



# The People, Economy and Political Culture of Texas Part II

For all its enormous range of space, climate and physical appearance,  
and for all the internal squabbles, contentions and strivings,  
Texas has a tight cohesiveness perhaps stronger than  
any other section of America.

John Steinbeck



# The Texas Economy

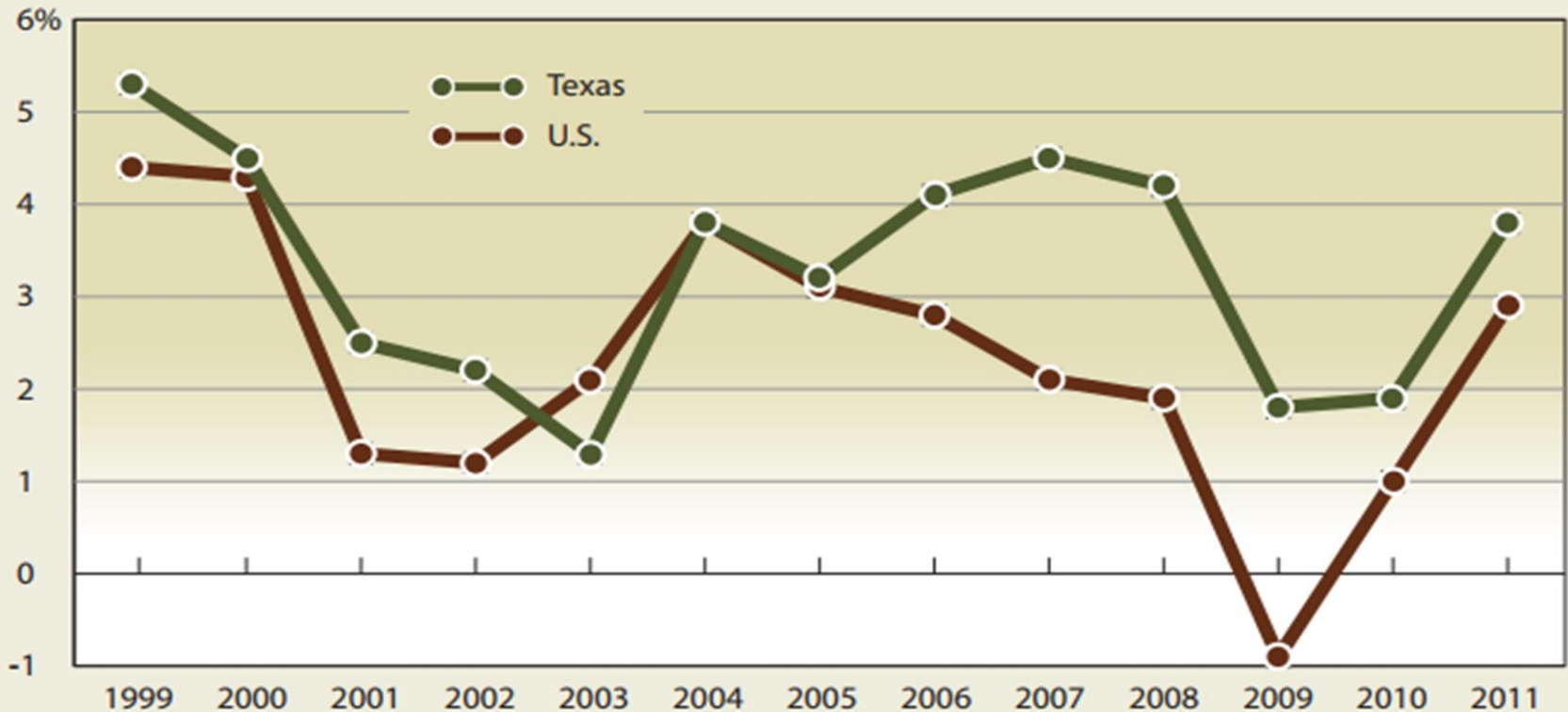
- **gross state product (GSP)**: the total value of goods and services produced in a state in a year ... often simply referred to as GDP (gross domestic product), the term for national economies
- In 2016, the Texas GSP was \$1.62 trillion.
- The Texas economy has been growing at a more rapid pace than the national economy.
- Texas' GSP increased by an average of 3.7% annually between 2005 and 2015, nearly three times the US annual growth rate of 1.3%. Only North Dakota had greater economic growth during this period.
- One of the only things holding Texas back is **the education rate among its labor supply**.



# The Texas Economy: Texas and US Economic Growth

(Percentage Change in Gross Product)

1999-2011



Notes: Fiscal years 2008 through 2011 are estimated or projected.

