

# TEXAFORNIA

Uline has branches across North America, including one in California and one in Texas. Those two states – the largest in the country – account for a whopping 20% of our nation's population.

Parts of California are incredibly beautiful, the wine is fantastic and the Silicon Valley technology is the best in the world. Texas has BBQ, great football and a booming energy industry.

California is a **Blue State** with progressive policies, high taxes and legalized marijuana.

Texas is a **Red State** that's socially conservative, believes in smaller government and has low regulations.

How do they compare?

**Taxes** – Californians pay the highest income tax in the country, 13.3%. Texas has no state income tax.

**Regulations** – California has some of the strictest environmental regulations in the country. Texas enjoys much of its economic windfall from oil and gas production driven by fewer restrictions.

**Housing** – California real estate is expensive, with affordable housing out of reach for many. Homeownership is at the lowest level since the 1940s.

**Education** – California has excellent universities, but its public school system ranks 36th out of 51 states (including Washington, D.C.) for educational outcomes. Texas ranks 41st. Both states have to get this right.

**Cost of Doing Business** – Texas is considered the best state to do business. They don't collect corporate income tax, which attracts out-of-state businesses and job seekers from all over. California has some of the most burdensome occupational licensing requirements in America.



**Cost of Living** – California's cost of living is 40% higher than the national average, whereas Texas is 9% lower. California has the highest gas prices in the country. Electricity rates are 50-75% higher than the national average. The people there are getting squeezed.

**People on the Move** – From 2007 to 2016, California lost nearly 1 million residents, while Texas gained 1.4 million. For Californians, Texas was the most desirable destination, with 25% choosing to relocate there.

Both states are the top contributors to U.S. GDP. If they were countries, they would be the 5th and 10th largest economies in the world. Together, they've created 1/3 of all American jobs over the past two decades.

Younger generations have a different political outlook. It will be interesting to see how this plays out over the next 10 years.

Adapted from a fantastic article from *The Economist* – June 22-28, 2019.



*Liz Uihlein*

## OUR PEOPLE MAKE THE DIFFERENCE

