



Texas Tops California in Job Growth, Study Shows

Published October 16, 2010 | FoxNews.com

California may have more sunshine and better beaches, but Texas has more jobs.

According to new research by the Texas Public Policy Foundation, a nonprofit free-market research institute, the second most populous state in the union created 129,000 new jobs in the past year, a 1.3 percent rate, far overshadowing the declining California, which lost 112,000 jobs during the same period.

"Texas's superior economic performance is noteworthy," said conservative economist Arthur Laffer, a senior fellow of the foundation who conducted the analysis. "It's just striking how the states with no income tax outperform the states with high income taxes.

"And the reason is simple: employers move to the location that promises better after-tax returns. Texas constantly focuses on improving its economic competitiveness and the citizens of Texas are benefiting because of it," he said in a written statement.

The study attributed the competitive growth to the state's economic policies, including no income tax.

"Our study shows that it is these Texas policies of relatively low taxes, low spending, and less regulation that have helped the Lone Star State weather the Great Recession better than California and the nation as a whole," the report reads.

State and local government spending in Texas has remained steady at about 18 percent of the state's private economy while California's has increased from 19 percent to nearly 26 percent since 1987.

"If people needed any reminder of why Texas is the greatest place in America to live, work and raise a family, this report certainly provides it," Texas Gov. Rick Perry said in a written statement. "With all due respect to California, it's hard to beat our state's combination of low taxes, predictable regulations, fair legal system and world-class workforce. The fact that Texas has created more jobs this year than any other state is confirmation that our state is on the right track."