

Job Growth in San Angelo

Laurence F. Jones and Kenneth L. Stewart

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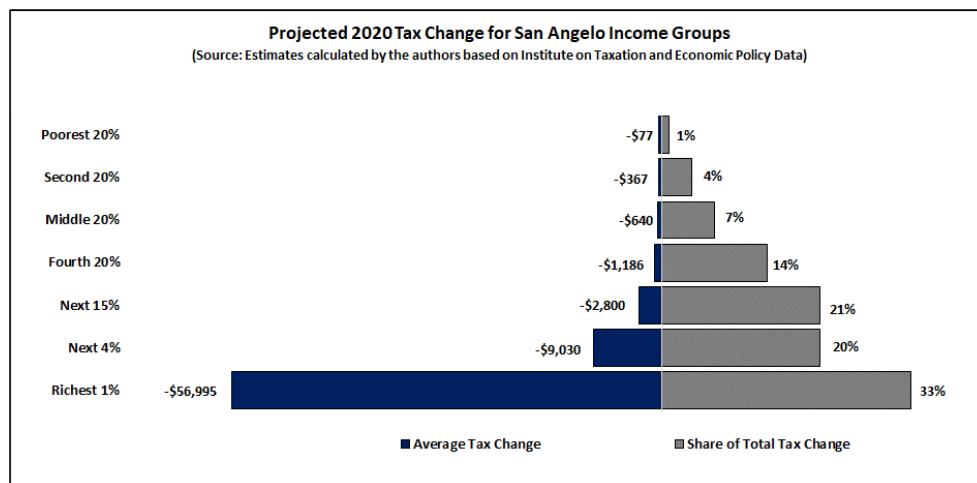
The 2020 presidential cycle is in high gear. It now appears that Joe Biden will head the Democratic ticket with Donald Trump running for re-election as the GOP candidate.

Regrettably, President Trump is one of the most divisive U.S. presidents in memory as his tenure has been acrimonious to say the least. His daily public tweeting of jumbled grievances has become a defining feature of his presidency as he continually disparages rivals while labeling media and government findings contrary to his claims as “fake news” or evidence of a “deep state conspiracy.” Accordingly, Trump’s chaotic and impulsive approach to governance guarantees that the months ahead will be explosive and unnerving for the American people as the election moves toward its climax in November.

Tax cuts: a main plank in the Republican platform

Tax cuts under the Tax Cuts and Jobs Act (TCJA) will generate much of the acrimony. Trump’s campaign will embrace the cuts as the keystone of a broader economic policy and probably peddle the idea that additional reductions to the payroll tax or other federal levies will bring economic miracles for years to come.

Specifically, Trump will assert the TCJA lowered middle-class tax rates and significantly boosted worker’s wages. As such, they represent the strongest case for his reelection. Yet, several private organizations and government agencies have shown the promises made by TCJA supporters have not happened. The Institute on Taxation and Economic Policy (ITEP), for instance, estimates that the likely reduction for the richest Americans after they file their tax returns this year will be 77 times greater than the average cut for the bottom 80% of taxpayers.

