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Dear Client:

If you need further evidence the Austin area economy is hitting on all cylinders, check this: more jobs were created in the Austin-Round Rock metro in 2005 than in the much larger metros of Fort Worth-Arlington and San Antonio.

Austin-Round Rock's total non-farm employment in January 2006 was 698,800, according to the Texas Workforce Commission. Fort-Worth Arlington tallied 814,700, while San Antonio counted 778,100. Clearly the workforce is larger in the latter two metros. But when you look at *how many jobs were added to the workforce*, **Austin-Round Rock clearly outshone the two larger metros.**

Starting from the smaller base, the **Austin area added 26,600 jobs from January 2005 to January 2006 – an impressive 4.0% increase.** The Fort Worth metro added 21,400 (up 2.7%) and San Antonio's jobs increased by 21,300 (2.8%). Incidentally, the Texas job growth rate during this period was 2.9%, so Santone and Fort Worth fell a tad below average in job growth.

The bigger metros performed quite well. The Dallas-Plano-Irving metro equaled Austin's percentage increase (4.0%), while adding 75,600 jobs to its 1,971,400 non-farm employment base. The Houston-Sugar Land-Baytown metro grew by 3.5% as it added 79,400 jobs to its 2,370,700 employment base. (FYI, if you add the Fort Worth-Arlington numbers to fill out the Dallas-Fort Worth-Arlington full metro, the total employment there is tops in the state – 2,786,100).

To round out the impressive job performance racked up by the Austin-Round Rock economy, you can factor in our **low 4.3% unemployment estimate for January 2005.** This number leads all major metro areas in Texas. The San Antonio metro came in at 4.8% and Dallas-Fort Worth-Arlington notched a 5.0% unemployment. Houston-Sugar Land-Baytown came in above the state's average (5.3%) with a 5.6% unemployment.

If you were an economist you may have noticed a slight change in nomenclature in the paragraphs above. When the Texas Workforce Commission lists multiple cities in the designation for metro areas, it always **lists the city with the largest population first.** The 2nd largest is second and so on. Well, Sugar Land has now moved ahead of Baytown in population. Hence the change to move Sugar Land ahead of Baytown in the above designation.

Speaking of jobs, the totals in the previous story are at variance with the Greater Austin Chamber of Commerce (GACofC) job totals. Not to worry. The Chamber's numbers are more conservative than the Texas Workforce Commission's. How about that.

Chambers of Commerce have long had the reputation, rightly or wrongly, of putting the best face on whatever they are touting. After all, it is the chamber's job to boost the economy in a given area.

The GACofC kicked off a much-ballyhooed effort to create jobs and payrolls in the Austin metro area. **It raised more than \$14 million from 266 businesses, and individuals, with a promise that it would spend the money to help create 72,000 jobs and increase payrolls by \$2.9 billion** in the five-county metro area by the end of 2008.

When the GACofC released a 2-year progress report toward its 5-year goal, it proudly said **"In 2005, 24,900 jobs were added to the Austin region, exceeding the 2005 goal by nearly 15,000 jobs."** Wait a minute. As mentioned in the previous item, the Texas Workforce Commission reports **26,600 jobs were created in 2005 in the metro area.** Can it be that the GACofC is guilty of *understating* a positive development?

No matter. Job counts are a bit imprecise anyway. And, besides, when the GACofC proudly mentioned its lower jobs number, it said the **5-year effort called Opportunity Austin had reached a "66% achievement rate" in job creation with three years remaining.** Even with a lower number, the success rate so far appears quite impressive.

Or, as Immediate Past GACofC Chair, **Kirk Watson**, put it: "I'm pleased to report to all the Investors that after two years Opportunity Austin is on track for success. **We are becoming the envy of other cities across the nation,** but we can't let up." But what about the goal of \$2.9 billion increase in area payrolls? The GACofC had an even brighter report: **"To date, \$2 billion has been added to the economy which is a 70% achievement rate of the goal."**

With this success so far, where will the Chamber concentrate for the next three years? "Opportunity Austin must continue to work to increase quality jobs in the sectors that were hit hardest in the early years of this decade. These sectors include **medical device manufacturing, computer manufacturing and semiconductors,** just to name a few," the GACofC responded.

