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Dear Client:

The Austin metro added more people — by actual count, not percentages — from 2000-2010 than Los Angeles, San Antonio, Charlotte, Seattle, Tampa/St. Petersburg, Denver, Chicago, Sacramento and Raleigh/Cary. Really? Really.

We've regularly chronicled the fast growth of the Austin area, but when you analyze the precise numbers from the USCensus, **it's simply amazing that generally much smaller Austin has added more residents than the very diverse major metros mentioned in the previous paragraph.** The study we are citing is from the very reputable Rice University's Kinder Institute for Urban Research that analyzed 366 US metropolitan areas.

While the Austin metro growth numbers were quite impressive, **the State of Texas topped Rice University's list of the Top 20 fastest-growing US metros.** The Houston area was #1, followed very closely by #2 Dallas-Fort Worth.

The rest of the Top Ten, in order following the two Texas metros: Atlanta, Riverside, CA, Phoenix, Washington DC, Las Vegas, New York, Miami and Orlando. **Austin was just out of the Top Ten, at #11.**

It's not just that the metros on this list are making more babies, there is a major migration going on this country. And the **destinations for this movement of people are concentrated primarily in the South and Southwest.**

In fact, **Michael Emerson**, co-director of the Kinder Institute said in a statement that this growth concentration in the South and Southwest has intensified. He pointed out that **of the 15 metro areas that added the most people, only #7 New York and #15 Seattle are outside the South or Southwest.**

In a related development, (admittedly more subjective because it is a forecast and not a tally of what has occurred) **Forbes magazine named Austin as America's #1 "Boom Town."** The report, in partnership with the Praxis Strategy Group, did take into account the **Austin metro's two-year employment and population growth as well as the number of college grads and children.** From that data, it made its projections for the next decade. Reinforcing the Kinder report of the past decade, *Forbes* also placed three other Texas metros in its Top Ten list of "boom towns": #4 San Antonio/New Braunfels, #5 Houston and #7 Dallas.

Now that the dust has settled, the air has cleared, or whatever cliché you use to indicate the Texas Legislature completed its work and left town, how did UTAustin fare during this budget-cutting, no-new-taxes session?

UTAustin's budget was reduced by \$92 billion for the biennium, which includes the 2011-2012 and the 2012-2013 fiscal years. "Fortunately, we anticipated the state budget shortfall, and UTAustin has been preparing for these cuts for almost two years," said President **Bill Powers**. **"My office, for example, has reduced total spending by more than 10% by trimming entertainment, discretionary programs, and staff."**

"But make no mistake," he continued, "a \$92 million budget cut will affect our core academic mission. While we have done our best to protect UT's academic programs, **our students will encounter reduced student services, course offerings, and financial aid. Our faculty and staff will have to do more with less, and we will be forced to eliminate jobs.**"

But some faculty and staff will still get pay increases. "The University Budget Council and I have decided to set aside funds for modest, strategic, merit-based salary increases," said Powers. "Increases are based on performance, so not all employees will receive one." What's this? How can this be? "Funding for this has been made possible through **budget cuts by the deans and vice presidents, and this action is consistent with our policy of making sacrifices to fund our highest institutional priorities,**" explained Powers.

Keeping and recruiting world-class faculty is critical to UTAustin's future. **"Remaining competitive for faculty and staff talent is one of our top strategic priorities,"** Powers noted. "To allow our talent base to erode would betray our Constitutional mandate to be 'a university of the first class' and shortchange the young people who will lead Texas in the future."

A one-time infusion of cash from the UTSysystem's Permanent University Fund this week will help, though it falls way short of making up the amount that was cut by the Legislature. So, what else is UTAustin doing to excel during these tight times? "We are reinventing the way we do certain things, such as harnessing technology to teach more effectively and more efficiently," he said. **"We are aggressively commercializing intellectual property and developing other revenue streams.** We are working daily to streamline our operations and to make our campus more energy efficient and more sustainable."

