

# Governor's recruitment chief: Texas wants every job it can get

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Gov. Rick Perry has made job creation a cornerstone of his administration. It doesn't matter whether those jobs originate here or come in from out of state, Perry wants 'em all.

Lately, he's been getting them, too. Although critics question how much of the credit for that growth should go to Perry and his administration, no one can argue that Texas isn't outperforming most states in terms of job creation. Since the recession officially ended in mid-2009, the state has accounted for roughly half the nation's total job growth.

Aaron Demerson has played a key role in fueling that growth. As director of the governor's office of economic development and tourism, he oversees and coordinates many of the administration's job recruitment and tourism efforts.

Demerson has an extensive history in the state's economic development efforts. He previously served as director of Texas business development, guiding the state's NAFTA office in Mexico City, and he served with the Texas Department of Economic Development before it was folded into the governor's office.

In a conversation with the American-Statesman, Demerson talked about the challenges and opportunities facing the state's economic development efforts.

**American-Statesman: Texas has become one of the nation's primary destinations for jobs and people. What changed over the years to make the state such an attractive place for companies to be?**

**Demerson:** I think it helps to have a governor who has really focused on creating jobs and looking at what we can do as a state to spur that growth, starting with our business-friendly tax and regulatory environment. The governor is Texas' best salesman/CEO. A lot of folks are surprised at how involved he is in recruiting businesses. He'll make phone calls CEO to CEO, and I think they really respond to that personal interaction. The ability for him to talk with a CEO and give them a chance to ask questions is a great tool.

At the end of the day, we understand companies are looking to succeed, to be profitable, to maximize shareholder wealth. And when they compare tax rules and the cost and time it takes to get a facility up and running, Texas is quite often the best choice for them. We understand that it's important for companies to know that there are educated and skilled employees to fill new positions. The governor's focus over the last 10 years has been to make economic development a collaborative effort starting with the local cities, counties and even school districts, on up to the

state. That cooperation is what helps us aggressively recruit businesses and compete with other states. If a company is looking to expand their operations, we're going to make sure they have an opportunity to do it in Texas first.

**In your experience, what are the biggest challenges to the state's ongoing business recruitment and economic development, and how is your office approaching them?**

Instability in the national and international economies makes businesses more conservative in their expansion and growth plans. Of course, you never know what the future holds, but when there's more uncertainty than usual, businesses are less likely to take risks. That's why here in Texas, Gov. Perry has worked to create stability in taxes, in regulations, with our courts. And I think that's why you've seen Texas continue to thrive while other states and the national economy are struggling. There will always be risks with business, but any certainty you can provide gives companies the confidence to invest in growth. That message of low taxes, reasonable regulations, fair courts and skilled workforce is what we've worked hard to spread, and companies really respond to it.

**When you look at the Texas economy as a whole, there's a lot of diversity there. How do you gear your economic development efforts to boost the health of the state economy as a whole?**

Texas is a huge state, but having that statewide cooperation in economic development helps tie us all together. Whether it's a manufacturing facility, data center or headquarters, it's all based on job creation. We can sing that song in Tyler, Seguin, Brownsville, San Antonio, Austin, El Paso. It resonates in every community. You may not find that in other states, where there's a disconnect or more fragmentation between state and local efforts. It's a pretty unique approach.

**How do you balance the push between recruitment and organic job growth?**

In Texas, we have positioned ourselves for local expansion and growth opportunities while also aggressively pursuing any available recruitment opportunities. For us, the bottom line is job creation. That's the most important thing. Not only does each project create direct jobs, it also creates indirect jobs, then property taxes in the local community, then sales taxes. There's a domino effect to each job that's created here. An example of both recruitment and organic growth is Caterpillar. They're headquartered elsewhere and decided to open an 800,000-square-foot plant in Seguin with about 1,400 jobs. When the request for an additional facility went out, they opted to open a new facility in Victoria with more than 500 jobs. And of course, both communities are working with suppliers and vendors in those communities, which spurs even more growth for that region and industry.

**Texas has attracted a lot of jobs and people from other states, particularly California. Do you see those states as competitors? How do you balance cooperation as fellow states in the union with the constant push to bring in more jobs for Texas citizens?**

I'm sure you've heard the governor say time and time again that states are the real laboratories of innovation in our country. A strong California, New York or Florida makes us all work that much harder to compete, and collaboration with each other makes our nation better as a whole.

For example, a number of elected officials from California came to Texas a year or so ago and met with Gov. Perry to talk about what they could do to make their state better for business. That's how the system is supposed to work: different states trying different approaches and sharing notes to see if what works in one state will work in another. We have the right formula here in Texas for job creation, so it's no surprise that other states would want to take a page from our book.

Now, of course, we don't share all the trade secrets. When there's a company looking to make a business decision and they have Texas and another state on the list, that's when we become really competitive. If there are jobs at stake, we're going to compete for them. That's when the gloves come off. That's where the strong support from our local communities comes in to make sure we're doing all we can to help them choose Texas.

<http://www.statesman.com/business/governors-recruitment-chief-texas-wants-every-job-it-2400601.html>