time, the increasing prices for existing income properties may slow if higher interest rate caps rise. Because leases at below-market rents often encumber existing properties, buyers are often more sensitive to short-term upward fluctuations in the cost of borrowed acquisition funds.

Dr. Louis Overholster wishes medical science would work on a cure for the common HMO!

NEAL SPELCE AUSTIN LETTER (ISSN 1071-0612) is published weekly, except last two weeks of the year, for $150 (plus tax) per year or $249 (plus tax) for two years. To subscribe, call 512-498-9495. Periodical Postage Paid at Austin, TX 78767 by Austin Letter, Inc., 1407 Wild Cat Hollow, Austin, TX 78746. POSTMASTER: Send address changes to: Neal Spelce Austin Letter, P.O. Box 1905, Austin, TX 78767-1905.

Sincerely

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