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Dear Client:

**The future of job expansion/job growth in the Austin area will strongly lie in the field of healthcare -- the “many facets” of healthcare. The exploding healthcare economy includes all manner of jobs, not just doctors and nurses. The breadth is impressive. There are a number of contributing factors, not the least of which is UT Austin’s Dell Med School and associated development. But, there’s more, much more. In fact, this is part of a national trend, strongly bolstered by the Austin area’s already-established economic leadership.**

Healthcare growth is here and on a fast track, both at the upper and lower ends of the pay scale. It’s happening. Bank on it. (Sure, if Amazon HQ2 picks Austin, it will have a dramatic job impact. But Amazon HQ2 is not a certainty – **healthcare growth in all its facets is a near certainty**). The strong tech job base in the Austin area is a contributor, as is higher education. Look below at these national trends, keeping in mind Austin’s economic strengths.

Nationally, the US Bureau of Labor Statistics (BLS) projects **health care and social assistance “is expected to become the largest major sector by 2026.”** This sector will account for about one-third of all new jobs.

Want detail? BLS notes **“healthcare support occupations will grow more than 23%. Healthcare practitioners and technical occupations will increase more than 15%.** This is what we mean when we mention the *breadth* of healthcare. Other examples include personal care aides, home health aides, etc.

**Auxiliary jobs will expand exponentially in the Austin area because of the core healthcare emphasis here.** Remember, Dell Med did not exist a couple of years ago, admitting its first students in 2016. It is fledgling in its existence and will only grow in impact.

As we’ve reported many times in the past, the Austin area enjoys major advantages by being in Texas. But, according to the Texas Medical Association, **Texas ranks 47<sup>th</sup> in physician to patient ratio. In fact, the state has often recruited foreign medical graduates to fill shortages.** So the need is great, and the opportunity to expand to meet the need is almost limitless. **Austin and Texas have a big advantage to attract med students: becoming a doctor here is a financial bargain.** We’ll examine this aspect, as well as other supporting info behind the claim that healthcare jobs are the wave of Austin’s future, in the next item.

**The cost to attend top medical schools elsewhere can approach \$90,000/year for tuition. In Texas, tuition is about \$6,500/year for *in-state* students at public med schools. Talk about a bargain. This has Texas med schools – especially the really good ones – at the top of national rankings for lowest cost. The Texas Legislature set a cap on tuition to bridge a doctor shortage that still exists. A national medical publication this week examined this situation.**

The publication is called *STAT* (more about the pub in a minute). It quotes a deputy assistant commissioner at the Texas Higher Education Coordinating Board saying: **“In Texas, we have a shortage of just about everything. We need physicians in all specialties, but especially primary care. Having enough doctors is a constant challenge.”**

Well, won't the docs educated at UTAustin's DellMed go elsewhere after they graduate? Sure, it's possible. But, remember these are already in-state students. And, the Association of American Medical Colleges (AAMC) reports, according to *STAT*, **about 65% of young doctors end up staying in Texas after residency.**

By the way, DellMed is not the only new med school in Texas. **UTRioGrandeValley School of Medicine opened for business at the same time as DellMed, 2016. And TexasTech converted a satellite campus in El Paso to a full four-year med school in 2009.** All Texas public med schools abide by the tuition cap, as do some private schools like Baylor College of Medicine in Houston. Of course, med students have costs other than tuition (fees, housing, etc.), but *STAT*, citing AAMC, says the **total Texas in-state student costs are “typically a lot less than they would owe if they'd gone to schools elsewhere.”**

Yeah, but. New docs need years of supervised training in a hospital (called “residencies”) after graduating from med school and those slots can be sparse. But, *STAT* reports the state legislature **“earmarked \$97 million in the 2018-2019 budget to support residency programs and expand the number of slots.”**

The flip side? One med student considering a \$90,000/year med school told *STAT*: **“Thinking about trying to keep up with a \$500,000 loan is crazy.”** Big difference for in-state students.

So, where does this leave us? It bodes well for the future of the healthcare economy in Austin. **In this era of high cost for higher education, to have a financial advantage that can attract the best and brightest medical students is huge -- when the need is so acute.** This spins off into other healthcare areas, because healthcare begins with treatment, bolstered by research.