Source: Texas Comptroller, Winter 2008-09 Economic Forecast.



# The Texas Economy: Commodities and Raw Materials

- Texas is the 10th largest economy in the world based on GDP. It is also an economy in **transition**.
- For most of Texas's history, the state's economy was based on the sale of **agricultural commodities and raw materials**.
- In the 19th century, **cotton and cattle** formed the basis of economic activity, and both are still important industries today.
- Texas has the most farms and the highest acreage in the US. It is ranked #1 for revenue generated from total livestock and livestock products. It is ranked #2 (behind California) for total agricultural revenue.
- Beef cattle production represents the largest single segment of Texas agriculture (56.7%), followed by cotton (14.6%).



# The Texas Economy: Commodities and Raw Materials

- Ever since the discovery of oil, **energy** has been a dominant force politically and economically in Texas.
- In 1901, oil was discovered at Spindletop near Beaumont, creating a Texas economy based on **oil and gas production** for much of the 20th century.
  - The state's economy rose and fell in line with oil prices.
  - The growth of petroleum-related businesses helped move the majority of Texans into urban areas by the 1950s.
  - Texas has about one-fourth of the known US petroleum deposits.



Spindletop



# The Texas Economy: Commodities and Raw Materials

- Energy has been a dominant force.
- Texas also leads in **natural gas production**, producing one-fourth of the nation's supply.
- The state is a leader in **renewable energy** commercialization.
  - It produces the most **wind power** in the nation. The *Roscoe Wind Farm* (west of Abilene) is one of the world's largest wind farms.
  - Texas also has the highest **solar power** potential for development in the nation.
  - Its large agriculture and forestry industries could give Texas an enormous amount of biomass for use in **biofuels**.



Roscoe Wind Farm



# The Texas Economy: Commodities and Raw Materials

- Although it has been historically successful, the Texas economy is *changing by necessity*.
- From 1981 to 2009, Texas oil production declined sharply and fairly steadily.
- *Fracking* and *horizontal drilling* reversed that trend, putting Texas slightly behind UAE and ahead of Kuwait in oil production (#10 world-wide).
- But the 28-year decline in oil and gas production and stagnant farm prices caused state leaders, both in government and private enterprise, to take steps to *diversify the Texas economy*.



