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Dear Client:

President George W. Bush stopped his infrequent counter-punching to the broad-ranging Democratic attacks on him and came out swinging late this week. But the ads you might see on the cable TV news channels are only the beginning.

As we mentioned 2/13/04, the president and his campaign team appeared to have adopted former heavyweight boxing champ **Muhammad Ali's** "rope-a-dope" (Ali's description) strategy, where the boxer would lean back against the ropes and let his opponent flail away – counterpunching only occasionally – until the challenger had expended most of his energy, then Ali (having reserved his resources) would come out swinging.

Bush has now come off the ropes and started swinging, but he's not yet trying for a knockdown. His speeches in the last few days have been a bit sharper and two weeks ago his campaign unveiled its first 60-second commercial. The video was only **available on his campaign Web site**, www.georgewbush.com, but it was also sent to about six million staunch Republicans via e-mail.

The video, produced by Austinite **Mark McKinnon** of Maverick Media, wasn't targeted to the public. According to McKinnon it was aimed at GOP supporters who have called on the campaign to respond aggressively to charges raised by US Senator **John Kerry** and other Dems during the Democratic Primary campaign. McKinnon was quoted as saying "**It's a good way of beginning to engage.**" In other words, it was a bit of a left jab (no pun intended) – not a body blow.

But it gave a hint of things to come, because it contained direct references to Kerry, portraying him as a tool of special interests. Then yesterday, 3/4/04, the Bush campaign dumped about \$4.5 million TV dollars into 15-to-17 states (Texas was not included) and on the cable TV news channels. These first spots are the "feel good" variety. This won't last. To offset his declining poll numbers, Bush's campaign will quickly spend a lot more of his \$150 million on ads that **point out the differences between Bush and Kerry, hoping to weaken Kerry** (who escaped relatively unscathed in the primary skirmishes because Kerry's opponents focused on Bush).

For months now, **the Democrats' barrage against Bush has been unrelenting.** Every single candidate for the Dem nomination has hammered hard against the President. Now, it's President Bush's turn. It won't be long before he starts delivering body blows to Kerry.

A survey of 61 US metro areas with a population of more than a million shows the Austin area will be the fourth Hottest Job Market in the nation for the next four years.

In its March cover story, *Business 2.0* magazine lists the nation's top 20 "Boom Towns," a **first-of-its-kind ranking that measures cities by their capacity to create high-wage jobs**. The magazine, in cooperation with Global Insight, an econometric research firm, used a weighted formula that includes forecast growth rates in sectors containing the economy's 10 most skilled occupational clusters, the prevalence of college degrees in the local workforce and median salary.

"The key assumption underlying our ranking is that the benefits of the job recovery will accrue disproportionately to the economy's most skilled workers," noted the mag. Austin shines here because **Richard Florida**, in his 2002 book, notes more than a third of Austin employees are in the "creative class," and that's among the highest in the nation. "In their hands lies the key to America's lone advantage in an increasingly competitive global economy – our ability to invent and market new products and services," writes **Paul Kaihla** in the article.

With 12% overall job growth predicted by 2008, *Business 2.0* said the "hot professions" in Austin will be **"software engineers, applications"**, with a 55% growth rate by 2008. The other two: **surgical technologists** (44% growth by 2008) and **public relations specialists** (33% growth rate). Those hiring: AMD, Austin Semiconductor, Samsung, Seton Healthcare.

So what are The Top 20 boom Towns in America? Raleigh-Durham, San Jose, Washington, DC, #4 **Austin**, Atlanta, West Palm Beach, San Francisco-Oakland, Middlesex-Somerset, Seattle, Boston, Sacramento, Phoenix, Minneapolis, Denver, New Haven-Stamford, Baltimore, San Diego, #18 **Dallas**, Charlotte and Philadelphia – in that order.

Wait a minute. Las Vegas isn't on the list and it is often cited as the nation's #1 hot spot for employment. Why is that? Because the **openings in Las Vegas "will be among the worst jobs in America,"** says Kaihla. "Most will be filled by **workers with minimal skills and education** – construction, administrative support, food preparation, cleaning, and, of course, blackjack dealing. Creative class employees make up less than a sixth of the workforce in Vegas, compared with more than a third in hubs like #4 Austin, #7 San Francisco and #10 Boston." Remember, the *Business 2.0* list is based on cities' capacity to *create high-wage jobs*.

"The metro areas that *did* make our list share a number of cardinal virtues." Kaihla writes. "No city could rank high without a **vibrant, diversified economy**, an expectation of **rapid job growth** and a large population of **highly-educated creative class workers**. But the top 20 areas also resemble one another in ways we didn't screen for. Virtually all have **strong local universities**, populations that readily **embrace immigrants** and **sophisticated cultural amenities like opera houses and five-star restaurants**. None of this is a coincidence."

