

[Skip to main content.](#)

[Contact the Press Office](#)

Oct. 20, 2004

Gov. Rick Perry Announces Strategic Plan to Create Jobs

Priority Economic Clusters Will Grow Texas' Economy for Long Term

AUSTIN – Gov. Rick Perry today announced a long-term, strategic job creation plan that will focus state efforts in six industry clusters that economists say will be the engine of future economic growth in the United States.

“Today I am excited to announce that the State of Texas will focus on developing industry clusters that will be critical to our future prosperity,” said Perry, who has made job creation a cornerstone of his administration.

“This cluster initiative is important because for the first time in the history of this state, we will have a coordinated, market-driven economic development strategy that focuses on areas where we have the greatest growth potential and focuses on fostering that potential.”

The Texas Workforce Commission, working in conjunction with Harvard economist Michael Porter and Texas economist Ray Perryman, has identified the following six industry clusters as having unlimited potential for the state’s future:

- advanced technologies and manufacturing;
- aerospace and defense;
- biotechnology and life sciences;
- information and computer technology;
- petroleum refining and chemical products;
- energy.

“Clusters rely on an abundance of ideas and talent. In a cluster, an employer has access to professional colleagues, suppliers, customers, skilled labor, research and development institutions, and industry leaders all in close geographic proximity,” said Perry. “This cluster initiative will allow us to map out the presence of industry, academic resources and various local, state and federal funds that are key ingredients to the development of clusters.”

The governor added that the competitive cluster initiative fits into the vision of the Texas Technology Initiative, which recognizes that over the next 10 years advanced technology industries will generate \$3 trillion in revenue. "We want to do everything possible to make sure those revenues are generated on Texas soil and with Texas brainpower," Perry said.

Perry also noted that some areas of Texas already have emerging clusters, such as the Dallas-Fort Worth Metroplex, which has a large aerospace and defense presence, and Houston which has an emerging biotechnology and life sciences concentration. Other areas, like the Rio Grande Valley, have the potential to develop a stronger portfolio of advanced technology and manufacturing opportunities.

Perry also announced that President Bush's Administration has just notified him that the El Paso area and military families will be getting additional help through a \$2.6 million job training grant to the Upper Rio Grande Valley Workforce Development Board.

These funds, provided through the U.S. Department of Labor, will provide comprehensive re-employment and training services for spouses of active duty personnel, spouses of members of the National Guard and Reserves, widows of military personnel who have lost their lives in Afghanistan, Iraq and other areas, and members of the Guard and Reserves returning from combat zones.

"I believe when our military families make great sacrifices for this country, then this country must do everything possible to ensure their economic stability," Perry said.

Perry said that Texas clearly has an advantage in terms of a growing workforce, but the key is making sure that workforce is skilled and trained in emerging technology fields.

"It is critical that we marshal all of our resources, such as lab innovations and worker training programs at our two-year and four-year colleges, and local, state and federal incentive dollars toward supporting the technology-based economic activity that can create new wealth and new opportunities," said Perry. "That is why the math and science initiatives that we have created are so vital."

As part of the cluster initiative, industry representatives, members of the academic community, economic development leaders and trade association members will be asked to help develop additional recommendations on economic industry clusters for the 2005 legislative session.

"This effort is about much more than competing with neighboring states for jobs, it is about putting Texas at the forefront of the global marketplace," Perry said. "We are already the hub of trade and commerce in the Western Hemisphere because of our access to the Latin American marketplace. With this effort, we can better compete with cities and states not just along the East and West Coast but throughout Europe, Asia and the rest of the world."

Texas is the nation's largest exporting state, surpassing California in that area last year, and exports to

Mexico were up 22 percent in the first quarter of the year.

Perry said that Texas is helping to lead the national recovery, with 122,000 jobs added in the past 11 months. Last year, Texas attracted nine of the 20 largest capital investments in the nation, including a new Toyota plant in San Antonio and a \$3 billion expansion by Texas Instruments. This year, Texas landed the largest job expansion in the nation during the first quarter when Vought Aircraft announced it would consolidate operations and bring 3,000 additional jobs to North Texas.

A key factor in Texas' job creation success, Perry said, is the \$295 million Texas Enterprise Fund (TEF). To date, \$181 million in Enterprise Fund dollars has been allocated to attract more than 14,000 new jobs, and close to \$6 billion in capital investments. Perry also noted that the state is achieving a high rate of return on TEF investments. The gross state impact of Enterprise Fund investments to date is estimated to be \$2.2 billion annually.

"I realize there are critics who believe investments in job creation come at the expense of investments in government programs. I disagree." said Perry. "To fund priorities like healthcare and education, you need the revenue generated by keeping and attracting jobs.

"A governor can never sacrifice a long-term view in funding short-term needs. The Texas Enterprise Fund is critical to long-term prosperity in Texas, and that is why today I am publicly stating my support for its renewal in the next legislative session."

[Industry Cluster Initiative FAQ](#)

[Industry Cluster Initiative - Strategic Plan](#)