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## Wohlgemuth, Collins: California business basks in Texas warmth

By Arlene Wohlgemuth, Savannah Collins

California and Texas are worlds apart on governing philosophies. The former believes emphatically in public investment, redistribution and a government-centric economy whereas the latter has, for the past decade or so, emphasized a free-market approach characterized by low taxes, limited government and personal responsibility.

Parsing the latest data, it's easy to see which state's philosophy is better at producing prosperity. Texas, after all, is the nation's number one job-creating state, adding employment at a faster clip year-over-year compared to California, and every other state for that matter. Texas' unemployment rate, 6.5 percent, is more than 2 full percentage points below California's rate, 8.7 percent, and has trended at or below the national average for more than 6 1/2 years straight. And, of course, more people are choosing to become Texans than they are Californians, with the Lone Star State's population growing 24.4 percent from 2000 to 2012 while the Golden State's population grew just 11.9 percent.

But, as liberals have so adeptly learned throughout the years, data only gets you so far in a debate, even when it's as crystal clear as it is here. After all, data is cold and calculating and never connects in the same way that a name and a face does.

So meet Don Fornes.

In 2005, Fornes, having spent 10 years in the software industry, took a leap of faith and invested much of what he'd earned over the course of his career into starting his own business, Software Advice. Fornes' small startup, based in San Francisco, specialized in advising software buyers and generating demand for software vendors — and much to Fornes' credit, it was a success.

But after a few short years of getting his Bay Area business off the ground, Fornes found it hard to rationalize staying in California with its high operational costs, burdensome tax system and tight labor pool. He decided that if his business was going to be successful — really successful — he needed to move elsewhere. Preferably, somewhere that could offer access to more talent and a pro-business environment. Somewhere like Texas.

And so in 2009 Fornes moved his company's headquarters to Austin. For Fornes, the decision was straightforward: "There's no doubt that Silicon Valley is the epicenter of technological innovation. But for us — a small, bootstrapped company that needed to grow, hire well and make every dollar count — moving to Austin was absolutely the right decision," a decision made all the easier considering the two states' stances on income taxes.

"At up to 12.3 percent, the individual income tax rate in California is the highest in the country. In Texas, there is no income tax. Long story short, we moved to Texas," said Fornes.

From a business perspective, Fornes' decision to leave the Golden State for the Lone Star State has been validated many times over.

When Software Advice moved to Austin in 2009, it had just five employees. Today, Fornes' business employs more than 70 workers and has seen its revenue explode 460 percent since 2009. The company was just rated as one of the "Top 100 Texas

Companies” and ranked as a top business for the Austin metro area.

Fornes credits much of his success to Texas’ business-friendly climate, relatively low state-local tax burden, and more affordable cost of living. And for other CEOs considering a similar move, Fornes says that businesses should also note that the state itself, and Austin in particular, offers much in the way of culture and quality of life that, in turn, helps attract the high-quality talent that you need to make your business a success.

Of course, there are a thousand stories that echo Fornes’ experience all over the state. Stories with happy endings and new beginnings made possible by the Texas model of low taxes and limited government. While we, as conservatives, will undoubtedly continue to show people the numbers and data that back up our ideas, it’s critical that we do a better job telling the stories that personalize our public policies to highlight all the many Forneses out there. Because winning the public’s hearts and minds is going to take more than just data; it’s going to take putting a face on our issues.

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- Posted by adamson at 7:33 p.m. Aug. 25, 2013
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California taxes everything that isn't nailed down - and quite a few things that are. My annual car tags were nearly \$400 in CA! I just bought a new cell phone here in Austin; the last one I purchased in CA. Same company, same 2-year contract. Texas assessed sales tax on what the phone cost to me with a two-year-contract; California assessed sales tax on the full value of the phone, even though I wasn't paying that much. California's gas tax is 30 cents a gallon higher than in Texas, and they mandate a special only-in-California gasoline because they decided to make their laws more stringent than the feds. Everywhere I turned, California was much more expensive than Texas - that's why I returned to Austin. One would think that "public services" would be so much better there because of all those tax dollars being taken from everyone - but no. The schools there are worse, the roads are the same - if not worse, and some of the time you're not even guaranteed to get a tax refund - they might just issue IOU's if they feel like it.

It's a no-brainer. California's tax structure is insane, and it's no wonder why two of the top three states to where Californians are relocating (Nevada and Texas) have no state income tax.

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