Austin again placed #4 on a national survey, though this one has less to do with economics than with “home” economics.

And, coincidentally, Raleigh-Durham and Washington, DC show up at #1 and #3, exactly as they did on the “Boom Town” survey. A publication for singles, *One2One Living Magazine*, has ranked the **Top Fifty Cities in the US for Singles**. The Top Ten, in order: Raleigh-Durham, Denver-Boulder, Washington DC-Baltimore, Austin, San Diego, Dallas-Fort Worth, Chicago, Boston, New York and Los Angeles. The magazine analyzed the **number of singles, their prosperity and education** – as well as other factors – to come up with the list.

A team of Central Texans is heading to Detroit next week, trying to lure automotive suppliers to this area. As they head north, they need to be aware of a cloud hanging over auto manufacturers and suppliers.

The Society of Automotive Engineers (SAE) World Congress will be held in Detroit March 8-11, 2004. This is the industry’s premier event that showcases automotive technologies. About 38,000 attendees from all around the globe will wander around about 1,000 booths. Central Texans will participate in a new Texas booth. Our reps will try to **generate leads for the region and establish relationships with key decision-makers** in the automotive industry.

In an effort to attract companies to the area, eleven communities have pooled their financial resources to publish a regional marketing brochure and a CD-ROM-based video. The marketing materials will be distributed at the conference and are expected to **brand Central Texas as a new player in the Southern Auto Corridor**. In a targeted strategy to reach Japanese stakeholders of American suppliers, the video will be dubbed in both Japanese and English.

Our delegation needs to be up-to-speed on a mounting crisis facing the auto industry. Soaring steel prices are putting a crimp in the plans for automakers and their suppliers. And our friends at KiplingerForecasts.com are predicting steel prices will go higher before falling. **“Hot rolled steel, already dear at \$380 a ton, will hit \$450 a ton by spring,”** Kiplinger predicts. “By year-end, the industry benchmark will retreat to about \$400 a ton and remain pricey for a few more years at least, buoyed by demand in China and India.”

The steel crisis could dramatically impact some of the suppliers targeted by Austin recruiters. Kiplinger comments: **“Auto parts suppliers are in for a shakeout, especially those selling commodity products ... fasteners, brackets, suspension systems. Already struggling with imports and pressure from carmakers to cut prices by up to 5%, many will see the hit from steel prices as the final blow.”**

Armed with this info, the Austin area reps can practice selective recruiting.

The great golf courses around Austin have continually ranked among the best in Texas. But some new courses have opened — moving many of our area's best way down the list.

For the past 15 years, *The Dallas Morning News* has asked golf experts to come up with the 50 Best Courses and, for the 8th time, **Colonial Country Club in Fort Worth was picked tops.**

Three Central Texas golf courses – one, a newcomer – made it in the Top Twenty. The **Barton Creek/Fazio Foothills** was tops in Central Texas, at #9 (down from 5th last year) and the **Barton Creek/Canyons Course** (also designed by **Tom Fazio**) was #17 (dropping from 15th last year). The newcomer (opened in 2002), Georgetown's **Cimarron Hills** designed by **Jack Nicklaus**, was ranked #15.

The Hills Country Club in Lakeway, also designed by Nicklaus, was grouped in the Third Ten (after being ranked #2 from '89 to '91, it dropped from #13 last year). The **Austin Country Club** (**Pete Dye**, designer) dropped from #9 to be grouped in the Fourth Ten, along with **Ben Crenshaw's Austin Golf Club** (a new course, listed for the first time) and **Robert Trent Jones' Horseshoe Bay/Ram Rock**, that dropped all the way from #8. Bee Caves' **Spanish Oaks**, designed by **Bobby Weed**, stayed in the Fourth Ten. Past honorees not making the cut this year: Horseshoe Bay/Applerock, Horseshoe Bay/Slick Rock, Barton Creek/Palmer at Lakeside, ColoVista in Bastrop and Barton Creek/Crenshaw Cliffside.

But when it comes to beauty, the Austin area leads the state – by far. The four most beautiful holes in Texas are the Austin Country Club's 18th; the 16th and the 10th at Barton Creek's Fazio Foothills; and the 10th at Barton Creek Canyons. The 7th most beautiful hole is the 18th at The Hills of Lakeway. Number 11 on the list is the 9th at Barton Creek's Fazio Foothills and Number 12 is the 7th at Lakeway's Hills. The 18th hole at Barton Creek's Fazio Foothills is the 15th most beautiful hole, **giving Austin area golf courses eight of the eighteen most beautiful golf holes in Texas**, according to the *Dallas News* annual ranking.

Dr. Louis Overholster said he used to have a handle on life – but it broke.

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