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Feeling the heat

Hot streak and drought drain an already stressed economy

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MEDIA



Look everywhere and the signs of summer temperatures climbing to record highs are clear — crowded pools, air conditioners breaking down and Central Texans huddled in whatever climate-controlled spaces are available.

Just ask George Stuckey, the director of marketing and sales for Austin-based Fox Service Co. He said that while it's natural for service calls to increase during summer months, the number of service calls the company has received just for broken air conditioning units this summer is up 23 percent compared to last summer. Throw in electrical and plumbing issues Fox Service is handling, and service calls are up about 30 percent from last summer, he said.

Extreme heat like the region is experiencing this summer, besides making people less comfortable, has strong effects on the economy for better and for worse, depending on one's business.

Statewide, extended periods of high temperatures make their mark in almost every industry, said economist Ray Perryman, president and CEO of The Perryman Group. Most obvious is increased consumption of electricity and the higher costs that go with it.

"It raises the cost of doing business and on production," Perryman said of higher electric use. "By the same token, you can maybe say [extreme heat] helps tourism. ... There are trade-offs in both directions, but there's a huge impact."

Just how hot is it?

June saw Austin temperatures reach or exceed 100 degrees for 10 consecutive days — a record — and 16 days overall, according to the National Weather Service. July is among the warmest Julys on record with 23 100-degree days as of July 26. So far this July, the average temperature has been four to six degrees above average. And since early May, Austin's Camp Mabry has recorded 38 100-degree days. Local meteorologists are predicting that August will be another unusually hot and dry month.

So far this year Austin Energy has set at least three peak-time usage records, all in July, said spokesman Ed Clark. But the utility hasn't necessarily seen a substantial jump in overall usage this summer.

"Last June, we used more electricity than this June, even though this June [has more] 100 degree-plus days," Clark said.

That could be because while homes are using more electricity to keep cool, large industrial users have reduced their energy use substantially in the wake of layoffs and downsizing, he said.

For instance, Applied Materials Inc. — one of the area's biggest energy users — cut energy consumption by about 8 percent for three weeks in June because the recession forced it to temporarily shut down much of its operations, said spokeswoman Kathy Lesko.

A cooling in consumerism and commuting

For many retailers, it's hard to tell when it's the hot weather or the cold economy that keeps people home. Still, Craig Staley, general manager at Mellow Johnny's Bike Shop on Nueces Street, said there's an understanding among retailers that the heat will taper sales.

Staley said the heat also alters commuting practices. Since the mercury has shot to the top of the thermometer and stayed there, fewer workers are riding their bikes to work. The showers and lockers at Mellow Johnny's shop downtown aren't nearly as busy as they used to be.

"Riding uphill in the wind in 105 degrees, it's brutal," he said of cycling in the summer heat. "We'll see it pick up again when temperatures break again."

The heat may also be putting the brakes on many residents' choice to take the bus to work. While the buses are air conditioned, the bus stops are not.

Ridership on the Capital Metropolitan Transportation Authority's buses is down this summer, but it's also unclear whether the heat, the economy or both are impacting those numbers, Capital Metro spokesperson Adam Shaivitz said.

In June 2009, total fixed-route ridership — including local and express buses and university shuttles — was down 9.7 percent compared with the same month last year, Shaivitz said. Fiscal year to date, ridership is down about 6.8 percent.

“Contributing factors include the declining economy, fares, gas prices and the record heat,” he said.

Feeling the heat at work

Research conducted by the National Institute for Occupational Safety and Health shows that work in hot environments is linked with lower mental alertness and physical performance, and subsequently, more injuries. In an unscientific poll conducted online by the Austin Business Journal, 45 percent said the heat has slowed their company’s productivity for one reason or another.

Construction industry officials find it difficult to sort out how the heat affects business overall. While they see workers slow down on very hot days, they say it’s impossible to precisely determine lost productivity.

At the same time, there have been fewer rainy days to interrupt construction. In some cases, work can start early or be done at night to avoid the heat, although not all sites are able to work off hours due to permitting issues, said Larry Connelly, safety director with the Associated General Contractors of America’s Austin chapter.

And even if the heat’s overall effect is negative, as with other industries, the economy is providing by far the bigger blow to construction jobs this summer, Connelly said.

One exception to the heat’s impact seems to be site visits from prospects eyeing the Austin area, said Austin Chamber of Commerce officials. According to the chamber’s economic development department, there’s always a summertime dip in prospect visits due to vacations, and this summer has not seen less activity than usual.

“The heat is definitely a source of conversation when [prospects] visit,” said chamber spokeswoman Nan Matthews. “But it’s not a huge deal for them or for us. Rather than take someone out to The Oasis we’ll instead go to Headliners [Club] — somewhere where we can show off the beauty of Austin from air conditioning.”