

# How the Lone Star State **measures up** (economically speaking)

**S**tate leaders like to boast that Texas is outshining the rest

of the country in the worst economy in decades.

In many respects, that's true — especially on the employment front, where the state continues to add jobs while almost every other state loses them.

The state is facing a budget crunch, but it's nothing like California, where employers and the state are slashing jobs to cope with a severe fiscal crisis.

The picture isn't all rosy. Job growth is losing steam, foreclosures are rising, and the state's energy and high-tech sectors are being battered by the global recession.

But many economists still say Texas is one of the better places to be to ride out the recession.

## Leading indicators

Both the state and national indicators have been falling for the past year as the downward spiral of the economy accelerated. Texas' leading indicators were down 4.5 percent in November, the most recent available, from a year ago. Nationally, the index was down 3.3 percent.

## Housing

**New home starts:** Texas was down 33 percent from 2007 to 2008. Nationwide, the drop was 41 percent, and 37 states had rates worse than Texas.

**Existing home sales:** Down 16 percent in 2008, compared with a 13 percent drop nationwide.

## Employment

The Texas jobless rate was 6 percent in December, the 36th-lowest rate and the lowest by far among big states. The worst: 10.6 percent in Michigan; California was fourth at 9.5 percent.

Texas added 153,000 jobs between December 2007 and December 2008. Every other large state lost jobs, with California losing 257,400.

## Credit rating

Texas: Standard & Poor's rates the state's general obligation bonds at AA — a strong rating but not the highest. The ratings reflect a state's creditworthiness and can affect the interest rate it pays on bonds.

Lowest: California, A

Nine states have the highest rating, AAA.

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*Cont. from "How..."*

## Foreclosures

**Mortgages:** As of December, one in every 971 mortgages in Texas was in foreclosure. The situation was far worse in Nevada (1 in 71), California (1 in 147) and Arizona (1 in 163).

**Subprime loans:** Seven percent of mortgages in Texas were subprime in October. The national average was 9 percent, and seven states had rates greater than 10 percent.

## Consumer inflation

The state's consumer price index rose 0.2 percent in December, double the national gain, but the Texas index remains lower, reflecting a generally lower cost of living.

## Consumer confidence

The Texas index fell to 64.1 last month, down 49 percent from a year ago; the national reading was 37.7 in January, a drop of 57 percent.

## Exports

Texas has led the nation in exports for seven consecutive years. Last year, the state exported \$192.1 billion worth of goods, mostly manufactured items. California was second, with \$144.8 billion.

## Energy costs

Texas has some of the country's highest electricity rates, ranking as the 15th most expensive in a recent report that compared states against the national average.

Texas gasoline prices tend to be lower. Last week, the statewide average was about \$1.84 a gallon, 8 cents lower than the national average and lower than the price in 39 other states.

Sources: U.S. Bureau of Labor Statistics, Standard & Poor's, National Association of Realtors, National Association of Home Builders, Texas comptroller's office, First American CoreLogic, U.S. Commerce Department, the Conference Board