

ATASCOSA COUNTY JUDGES REPORT

I want to talk to you about unemployment rates. Before I go any further, I want to point out that President Reagan once said, "When your neighbor is out of work, that is a recession. When you are out of work, that is a depression." So, my point in quoting him is that I am not insensitive to anyone out of work.

I will get back to unemployment rates. When I was in college and graduate economic courses (yes, a very long time ago), full employment was defined as any percentage under 3.5%. The reason for that fluidity was the statistical theory that there will always be a fluid movement of the unemployed for a good reason. They may just be coming onto the job market for various reasons, i.e., graduation, children raised, changing vocations, and many others. This fluidity accounts for the resistance of unemployment to drop below the historical rate of 3.5%. Therefore, 3.5% has been the bellwether number for full employment. The nation has been at that number for the last few months. Unemployment this low puts pressure on employers to find employees. It also puts pressure on the salaries employers have to pay to hire needed employees. It creates a worker's market, pushing wages up and, therefore, prices. It is always good to have our wages go up; however, the simple fact is that someone will pay more as a result. Increased merchandise prices, increased labor prices, and even increased taxes. During my eight years as your county judge, I have not seen the unemployment rate in Atascosa under 4%. Since 2010, there have been dips down to the 3.5% level, but very few. The rate now is close to 4.5%.

But, thankfully, it all means the economy is good. We are still riding a bumpy track with supply chain shortages, the Russia – Ukraine war effect, and others. We will see inflation track downward as this sorts out; however, some prices will not come down. Those driven up by increased wages will not come down. Fuel prices are already settling, but the rising cost of fuel in transportation and manufacturing will take time to dissipate.

It is my opinion that some businesses have overreacted and raised their prices too high, so time and competition will bring overpricing under control.

Virtually all European countries are experiencing worse inflation than we are, but it makes our levels no less unpalatable. I hope 3-4% inflation will not be too far away. In the meantime, the economy is good in our county. Oil industry activity is good, and existing job vacancies need to be filled by local businesses.

Thanks for listening. May God bless us all. And, God, thank you for the rain. Please bring more! Amen.