

## **Green California Makes Progress while Petro State Texas Falters**

### **California Leads in Energy Efficiency, Child/Maternal Health, and Economic Growth**

By Nick Gier

From 2015 to 2016, according to the Bureau of Economic Analysis, California's Gross Domestic Product rose 4.1 percent while Texas dropped 1.4 percent—right at the edge of recession. Once again conservative economists have been proved wrong: high taxes in the U. S. and Europe do not kill economic growth. For example, Social Democratic Sweden is growing faster than Conservative Britain 3.4 to 2.3 percent.

### **Low Oil Prices Hit Texas Hard**

While Texas' reliance on oil and gas has diminished somewhat, low oil prices are still hurting its economy. Writing for the *Wall Street Journal* Jon Hilsenrath wrote: "Some Texans sobered by memories of past energy busts are bracing for a fall. The argument among economists and business leaders isn't whether the state will be hurt, but how badly."

California has the most diverse economy in the nation with 14 out of 50 advanced industries making significant contributions to its solid growth. Texas, the 12<sup>th</sup> most diverse economy, has only five of those 50, and three of those are related to oil and gas production. Texas Governor Greg Abbot is now asking most state agencies to cut 4 percent from their budgets to meet revenue shortfalls.

California took a huge hit during the Great Recession because of the collapse of the real estate market. Like in so many states, legislators were required to balance the budget with large spending cuts. With voter approved tax increases, California is now running a surplus, has restored education funding, and has \$6.7 billion in a "rainy day" fund.

### **Corporate Welfare Evidently Does Not Work**

Republicans have criticized the Obama Administration for giving federal dollars to some of its favorite companies. With its \$500 million Enterprise Fund this is exactly what famously free market Texas has done, granting \$40 million to Toyota alone. However, Chris Kirkham, writing for the *Los Angeles Times* (8/24/14) reports that "many legislators there now question why Texas has paid so much to companies that account for a tiny fraction of the state's job grow."

Texans for Public Justice has produced a report on the Enterprise Fund that "concludes that two-thirds of the projects either had failed to meet job goals, had employment targets reduced or had contracts canceled by the state."

Advocates for the poor are also livid that \$300 million for corporate welfare was taken from Texas' rainy day fund, which could have been used to meet budget shortfalls in Medicaid and the Children's Health Insurance Plan. CHIP was one of Hillary Clinton's major achievements.

In 2014, in an effort to block Texan attempts to lure away its businesses, California established its own \$750-million incentive plan. Officials say that it is structured differently from the Texas version, but critics are not so sure it is worth the risk. While Texan legislators have now refused to appropriate any more money to their Enterprise Fund, their Californian counterparts appear willing to wager their constituents taxes.

### **Californians Make More Despite High Cost of Living**

At \$67,458 Californians have the third highest mean income in the nation. Texas ranks 25<sup>th</sup> at \$49, 927, and Idaho is 40<sup>th</sup> at \$43,341. A critic would say that California has a much higher cost of living, but when that is factored in Texans still earn about \$5,000 less per year. Furthermore, Texas has the largest number of workers (550,000) earning a minimum wage of \$7.25. In stark contrast, some California cities will require employers to pay up to \$15 per hour by 2021.

In the states that have raised their minimum wage, there has been, according to the National Employment Law Project, a total increase of \$619 million of their GDPs. In fact, six states with the highest minimum wage have the highest GDP per capita. Most of the states with the lowest minimum wage have the lowest GDP per capita. The ideologues are disproved once again.

The critic persists: Texans should take home more pay because of lower taxes. Texans pay no income taxes, while Californians pay some of the highest in the nation. When all taxes are taken into account, the picture changes significantly. A full 60 percent of lower and middle income Texans pay taxes at a higher rate than Californians in the same bracket, while Texans in the highest 40 percent pay far less. (The top one percent pays 48 percent of California's taxes.) Texas' state tax burden of 8.4 percent is not that much less than the national average of 9.7 percent.

### **California Has Overtaken Texas in Job Growth**

From 2009 to 2014 Texas led the country in job growth, creating 20 percent of the nation's new jobs. Half way through 2015, however, California took the lead with 465,700 jobs in contrast to Texas' 286,000. The Golden State has made up for all the jobs lost in the Great Recession, and has the sixth fastest job growth rate in the nation. Texas' unemployment rate of 4.3 percent is still lower than California's at 5.5 percent.

Three years ago *The Daily Kos* (1/31/13) reported that "conservatives have made hay of reports of California companies leaving the state. Some have—254 in 2011, to be exact. On the other hand, 132,000 new businesses were created that same year—second highest per capita in

the nation, tied with Texas.” Writing for “D CEO” magazine (9/15), Steven Kaskovich writes that California “nabbed 57 percent of U. S. venture capital funding in 2014, compared to 3 percent that came to Texas.”