# The Texas Economy: Texas Field Production of Crude Oil

Thousand Barrels

100,000

75,000

50,000

25,000

0

1985

1990

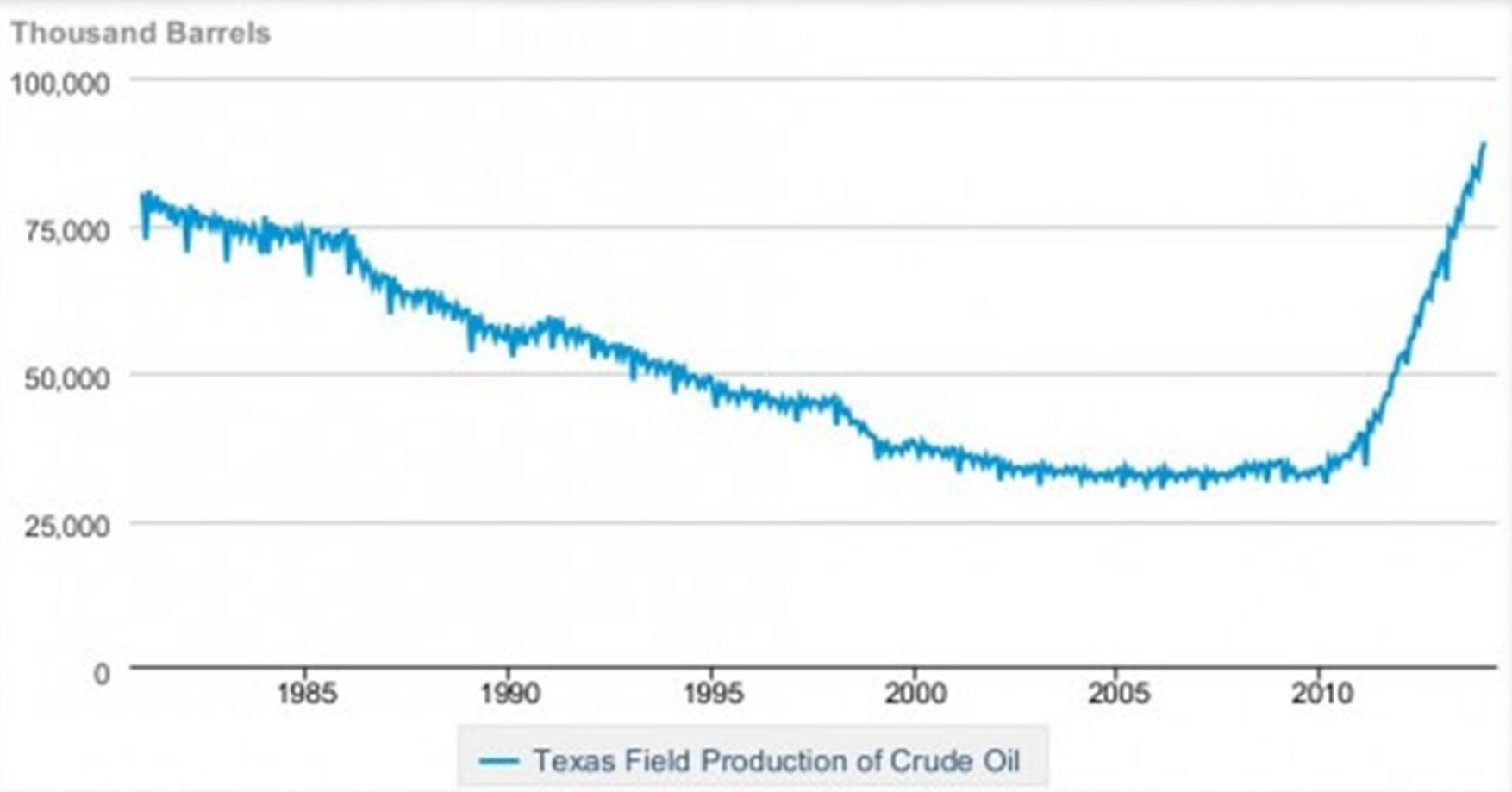
1995

2000

2005

2010

— Texas Field Production of Crude Oil





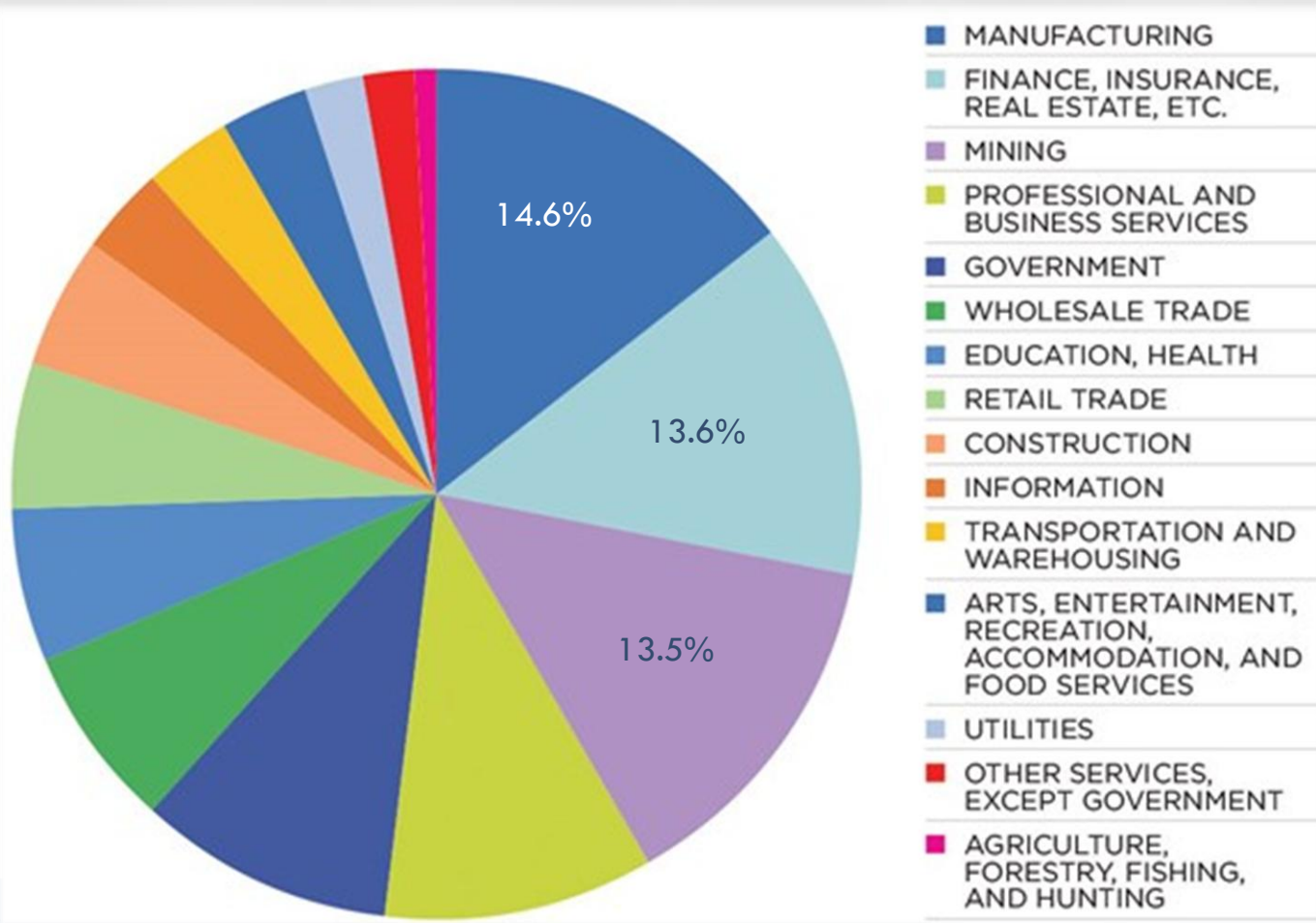


# The Texas Economy: Economic Diversity

- Today, the Texas economy is more diverse than ever before, the fourth most diverse state in the nation.
- **economic diversity**: not being overly dependent on one or two industries
- The Department of Commerce divides the Texas economy into 15 major sectors. **Manufacturing** ranks as the state's biggest sector at 14.6% of the state GSP. The **financial** sector comes in second at 13.6%, just ahead of the **mining** sector (oil and gas) at 13.5%.
- The combined **service industries** make up the bulk of the economy. They account for over 60% of private-sector activity in Texas.



# The Texas Economy: Texas Economic Sectors





# The Texas Economy: Economic Diversity

- The growth of the trade sector reflects the emergence of the global economy.
- **global economy**: the integration of national economies into a world economic system in which companies compete worldwide for suppliers and markets
- International trade has become increasingly important to the state's economy since the passage in 1994 of the North American Free Trade Agreement (NAFTA).
- **NAFTA**: an international accord between the US, Mexico and Canada to lower trade barriers among the three nations
- Texas is the nation's top exporter for the 14th consecutive year with exports valued at over \$232 billion in 2016.



# The Texas Economy: International Companies in Texas





# The Texas Economy: Economic Diversity

- The most rapidly growing components of the Texas economy involve health care and high technology industries.
- Texas health care
  - Texas Medical Center, located in southwest Houston, is the largest medical center in the world.
  - MD Anderson Cancer Center is a global leader of cancer research and treatment.
  - In all, Texas has a total of nine major centers of medical research.



# The Texas Economy: Economic Diversity

- Texas high tech
  - **high technology industries:** industries based on the latest modern technology, such as telecommunications and robotics
  - Texas is one of the major hubs for development of computer components, systems, software and information infrastructure.
  - **Silicon Hills** in Austin is so named because of its concentration of semiconductor design companies.
  - **Silicon Prairie**, in north Texas, has a high concentration of information technology and telecommunications companies.



