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Opposing Views on Perry as Job-Creating Master

By RICHARD A. OPPEL Jr.

During Rick Perry's first political campaign almost 30 years ago, a supporter at one stop suggested he take credit for the rain that had broken a dry spell the night before. But his father warned, "Son, you can take credit for the rain if you want, but they'll blame you for the drought."

Lately Mr. Perry, the Texas governor and early leader in Republican presidential polls, has been taking quite a bit of credit of a different sort: for a strong jobs and economic record in Texas.

But if the very latest economic data is any guide, he has left himself open to attack from opponents like Mitt Romney, as unemployment numbers for Texas have recently started heading upward.

Mr. Perry is basing his campaign to an extraordinary degree, if a recent swing through Iowa is any indication, on the contention that he is a job-creation sorcerer, conjuring new employment through smart stewardship of his executive duties in Texas, while avoiding discussing almost any other policy issue.

"Forty percent of all the jobs created in America since June of 2009 were in my home state," he said Friday during a coffee shop rally in Newton, Iowa.

But there are two main ways to measure employment and jobs, and it is by only one measure — the one that Mr. Perry cites, which relies on surveys of company payrolls — that the trend of late in Texas has been positive.

By the other measure — total employment and the unemployment rate, which is based on surveys of families — the state's numbers have unquestionably taken a recent turn for the worse, even as the national average has remained unchanged.

Texas, in fact, has about 80,000 fewer people employed now than in May, when total employment peaked, according to seasonally adjusted federal data through the end of last month. Some of that is explained by a decline of almost 30,000 in the labor force, but the main difference is simply that more people are unemployed.

The state's unemployment rate spiked to 8.5 percent in August, a jump from 7.7 percent from June 2009, the date Mr. Perry himself has chosen as a starting point for the job-growth phenomenon he frequently describes on the campaign trail.

Over the same period, the national unemployment rate has actually fallen by four-tenths of one percentage point to 9.1 percent, a rate that nevertheless remains above that of Texas. So the gap between the nation's high unemployment rate and Texas's rate has been narrowing.

The Texas-as-job-machine message also hit a bump on Friday when the state's work force commission reported that Texas actually lost 1,300 jobs during August, the first decline in nearly a year.

Over all, though, the number of jobs in Texas has been rising, but the number of people in the state who actually report that they are working has been declining since the spring. One possibility is that more people are working more than one job or that people who are self-employed — and not counted in payroll data — are not getting as much work. But economists say it is hard to figure what is going on.

“I have to admit we have looked at this, and we haven't solved it yet,” said Mine K. Yucel, vice president and senior economist at the Federal Reserve Bank of Dallas. She credits high oil prices,

relative stability in the housing market and strong exports for recent growth in jobs, but cautioned that the state's economic future was tied to the fortunes of shaky national and global economies.

One possible explanation for the contradictory data, Ms. Yucel added, is that it comes from two different federal surveys that “you would expect to be consistent, but they are not consistent all the time.”

Economists do pay more attention to the payroll numbers — the ones Mr. Perry cites — because that data is based on a larger sample.

Mr. Perry's claims about job creation are a common refrain on the campaign trail that resonates with those who turn out to support him — so much so that it raises the question of whether he is putting too many eggs in one basket, especially with the nation potentially heading into a double-dip recession and the Republican nominating contests just months away.

On Wednesday Mr. Perry doubled down a day ahead of the Republican presidential debate, calling a rival, Mr. Romney, a “flailing” candidate who had the “near worst-in-the-nation jobs record” when he was Massachusetts governor, while promoting recent private sector jobs gains in Texas.

In a statement issued on Friday after Texas released its data showing the slight loss in jobs during August, the Perry campaign suggested that some blame lay with the “misguided policies” of the Obama administration because “like every other state, Texas is not immune to the effects of the national recession.”

A Perry spokesman, Ray Sullivan, added in a separate e-mail that there was no danger in the governor basing so much of his campaign pitch on jobs and the economy.

“Texas has led the nation in job creation by a wide margin in recent years, even in recession, and that will not change in a matter of months,” Mr. Sullivan said, adding that the state's “low tax rates, fair and predictable regulatory climate, and high quality of life continue to attract employers and population at

rapid rates.”

But on Wednesday, a Romney spokeswoman, Andrea Saul, sought to diminish Mr. Perry's economic record, describing him as a “career politician whose own state's unemployment rate has doubled on his watch and is the worst in the region.”



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