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The Texas Jobs Juggernaut

Gov. Rick Perry, who is considering a presidential bid, claims credit for his state's leading role in creating jobs. What does the record show?

Nature vs. Nurture

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Merrill Matthews is a resident scholar with the Institute for Policy Innovation in Dallas.

Texas has become the job creating capital of the country and some people don't like it -- or maybe they're just jealous.

They complain that factors such as the climate, abundant natural resources and a steady supply of low cost labor have made a big difference. While those are helpful, California has all of the above, and yet its businesses are packing up and moving to Texas.

The primary reason Texas is prospering more than other states is not nature, but nurture. And a lot of the credit goes to Texas Gov. Rick Perry and his policies.

For the past seven years, Chief Executive magazine has published a survey of where 500-plus C.E.O.s identify the best and worst states to do business, assessing factors like taxes, regulations, workforce quality and living environment. The editor in chief, J.P. Donlon, says there has been one constant in all seven surveys: Texas comes in first and California dead last.

True, Perry inherited a low tax state, but unlike many of his fellow governors, he kept it that way. As with the budget battle in Washington, lots of people demanded Perry balance the state budget by raising taxes. Unlike President Obama, Perry ignored the demands and cut spending. As a result, the Texas Public Policy Foundation says that Texas has a state tax burden of 8.4 percent, compared with a U.S. average of 9.7 percent.

Perry has aggressively encouraged businesses to move to Texas, and provided them with tax credits to help offset the costs of the move. And it has worked. According to Michael Cox at Southern Methodist University, "From January 2000 to June 2010 [Perry's tenure], Texas had a net increase of nearly 1.1 million jobs -- more than any other state by far."

Complain about Perry's unflinching conservatism if you want, but it's hard to argue with success.

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Topics: Jobs, Politics, Rick Perry, Texas

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