Silicon Hills

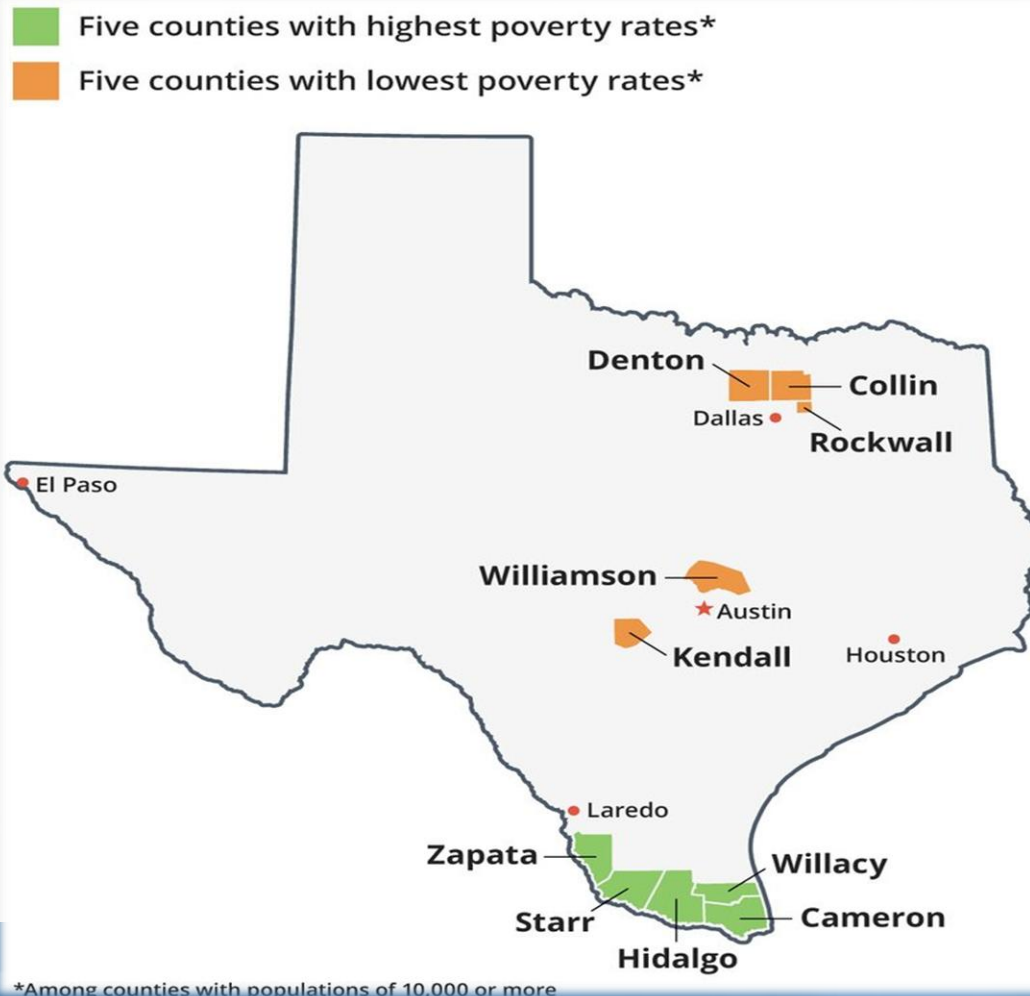


# The Texas Economy: Socioeconomic Status

- Texas is a relatively poor state in terms of individual and family income.
- **socioeconomic status**: an economic and sociological measure of an individual's or family's economic and social position in relation to others, based on income, education and occupation
- In 2015, the **median annual household income** for Texas was \$55,653, ranking the state 26th among the 50 states.
- The average income for non-Hispanic white families was higher than for Latino and African American households.
- Texas is the 5th highest state in the share of workers earning at or below minimum wage.



# Socioeconomic Status: Counties with Highest/Lowest Poverty Rates







# The Texas Economy: Socioeconomic Status

- The **income differential** between the wealthiest and poorest families is greater in Texas than in other states, and the income disparity is growing.
- Income inequality increased steadily from 1999 to 2015, with the top 10% of incomes increasing regularly and all incomes below that decreasing.

The income differential annually among the rich, the poor and those in the middle in Texas is relatively large.

