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As Texas Emerges From the Pandemic, Industry Leaders Share Growth Projections at the Texas Aggregates & Concrete Association's Annual Meeting

AUSTIN, Texas [June 25, 2021] — The Texas Aggregates & Concrete Association (TACA) – the leading state trade association for the aggregate, concrete, cement and associated industries – welcomed more than 450 attendees to its 67th Annual Meeting June 16-18 at the JW Marriott San Antonio Hill Country Resort & Spa.

A highlight was the Texas and National Economic Report presented by Jon Hockenyos, president of TXP, Inc., an economic analysis and public policy consulting firm founded in 1987 in Austin, Texas.

“While both Texas and the U.S. are close to resuming ‘normal’ activity, a full recovery has yet to occur,” said Hockenyos. “However, in the months to come, I believe we are looking at a new version of the ‘roaring ‘20s,’ due to low interest rates, pent-up demand for travel and social experiences and a lot of stimulus money being pumped into the economy.” He cited U.S. GDP in the First Quarter of 2020 as coming in at 0.3 percent and, after the most dramatic dip to -9.0 percent in the Second Quarter of 2020, it is now back up to 0.4 percent in the First Quarter of 2021.

He noted that Texas’ dramatic growth – the state is currently 8.9 percent of the nation’s population and accounts for 32.4 percent of net national population growth in 2020 – has created a huge demand for housing, industrial and warehouse construction, but a slower demand for office, lodging, entertainment and medical facilities, which is largely due to societal changes during the COVID-19 pandemic.

He predicts there will be a rise in public spending in the next few years, benefiting TACA member companies, which supply the materials that build the state’s public and private infrastructure, including roads and highways, bridges, schools, hospitals and residential and commercial structures.

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However, he warned of several factors that may hamper the industry, including demand for materials outstripping supply chains and the rising price of materials. In addition, he cited servicing the national debt in the long-term and rising inflation in the near-term as factors that could hamper expected growth. “When inflation starts to warp your business decisions, we know it is a problem,” he said.

Abbott Lawrence, chairman of the board of the National Ready Mixed Concrete Association (NRMCA), told TACA Annual Meeting participants that in 2019, Texas was No. 1 in spending on roads and highways of all the states (New York and California were next in line), which is not surprising given the level of population growth the state has experienced in the past few years. In 2020, he said, Texas producers shipped 61.8 MM cubic yards of materials, with California a distant second at 37.8 MM cubic yards. Of the top 20 aggregate demand regions in the U.S., he said four are in Texas – Dallas, Houston, Austin and San Antonio – three are in Florida and two are in California.

Michael Johnson, president & CEO of the National Stone, Sand & Gravel Association (NSSGA), warned that America’s economic competitors are investing strategically in infrastructure as a means to try to take our status as the No. 1 economy in the world just as the quality of our infrastructure continues to decline. “The U.S. got just a C- and Texas only got a C in the American Society of Civil Engineer’s latest [Report Card for America’s Infrastructure](#) (issued every four years). We can and must do better.” Johnson is optimistic about Congress passing legislation that will make significant investment in infrastructure this year and cautioned that when that investment does come, regulations “that are not built on sound science” could make it more difficult to access the aggregates and produce the construction material that will be needed. He cited policies that put aggregates, sand and cement facilities further and further away from population areas as counterproductive to growth and infrastructure investment as of particular concern.

TACA President & CEO Josh Leftwich agrees that an adequate infrastructure is paramount to the state’s success. “With population growth comes the need for more shopping, medical support and, of course, education,” he said. “I know our industry will be there to support these efforts and supply the best materials we can. We look forward to providing the solutions to this unprecedented growth.”

For more information on how TACA member companies enhance our daily lives, please visit the TACA [website](#).

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About TACA

The Texas Aggregates & Concrete Association (TACA) is the main resource for the aggregate, concrete, cement and other associated industries in Texas. The association represents its member companies by providing industry information to the public, media, policymakers and regulators; advocating for industry issues; ensuring member companies commit to conducting business with integrity, respect, transparency and honest communication; and creating industry training courses and materials that help members effectively manage their businesses.