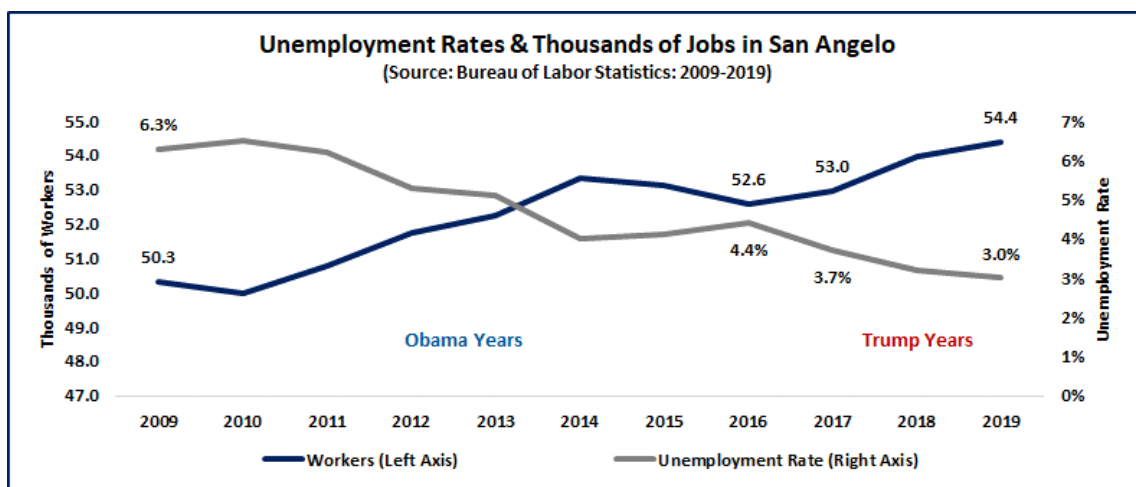


Indeed, when we analyzed ITEP data to assess the effect the TCJA had on San Angelo income groups we concluded that the richest 1% of local taxpayers will likely see an average \$56,995 in tax savings when they file this year, while the poorest 20% will only see \$77 in tax savings. Further, the tax cut for the city’s wealthiest will be more than 33% of the total whereas the tax cuts for the poorest of our neighbors will be an inconsequential 1%.

Many of the companies that did increase salaries only applied them to their entry-level minimum wage positions, which they frequently increased to \$15 an hour. But many states are already moving toward a \$15 minimum wage. Thus, the companies' supposed acts of generosity could just as easily be in anticipation of a new legal requirement. At any rate, it appears that their tax cuts resulted in an upward redistribution of income, instead of a way to make all of us more affluent.

Unemployment Trends

There is nothing Trump likes to brag about more than the low unemployment rate and the number of jobs created during his time in office. “Since my election, we have created 7 million new jobs,” he claimed during his State of the Union address in early February. “Incredibly,” he continued, “the average unemployment rate under my Administration is lower than any administration in the history of our country.”



According to Bureau of Labor Statistics, the average unemployment rate in San Angelo at the beginning of President Obama’s first year in office, was 4.1%. A collapsing housing market that triggered the Great Recession in 2008 and massive job losses pushed the unemployment up by 53.7% after the new president’s first year in office. The recession ended in June 2009, but economic weakness across the country provoked long-term unemployment.

By 2016, unemployment rates in Texas and the nation had decreased from 2009 levels by 38.8% and 47.6% respectively. Declines for our state (23.6%) and the country (24.8%) have continued through 2019. The fact is, however, that declining unemployment under President Trump has only continued trends established under his predecessor.

In San Angelo, the unemployment rate dropped from 6.3% to 4.5% over Obama’s eight White House years. That 30.2% decline continued through 2019 under Trump. Nonetheless, given the current wave of destruction in the nation’s economy, we can only hope the local community is able and willing to step up to help protect the most vulnerable local residents from looming unemployment and hardship.

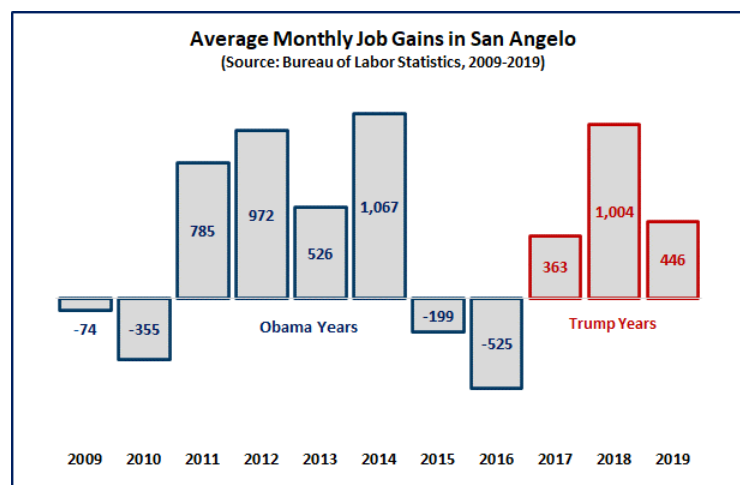
Job Trends

Despite the the Great Recession and drop in oil prices that shook San Angelo during Barack Obama’s presidency, the city’s workforce added 2,197 workers for a 4.4% gain. This translated