Top one-fifth: \$118,971

Middle one-fifth: \$41,015

Bottom one-fifth: \$14,724



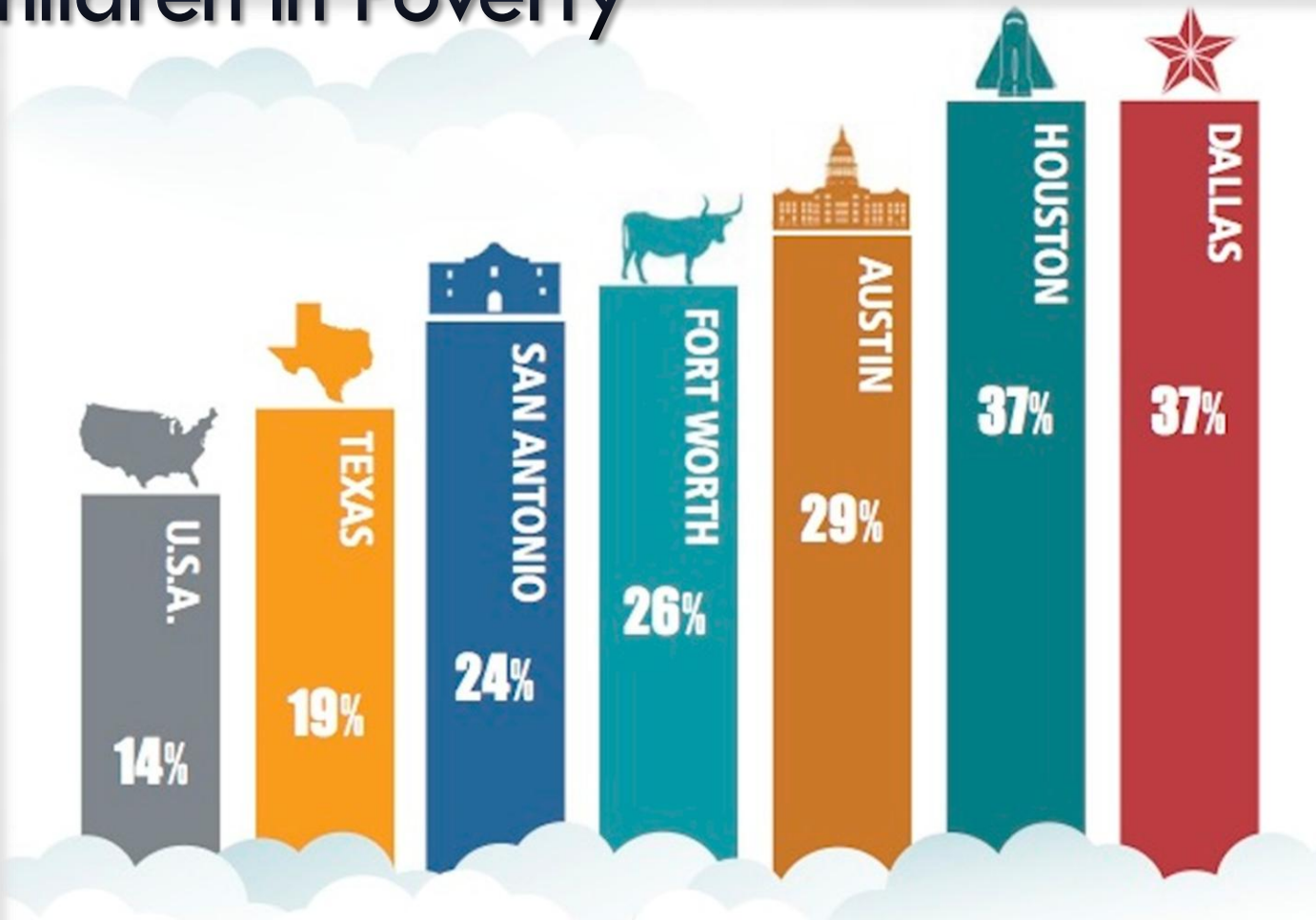
# The Texas Economy: Socioeconomic Status



- The **poverty rate** is high - 15.9% of Texans lived below the poverty line in 2015 - and is concentrated among minorities, single-parent families headed by women and the very young.
- Texas currently ranks 41st among the states for **child well being** due to the disproportionate poverty (child poverty rate of 25%), poor healthcare and poor education experienced by minority children.
- [State of Texas Children 2016 Report](#)
- The teen birthrate in Texas is 64 births for every 1,000 teenage girls, while the national rate is 43 per 1,000.
- 23% of teen mothers in Texas are giving birth to their second, third or even fourth child ... the highest percentage of repeat teenage mothers in the nation.



# Socioeconomic Status: Children in Poverty



Major cities in Texas have startlingly high rates of children living in concentrated poverty. Nineteen percent of Texas children (more than 1.3 million kids) live in high poverty neighborhoods, up six percentage points since 2000.

Children living in high-poverty neighborhoods (>30 percent poverty), 2010-2014<sup>10</sup>



# The Texas Economy: Socioeconomic Status

## • health care

- Prior to passage of the [Affordable Care Act \(ACA\)](#), 22.1% of Texans were without health insurance.
- In 2014, states were given the choice to expand their Medicaid coverage with federal funding. The Texas legislature refused, opting to be a [non-expansion state](#) and thus creating a [coverage gap](#) that excluded many Texans from affordable health care even under the ACA.
- In 2015, Texas had [more people without health insurance than any other state](#) in the nation (17.1% or 4,615,000).
- Racial minorities and single-parent families headed by women are most likely to be without health insurance.



# Socioeconomic Status: The Coverage Gap

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2 parents with 2 kids living on...

