

# A look at Huntsman, Perry, Romney jobs records

By Jackie Kucinich, USA TODAY

As the national unemployment rate has risen, the chorus of criticism from Republican presidential candidates of [President Obama's](#) jobs record has gotten steadily louder.

Obama, said former Massachusetts governor [Mitt Romney](#), is "out of his depth when it comes to getting the economy going."

Obama "has had over two years to fix this economy, and he has failed," said former Utah governor [Jon Huntsman](#).

Texas Governor Rick Perry said during a speech announcing his candidacy that the high unemployment rate does not signal an economic turnaround. "That is not a recovery, that is an economic disaster."

Of the major Republican candidates for the [White House](#), only Perry, Huntsman and Romney have been governors and tried to use the levers of government to boost their states' economies.

Huntsman and Romney are also the sons of prominent corporate CEOs. Huntsman's father and brother lead Huntsman International, a chemicals company. Romney's father, George, parlayed his business record as chief executive of [American Motors](#) into the governorship of Michigan in the 1960s. Perry, the only sitting governor in the race, has touted his humble upbringing on a farm, military service and ability to create jobs in Texas as the state's longest-serving governor.

A USA TODAY review of their jobs records shows varied results despite their use of similar methods, such as tax policy or cash grants, to prod job creation or to keep businesses from leaving their states. When the economy crashed in 2008, two of them, Huntsman and Perry, accepted pieces of the \$787 billion economic stimulus plan that Obama pushed through Congress in 2009 with the backing of only three Republicans.

Support for that stimulus plan, which was embraced by other Republican governors in 2009, has been toxic for some [GOP](#) candidates. [Charlie Crist](#), the Republican governor from Florida, left the party last year as he waged an unsuccessful independent bid for the Senate, in part because of negative reaction among conservative Republicans to his support for the stimulus.

Utah's jobless rates were under the national average throughout Huntsman's administration, and Massachusetts beat the national average in all but one year of Romney's four-year term. For the first several years of Perry's tenure, Texas' unemployment rate hovered above the national average, but dropped below it in 2007.

Utah and Massachusetts benefited from healthy national economies during most of the Huntsman and Romney years, a factor that some analysts say has more influence on a state's job picture than a governor's initiatives.

This year, for instance, the U.S. economy has been affected by events outside even Washington's control, such as soaring energy prices, worries about government debt defaults in Europe and manufacturing disruptions after the Japanese earthquake, said economist Marisa Di Natale, a director at Moody's Analytics.

"All of these things can really take a toll on business and consumer confidence, and once that starts, it's a very hard thing to control, especially for a politician to control," she said.

#### **Gov. Rick Perry, Dec. 2000-present**

"Mr. President, you need to free up the employers of this country to create jobs," Perry said during a recent visit to the [Iowa State Fair](#), one of several stops on his first swing through the state as a presidential candidate.

Perry's pitch has centered on Texas' strong economy. The three-term governor has cited his ability to keep taxes low and regulations "reasonable," as well as a successful incentive program to lure businesses into the state, as some of the reasons employment has soared.

Texas gained 299,800 jobs from June 2009, when the recession ended, through July 2011, according to the [Federal Reserve Bank of Dallas](#). That's 43% of the jobs added to the U.S. economy in that time. Using a more conservative calculation that doesn't count states with net job losses, Texas' share drops to 29%, the Dallas Fed says.

The state's unemployment rate was 8.4% in July, well below the nation's 9.1%. For most of Perry's early tenure as governor, the unemployment rate hovered above the national average.

He has also taken a hard position against government spending. During a recent appearance in Oklahoma, Perry told the Tulsa Press Club that in a Perry administration, there would not be a stimulus program. "No. 1 is don't spend all the money — you can figure out what that means," Perry said.

While Perry rejected the bulk of the federal stimulus funds, the state has used \$17.4 billion as of the second quarter of 2011 to balance the last two budgets, according to the Texas Tribune, a non-profit, non-partisan media organization.

However, one of the key ways Perry has been able to spur employment is through the Texas Enterprise Fund. Perry started TEF, his signature job-creation program, in 2003, making government grants to lure employers into the state. Since its launch, TEF has awarded about \$426 million in taxpayer dollars to 81 projects and has created 57,140 jobs, according to a 2011 legislative report.

But some in the state dispute Perry's claims about TEF, and attribute the growth to a combination of population growth (Texas grew 20.6% in the last 10 years, according to the 2010 [U.S. Census](#)) the energy industry's expansion and traditionally low taxes. Texas has no corporate or state income tax.

Others have said the program undermines Perry's message of limited government. In a recently released white paper on Perry's tenure as governor, the conservative Club for Growth called the TEF "gimmicky subsidies" that are a "form of corporate welfare."

"This suggests that [Governor Perry](#) is more pro-business than he is pro-free markets," the report said.

An analysis last September by the conservative [Cato Institute](#) notes that while Perry generally has not increased taxes during his 10 years as governor, "he has not cut state taxes or reduced the size of state government."

"His crown jewel of his economic plan has woefully underperformed," said Craig McDonald, director of the left-leaning Texans for Public Justice.

A report his group did last year found that 66% of the companies that received grants "have not lived up to their contractual job commitments to the taxpayers of Texas," McDonald said.

In addition, not all those jobs are created equal.

"Lots of jobs created in Texas are low-wage jobs with no benefits," said Calvin Jillson, a professor of politics at [Southern Methodist University](#).