For decades now, UTAustin has increasingly relied on resources other than state revenue. In fact, in the fiscal year ending next month, **state support to UTAustin amounts to only about 14% of its annual budget.** In 2011-2012, state support will continue to decline to about 13.3%. **And much of the non-state funding is directly related to UTAustin's research function** —one of the reasons why many supported UTAustin when its research mission was challenged.

The heavily-armed Mexican drug cartels that have bloodied the Texas-Mexico border with horrific acts of violence have crossed the border and moved closer to the Austin area.

Specifically the Houston area. In fact, the Harris County Sheriff **Adrian Garcia** told a Houston TV station, KTRK, they could see the **same level of violence as Mexico if something isn't done to combat the cartels' expansion**. Austin Congressman **Michael McCaul**, who is chair of the Homeland Security Committee, says he plans to ask for more money for Harris County to fight those expanding cartels.

McCaul and Garcia discussed how Houston cartel activity is spilling over into Harris County and **influencing local gangs, increasing violence, human trafficking and drug trafficking**. And the sheriff said that through the influence of the Mexican drug cartels, local gangs are becoming more sophisticated.

McCaul said **"The Zetas, which is probably the most brazen, most violent drug cartel out there, they're here**. We know the **Gulf Cartel** is operational here in Harris County and a lot of the others like **La Familia** not only are they here, but are instrumental with the gangs here."

Texas has taken the lead to get around a national mandate to replace old-fashioned incandescent light bulbs with more efficient lamps. And it's picking up steam nationally.

In fact, the *Los Angeles Times* carried a story about the Texas effort and reports that moves are underway in **Pennsylvania and South Carolina to follow Texas' lead**. And the US House of Representatives is considering a measure by Texas Congressman **Joe Barton repealing the federal rules that take effect next January, starting with 100-watt bulbs**.

The Texas Legislature recently passed, and Gov. **Rick Perry** signed, a law that essentially declared **incandescent bulbs – if made and sold only in Texas – do not involve interstate commerce and therefore are not subject to federal regulation**. However, supporters of the new federal regs said the Texas law is unlikely to withstand a court challenge.

The federal light bulb rules have become a hot issue because they touch every household. It's something everybody can relate to. And those who argue against the new regs say the spiral-shaped fluorescent compact bulbs do not put out good light, are more expensive and contain mercury that could be a problem if the bulbs break. And they talk about being able to buy what they want.

Barton, who is heading the repeal effort in Congress said "this is about more than just energy consumption, **it is about personal freedom. I do thank the Lord that I live in Texas.**"

**Which companies do you think made a list of the 19 “Most Hated Companies in America?”
You’ve probably done business with more than half of them.**

The Atlantic magazine formulated the list based on the American Customer Satisfaction Index (ACSI). **This exercise rates companies based on thousands of surveys.** And, as you examine the list, you can probably understand how many of these companies made the “Most Hated” ranking. Here is how *The Atlantic* rated them (drum roll, please):

**#19 Bank of America ... #18 Dish satellite TV ... #17 Cox Cable TV ...
#16 Pacific Gas & Electric ... #15 JP Morgan Chase banking ... #14 AT&T
Mobility cell phone provider ... #13 Los Angeles Dept of Water & Power ...
#12 Long Island Power Authority ... and #11 UnitedHealth healthcare
insurance.**

**Making the Top Ten: #10 Facebook ... #9 My Space ... #8 American Airlines ...
#7 United Airlines ... #6 US Airways ... #5 Charter Communications cable TV
... #4 ComCast cable TV ... #3 Time Warner cable TV ... #2 Delta Airlines and
#1 Potomac Electric.**

As we said, you probably have done business with quite a few of these companies. And now that you’ve seen the list, it’s clear that the largest categories of most-hated companies include large banks, airlines, power and telecom companies. **“These are not terribly competitive industries, as the switching barriers for most of them are quite high,”** observed the ACSI’s **David VanAmburg.**

Then VanAmburg noted the obvious: **“In other industries, like the food or clothing sector, the competition is huge. They bend over backwards to make their customers happy, because they have to.”**

Dr. Louis Overholster makes note of the fact that the evening news is where they begin with “Good evening” then proceed to tell you why it isn’t.

Sincerely



Editor/Publisher