\$23,500/year

Just below poverty line:

- kids get Medicaid
- no financial help for parents
- no affordable options
- parents must pay full premium: \$440/month



\$25,000/year

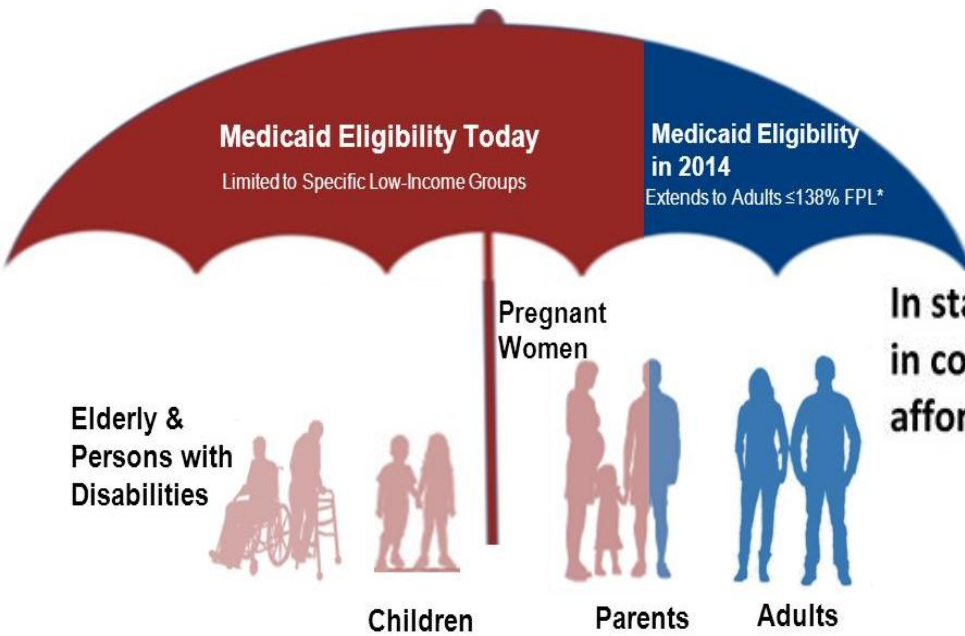
Just above poverty line:

- kids get Medicaid
  - sliding-scale Marketplace coverages for parents
  - parents pay \$43/month or less
-

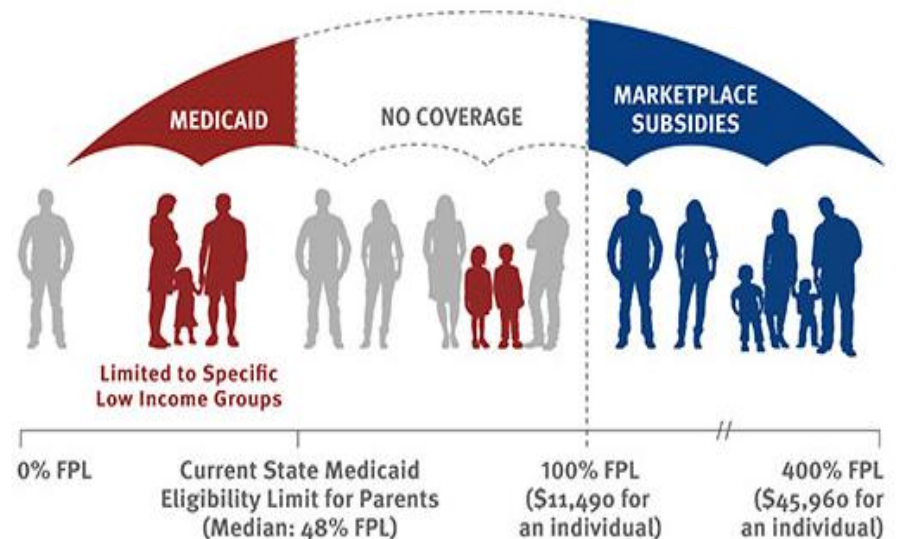


# Socioeconomic Status: The Coverage Gap

## ACA Medicaid Expansion Fills Current Gaps in Coverage



In states that do not expand Medicaid, there will be large gaps in coverage, leaving millions of low-income adults with no affordable options.



FPL=federal poverty line



# Texas Political Culture

- **political culture**: the widely held, deeply rooted political values of a society
- Daniel Elazar identifies three types of political culture found in the US.

- individualistic
- moralistic
- traditionalistic





# Texas Political Culture: Individualistic

- ...emphasizes **private initiative** with minimum government interference (or help)
- ...stresses the importance of the **individual**
- The role of **government is limited** to protecting individual rights, ensuring that social and political relationships are based on merit rather than tradition, family ties or personal connections.