Almost forgot to tell you about *STAT* – especially since it is not a familiar pub to those outside the medical profession. **It is a daily national publication covering health, medicine and scientific discovery that prides itself on investigative articles.** What's with the name, *STAT*? In medical parlance, “stat” means important and urgent. **“And that's what we're all about – quickly and smartly delivering good stories,”** *STAT* claims. Now you know.

**Three very powerful Texas Congressmen made news in Washington this week – one for what he did, and the other two for what they will not do. What the Texans have in common is an uncommon impact in the US House of Representatives, where it's easy to get overlooked in a 435-member legislative body. They are Kevin Brady, Jeb Hensarling and Lamar Smith.**

All three are Republicans. **One represents a slice of the Austin area ... another served in the Texas House of Representatives in Austin ... the third is chair of what many consider to be the most powerful committee in the US House.** Let's go down the list.

**Kevin Brady.** As chair of the powerful House Ways & Means Committee, what *he did* was **head the effort to write the GOP tax cut/reform plan unveiled late this week.** All tax bills must originate in the House. You'll see a lot of his bald head in the weeks to come as the measure is debated and probably revised.

A Chamber of Commerce exec for 18 years, **Brady served in the Texas House in Austin before his election to the US Congress.** He never moved to Washington. Instead he has racked up nearly two million miles commuting each week to the nation's capital from Montgomery County (Conroe) in East Texas.

**Lamar Smith** represents a district spanning Austin, San Antonio and the Texas Hill Country. A Yale undergrad who attended law school at SMU, **Smith is the current chair of the US House Science, Space and Technology Committee.** He made news this week by announcing he *will not* seek re-election.

Under the rules of the USHouse, **Smith is required to relinquish his committee chairmanship at the end of his term.** He was mentioned as a possible successor to Austin Congressman **Michael McCaul** as chair of the US House Homeland Security Committee, which McCaul must also relinquish this year. McCaul has yet to announce his plans.

**Jeb Hensarling.** First elected to Congress in 2002, **he chairs the powerful US House Financial Services Committee that oversees banking and financial matters.** He has held top intraparty GOP leadership positions. He, too, is facing a term limit requirement on his chairmanship.

A resident of Dallas, **Hensarling holds a law degree from UT Austin** and an economics degree from TexasA&M. Before going to Congress, he spent ten years in private business. He said Tuesday he *will not* seek re-election.

Major moves for the Texas delegation in Congress this week. Obviously this signals big changes ahead – **especially to fill the seniority-enhanced seats of Smith and Hensarling.** Since every member of the US House is up for re-election each cycle, other moves may also be on the horizon. Stay tuned.

**Southwest Airlines has found a new way to make air travel annoying, complains a *Texas Monthly* critic. Dan Solomon minced no words after the most popular airline for Austin travelers made an announcement this past week. His concern: Southwest is expanding a plan to have live music performed in front of “captive” passengers on some of its flights.**

“Here are some places where you can reasonably expect to encounter live music and enjoy it: **A rock club! A theater! A honky-tonk! A stadium! A downtown street corner** when you’re young and in love and a busker starts playing ‘Always On My Mind’ and it makes your life feel like a movie! **Here’s a place where live music is the last thing anybody wants: An airplane,**” observes Solomon.

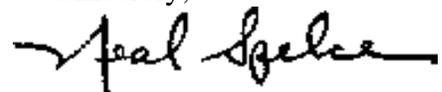
“Air travel is unpleasant, generally, but not due to a lack of entertainment options,” notes Solomon. “**Almost everybody on the flight** already has at least one device capable of **playing whatever music they enjoy**, showing them **whatever movie they want to watch**, or giving them anything in the world they **might ever want to read.**”

“And we tend to turn to those things not simply because we are petrified at the idea of being left alone with our thoughts for a few hours (though, sure, that too), but also **those things that help us tune out the worst thing about the flight: other people,**” Solomon’s rant continues.

He also praises noise-canceling headphones so they can be used to get away from hearing other people. “**That’s true when those people are tiny babies crying about who knows what, it’s true when those people are making off-color jokes, and – for many of us – it’s true if they’re playing the first few songs off their as-yet-unreleased debut album.**” He also added to his list those “**dudes whose snoring sounds like a friggin’ buzzsaw.**” And he said live music definitely falls close in irritation to the “snoring guy side of things.”

**Dr. Louis Overholster**, based upon his Frequent Flyer experience, is convinced the strength of the turbulence is directly proportional to the temperature of your coffee!

Sincerely,



Editor/Publisher