As for existing Austin area businesses, 81 companies told the Chamber they plan to **increase their regional capital investment by a total of \$1.2 billion, create 10,460 new jobs and increase their facilities by 2.5 million sq.ft. by 2008.** Fifty-five companies said quality of life is a major strength followed by 45 that mentioned the area's talented workforce. Transportation came in as the biggest weakness, being mentioned by 43 companies.

An international airline is set to make an entry into the Austin market by the end of May.

The airline is AeroMexico. It is scheduled to begin modified service 5/25/06 between Austin and Cancun, just as Cancun rights itself from last season's hurricane damage. We say "modified service" because **it will not operate on a daily basis and AeroMexico will be operating in conjunction with Funjet Vacations.** Funjet Vacations has run charter service between Austin and Cancun for several years now.

For a majority of the summer, from 5/25/06 through 8/10/06, **flights will be on Thursdays and Sundays.** Flights are planned to leave Austin at 2:10 pm, arriving Cancun at 4:35 pm. Return flights from Cancun depart Thursdays and Sundays at 10:30 am, arriving at Austin-Bergstrom International Airport (ABIA) at 1:10 pm.

The schedule offers travelers a variety of vacation **options as far as their length of stay in Cancun is concerned.** For instance, travelers from Austin can easily book stays in Cancun for three, four, seven, ten, eleven or fourteen nights.

But what about *fall* travel to the Mexican resort area – when crowds diminish somewhat and the weather is still great for lolling on the beach? In September, the **schedule changes to Fridays,** with flights departing Austin at 4:05 pm, arriving in Cancun at 6:30 pm. Later, from 10/5/06 through 12/14/06, **flights will depart Austin on Thursdays** at 11:30 am, arriving in Cancun at 1:50 pm.

Of course, when booking trips to the Mexican Caribbean during these months, you are well advised to **check the hurricane forecasts.** If you're not willing to gamble on your vacation being interrupted by a devastating hurricane, you will probably want to wait until the last minute before booking your excursion. Hurricane season runs from 6/1/06-11/30/06.

Waiting in the Austin airport is usually not the most pleasant part of any business or pleasure trip, but you could have it a lot worse at airports other than Austin.

Who says so? Well, an international aviation publishing and consulting company does, that's who. Airport Revenue News/Armbrust Aviation Group rounds up judges made up of concessionaires from around the US to rank the passenger-friendliness of US airport terminals.

Of course, not all airports are equal because some of them are behemoths, while others are in out-of-the-way locations, with little passenger traffic. So they rank them in categories by number of passengers. In the category of "under 4 million enplaning passengers annually," **Austin-Bergstrom International Airport (ABIA) received the award for Best Overall Concessions Program 2006.** ABIA was cited for the "quality and local flavor of its food and beverage, and news and gifts shops." (It helps that ABIA is still relatively new, not rundown.)

This may sound like a broken record, but frankly, if people weren't getting scammed by this scheme, it would go away. However, folks in the Austin area are losing money and the scammers have stepped up their activity.

We've mentioned it before. But now the scam has been perfected and really does appear to be legitimate – even though you will lose money very quickly and you may even have your identity stolen if you fall for this ruse. **And large banks, with a very big Austin area presence, are being used illegally as a “front” for this email theft.**

The bank's logos are being used illegally – in color. Each message even contains a **copyright or trademark designation**, such as “©2006 JPMorgan Chase & Co.” or “Citibusiness® Security Management Team.” Don't believe it. This is a scam.

It is so blatant, yet deceiving. One email reads: “Some customers have been receiving an email claiming to be from Chase Manhattan advising them to follow a link to what appear to be a Chase web site, where they are prompted to enter their personal Online Banking details. **JPMorganChase is in no way involved with this email and the web site does not belong to us.**” Sounds good, huh?

BUT then it says because of the scam, Chase has had to update its servers and would you “**please update your account info at the following link.**” Woop! Woop! Woop! Don't do it, or they've hooked you.

Never, never, never click on a link in an email such as this (and there are a number of variations of this same theme). If you think maybe, just maybe, this is legit – **contact your bank directly**. But don't click on the link, because when you do and enter any info, your bank account money – and possibly, your identity – is stolen. And it takes weeks and months to disentangle yourself from the mess, not to mention the money you may have lost.

Dr. Louis Overholster says when he dies he wants to die like his grandfather – who died peacefully in his sleep, not screaming like all the passengers in his car!

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