



The latest on California politics and government

October 11, 2010

Study finds Texas with economic edge on California

Meg Whitman, the Republican candidate for governor, often compares California's business climate, unfavorably, to that of Texas, and she's correct, says a new study for the Texas Public Policy Foundation.

The study was done by a firm headed by ex-Californian **Arthur Laffer**, a one-time Reagan White House economic adviser who's been a persistent critic of California's tax and regulatory climate.

"Even amid the country's worst economic setback in decades, our updated analysis shows that Texas' competitive edge over California remains sharp," says the report, delivered to a meeting of the Texas Public Policy Foundation in San Antonio. "This paper updates the economic scoreboard we calculated in our study of Texas and California in 2008. Although the policy environment has changed over the last two years, Texas' edge over California has not.

"Like the rest of the nation, Texas' economic growth hit a serious speed bump during the great recession. But, its economic decline in the state has been milder than in California and the rest of the country. The Texas economy has been growing stronger, with less negative volatility, than California or the nation overall."

Laffer said, "A comparison between Texas and California is not only valid but vital for our country. Both are large, strategically located states, with strong demographics and bountiful natural resources. But California's regulatory and tax costs, coupled with budgetary and policy instability, render it an impotent competitor when standing next to low-tax, business-friendly Texas, which levies no capital gains or income taxes to support its affordable government."

The full study can be found [here](#).

Categories: Governor 2010

Posted by **Dan Walters**

2:26 PM | Comments (0) | [Share](#)

[Recommend](#)

Be the first of your friends to recommend this.

[vote now](#)

About Comments

Reader comments on Sacbee.com are the opinions of the writer, not The Sacramento Bee. If you see an objectionable comment, click the "report abuse" button below it. We will delete comments containing inappropriate links, obscenities, hate speech, and personal attacks. Flagrant or repeat violators will be banned. See more about comments [here](#).

More comments on this story:

[Mortgage Rates Hit 3.25%](#)

If you owe less than \$729k you probably qualify for Obamas www.SeeRefinanceRates.com

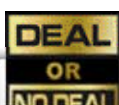
[Don't Pay For School - Free Scholarships](#)

Sign Up For Your Free Guide ProgramAdvisor.com

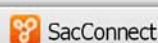
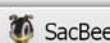
[Preowned 2007 Pilot at Yahoo!](#)

Find Austin area used Honda car dealers and get a free www.promotions.yahoo.com/honda

Ads by Yahoo!



Play Deal Or No Deal on GSN.com. FREE and CASH prizes won daily!



Connect via Meebo