In 2010, the number of Texans earning at or below the federal minimum wage rose by 76,000 to almost 10% of the population, according to the U.S. Bureau of Labor and Statistics. In 2009, 17.1% of Texans lived below the poverty level, higher than the national rate of 14.3%, according to the U.S. Census.

The median household income was \$48,286 in 2009, lower than the national average of \$50,221, according to the census.

In an Aug. 17 speech, [Richard Fisher](#), the chief of the Dallas Fed, elaborated on the numbers behind Texas' jobs record since the recession ended.

"The most jobs have been created in the educational and health services sector, which accounts for 13.5% of Texas' employment," he said. "The mining sector, which includes support activities for both mining and oil and gas, employs 2.1% ... of Texas' workers."

Those two categories, along with professional and business services, account for 68% of the jobs created in Texas in the past two years, he said. Average weekly wages are not low, either, he said, ranging from \$790 for education and health positions up to \$2,271 for mining jobs.

### **Gov. Mitt Romney, Jan. 2003- Jan. 2007**

For someone who parlayed his business career into the successful operation of the 2002 [Winter Olympics](#) and one term as governor of Massachusetts, Romney has been taking shots from both parties for his economic record.

State unemployment fell from 5.6% in January 2003 to 4.5 % when Romney left office in 2007.

Huntsman has repeatedly sounded off on job creation in Massachusetts, asserting that Utah ranked No. 1 in job creation when he was governor, and Massachusetts was ranked 47th during Romney's term.

Romney's campaign says he created 50,000 jobs during his time as the chief executive of the state and left it in a better fiscal position than he found it.

According to the non-partisan Massachusetts Taxpayer Foundation, jobs grew by 0.95% from December 2002 until December 2006, the fourth-lowest job-growth rate in the nation for that time.

Michael Widmer, president of Massachusetts Taxpayers Foundation, said the net number of jobs created in that time span is closer to 30,600 after subtracting jobs lost. But Widmer said in the short term, governors have very little control of their states' economies.

"The judgment, I think, on governors is, what have they done to improve the economy of their state over the long term?" he said. "Did they have an economic development strategy?"

"The (Romney) administration never had a fully developed economic development strategy," he said.

Tom Birmingham, a Democrat who was president of the [Massachusetts Senate](#) just prior to Romney's term as governor, said it is a stretch to attribute any of the economic triumphs or challenges to Romney or any governor's policies.

"It's kind of like a rooster taking credit for the sun coming up after he crows," he said.

"For the last two years of his gubernatorial tenure, he was running around the country running for president. So the notion that he, as he had promised, was courting CEOs and board members to come to Massachusetts, there is at best scant evidence of that."

[Christopher Anderson](#), a Romney Board of Education appointee and president of the Massachusetts High Technology Council, a trade association, said Romney was successful in his mission to bring more jobs and research grants to the region. He attributed the relatively low rate of job growth during the Romney administration to the high cost of living and doing business in the state.

"We don't have a growing population," Anderson said. "Despite the success that we have had creating new opportunities for job growth, (Romney) did not get any cooperation, really, from the state legislature in efforts to reduce the cost of doing business."

### **Gov. Jon Huntsman, Jan. 2005 - Aug. 2009**

While campaigning, Huntsman points to his record creating jobs in Utah as a sign of his ability to govern well.

"We created the most business-friendly environment in the entire country,"

Huntsman said during the Aug. 11 GOP debate in Ames, Iowa. "We were the best-managed state in the country. We maintained a [AAA](#) bond rating. All of the things this country so desperately needs."

In many ways Huntsman was dealt a very different hand than the other two governors.

Unlike Romney, he had a friendly state legislature, a young, growing population and home prices that were rising throughout his tenure. But some detractors say Utah's attributes inflate Huntsman's image as a successful executive.

The state was first in job creation during his tenure, according to the non-profit American Legislative Exchange Council's annual *Rich States, Poor States* publication. Employment grew 5.9% during his administration, adding 71,188 jobs, according to the Bureau of Labor and Statistics.

In 2007, the unemployment rate in Utah dipped below 3%.

[Jonathan Williams](#), director of tax policy for [ALEC](#), a group of conservative lawmakers and private-sector executives, said Utah's tax policy is part of the reason it has continued to do so well.

"They instituted a flat tax several years ago that reduced the overall tax rate but also made it a more business-friendly environment," he said.

The Huntsman-backed proposal replaced the Utah tax system's six income-tax brackets with a single 5% tax rate. The so-called flat tax, which began in 2008, still allows deductions for charitable contributions, retirement, mortgage interest and dependents; deductions phase out as income rises, so people with less income still effectively pay a lower tax rate than wealthier people.

Despite the economic boom in Utah, Huntsman, as did Perry, accepted stimulus money from the government, which Utah has used largely on transportation projects. Huntsman said later that the stimulus overall "was not properly focused around that which would really stimulate the economy."

Huntsman resigned early in his second term to become U.S. ambassador to China in the Obama administration.

The overarching question about his gubernatorial record is not whether the state did well during his tenure — it is whether Utah would have done well regardless of his policies.

"The business community liked him, the economy was extremely prosperous when he was governor, but drawing a cause-and-effect attribution there is a little problematic," said Michael Lyons, a [Utah State University](#) political science professor. [Patrick Byrne](#), CEO of Utah-based Overstock.com and one of Huntsman's biggest donors before a falling out over Utah's school voucher program, said Huntsman has inflated the importance of his policies in the state.

"Utah is a very well-run state. It was well-run before Jon Huntsman became governor, and even while he was governor everybody perceived it as Lt. Gov. Gary Herbert running the show while Huntsman was just a pretty face," he said.