### **Both States Struggle with Poverty and Income Inequality**

With large immigrant populations both states struggle with high poverty rates and income inequality. Texas actually has a lower poverty rate, and California, even with its progressive income tax, has slightly more income inequality. Vance Ginn has calculated that “the average of total income held by the top 10 percent of income earners from 2000 to 2012 was 49.9 percent in California compared with 48.8 percent in Texas.”

A state official admitted that there are “two Californias: a wealthy coastal economy, in contrast to a struggling inland economy.” A recent study of immigrant workers in the Salinas Valley, which is called the Salad Bowl of the World, revealed high levels of malnutrition, obesity, and diabetes.

### **Texas Ranks 47th in Child Health**

In 2014, according to Kids Count, California ranked 26<sup>th</sup> in the nation for child health, while Texas stood at 47th. In 2015, in order to provide property tax relief, the Texas Legislature cut \$350 million from Medicaid funds that go to early childhood intervention therapists and providers. Hundreds of parents of handicapped children testified at the state capitol in Austin and they were promised that no child would go without care. The search for new providers that will do the work without a subsidy has restored service in only two cities.

### **Texas: Third World Rates of Maternal Deaths**

The most alarmingly health statistic for Texas is its maternal death rate. In 2000 17.7 mothers out of 100,000 died, but that number climbed to 35.8 by 2014. In 2011 deep cuts were made in women’s health funds and 53 clinics were closed. Minority women were hit hard with black women making up 29 percent of the deaths. The Republican War on Women is real.

Many factors were involved, but Katha Pollitt of *The Nation* writes that it comes down to “low income women who lacked good medical care.” Katrina Anderson, Center for Reproductive Rights, states: “Women need pre-conception care and continuity of care. What they get is the opposite.” Even if the women are on Medicaid, which Texas has refused to extend to 1.8 million Texans under Obamacare, their post-pregnancy care ends after 60 days.

### **Maternal Deaths Decline 29 Percent in California**

In stark contrast is the decline of maternal deaths in California. It went from 21.5 per 100,000 in 2003 to 15.1 in 2014. The key to this improvement was the expansion of clinics devoted to women’s health. European comparisons are illuminating and embarrassing. For 2014 Germany and the United Kingdom had 4.1 and 6.7 maternal deaths respectively.

In the 35 states of the Organization for Economic Co-Operation and Development, only Mexico has a higher rate of maternal deaths than Texas. In world-wide ranking the U. S. finds itself between the Gulf States of Qatar and Bahrain. The UN set a goal of 75% reduction of maternal deaths by 2015 for its 193 members, and they reached a respectable 45 percent reduction. Would only Texans have such political will.

### **California: Greenest Utilities and Most Energy Efficient**

California has the greenest utilities and the most efficient energy use. Since 1975 per capita energy use in the Golden State has remained the same, but it has climbed 50 percent in the rest of the country. CERES of Boston ranked three California utilities as the greenest, and Massachusetts, Oregon, and Connecticut were not far behind. Utilities in the Southeast were the least environmentally friendly.

Governor Jerry Brown's goal of bringing down green gas emissions to 1990 levels by 2020 is well within reach, so he now proposing that 40 percent below those levels be attained by 2030. California has set a goal of producing one third of its electricity by renewables by 2020, and by 2015 it had already reached 26 percent. Barring federal intervention by coal and oil-loving Republicans, California should reach its goal of 50 percent by 2030.

Even with Trump's promise to bring back jobs in Coal Country, the switch to natural gas-fired power plants is irreversible. California is leading the way to phase those out with renewable energy sources. The future of the planet rests on these efforts.

### **California Joins World-Wide Plastic Bag Ban**

Americans comprise 4 percent of the world's population, but they use 43 percent of its plastic bags. Collecting a rate of one trillion a year, they constitute the most offensive and least biodegradable litter on land and in bodies of water, especially in the developing world. There are five major areas (called gyres) where this plastic is concentrated in the world's oceans. An estimated 1.1 million sea birds and mammals die every year from ingesting or being tangled in this plastic.

On November 8, 2016, California voters approved a measure to ban single-use plastic bags, the first state to do so. The movement started in 2007 when San Francisco imposed a ban. Five cities in California followed suit and then five cities in other states joined them. Many cities and several nations in Europe, South America, Africa, and Asia have also instituted bans or fees. Even with limited compliance China has saved 100 million tons of oil since it began its efforts, and Australians are no longer carrying the seven billion bags per year they used previously. Thank you, California, for, once again, being the nation's environmental leader.

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