to an average yearly increase of 275 workers having jobs over Obama's eight years in office. Conversely, during the first three years of the Trump presidency the city has added 1,792 jobs, which is an increase of 3.4% and an annual average increase of 597 jobs.

The Texas workforce, as well as employment nationwide, expanded even more rapidly than San Angelo's since 2009. Texas added more than 1.6 million workers for a 14.9% gain during the Obama years. On average, the state's workforce expanded by 205,922 employees per year. The state's growth continued under Trump's TCJA policy through 2019 as Texas added 818,707 workers for a 6.4% increase at an average pace of 272,902 new employees per year.

Overall, Donald Trump can truthfully declare that the nation added almost 6.6 million jobs, an increase of 4.6%, during his first three years. Then again, to be entirely truthful, it was not 7 million as he claimed in his State of the Union address. He also needs to recognize the 5.8% gain of about 8 million workers during the final three years under President Obama.



“Fake News”: Opinions v. Facts

Curiously, candidate Donald Trump often bellowed at the Labor Department back in 2016 for spreading fake news when it published the official unemployment rate. Then, annual unemployment was 4.9%, but Trump ranted that the real rate was much higher than that. However, when the Labor Department announced a 3.7% annual rate for 2019, somehow, Trump no longer saw it as fake news. Suddenly, it was indicative of the greatest economy in the history of America.

We shudder to think how Trump will twist his delusional proclamations as jobs disappear and unemployment jumps in the months ahead. Unfortunately, whatever he tells us is unlikely to give any clear-eyed appreciation of the issues and little help in finding solutions.

This assessment also applies to Trump and his minions initial failure to face the health implications of a rolling global coronavirus pandemic that reached American shores in January. By the end of February, Trump had pulled a typical defensive move by calling the virus a hoax and accusing Democrats of hyping the issue for another shot at impeachment.

As disease spiraled across the country during March, Trump fogged the threat with vagary and contradiction as administration leaders woefully failed to manage national health resources. Trump appeared to get serious about the pandemic only in mid-March after an epidemic modeling study from Imperial College of London predicted that 2.2 million Americans could

die without serious action to control the virus.

Still, at a March 20 news conference President Trump appeared to minimize the fears of the American public by saying there was cause for optimism about drug therapies for coronavirus. However, Dr. Anthony Fauci the director of the National Institute of Allergy and Infectious Diseases said that any current testing of drug therapies was “anecdotal” and not consequent of a “clinical trial”.

We believe Trump will further divide us as the November election draws near. He will viciously attack Joe Biden and other Democratic opponents. He will attempt to bully and suppress voters supporting Democrats. Further, he will continue to describe media sources, such as the New York Times and MSNBC, as “the enemy of the American people” because their journalists fabricate information sources. Trump will also hit this theme hard in the election cycle ahead. He will brand any news unfavorable to him as some form of “fake news.”

George Washington’s farewell address warned us about the conceivable power aspirations of a political party and its leader. At worst, he said, “It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms, kindles the animosity of one part against another, foment occasionally riot and insurrection. It opens the door to foreign influence and corruption, which find a facilitated access to the government itself through the channels of party passion.” Surely, the presidency of Donald Trump personifies every reservation Washington had about overblown power aspirations.

In the election cycle ahead, we have a president seeking re-election who, like any citizen, has the right to publicly offer his opinions. But we, the people, must teach Donald Trump the lesson he should have learned from the late Senator Daniel Patrick Moynihan: “One is entitled to his own opinion, but not to his own facts.”