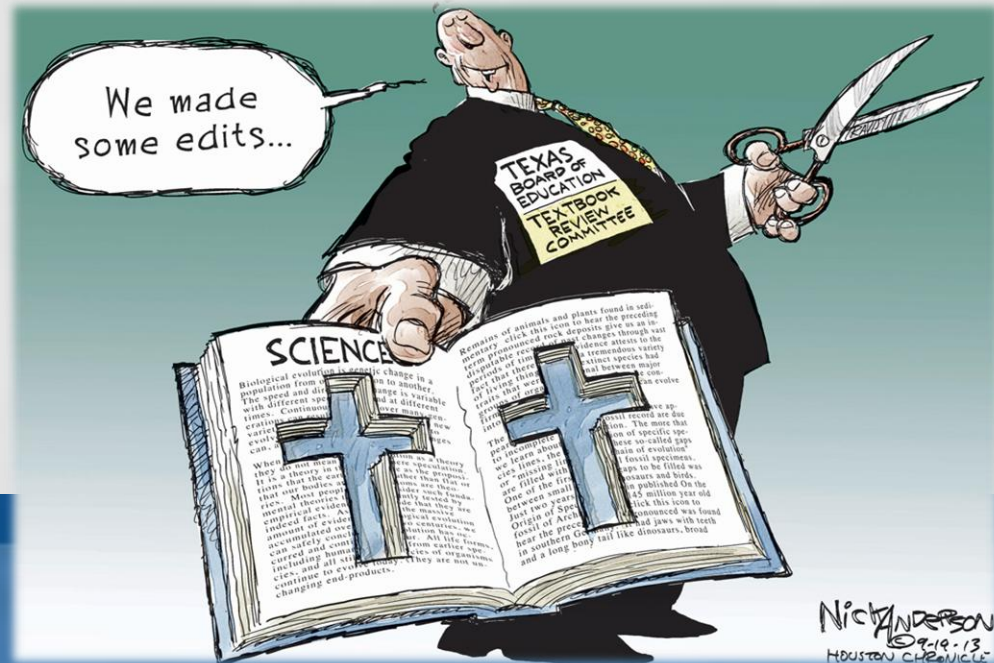






# Texas Political Culture: Moralistic

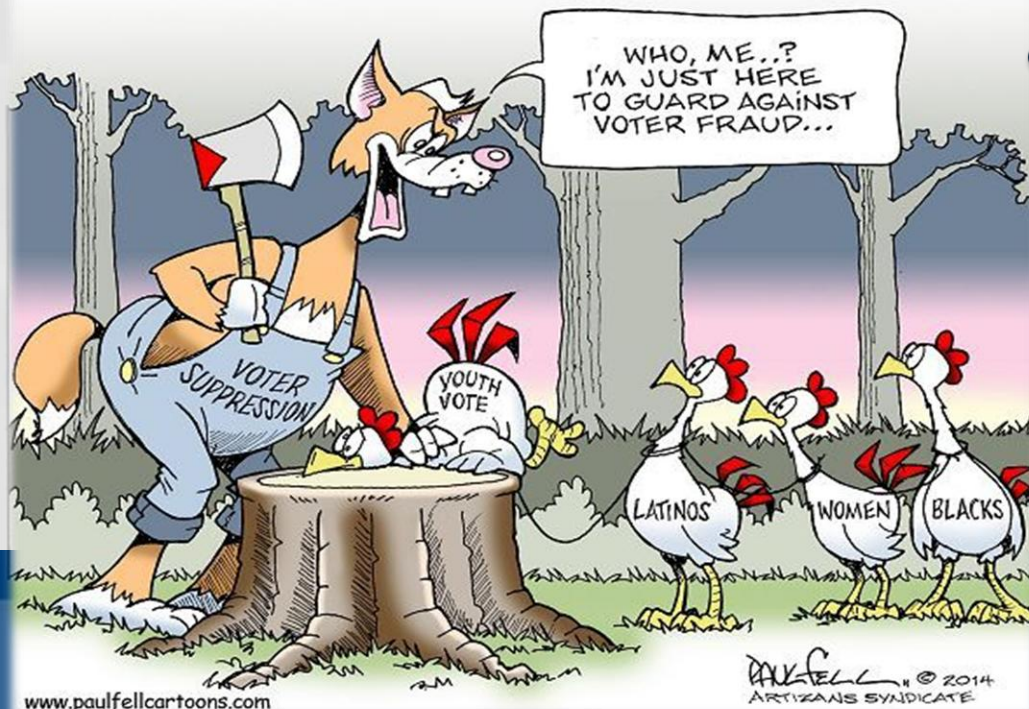
- People expect government to intervene in the social and economic affairs of the state, promoting the public welfare and advancing the public good. (But whose definition of public good?)
- Participation in political affairs is one's civic duty.





# Texas Political Culture: Traditional

- The role of government is the preservation of tradition and the existing social order.
- Government must protect and preserve the existing social order, including the position and role of the elites.



- Government leadership belongs in the hands of the established social elite, and it's not a problem if the level of participation by ordinary citizens in the policy making process is relatively low.



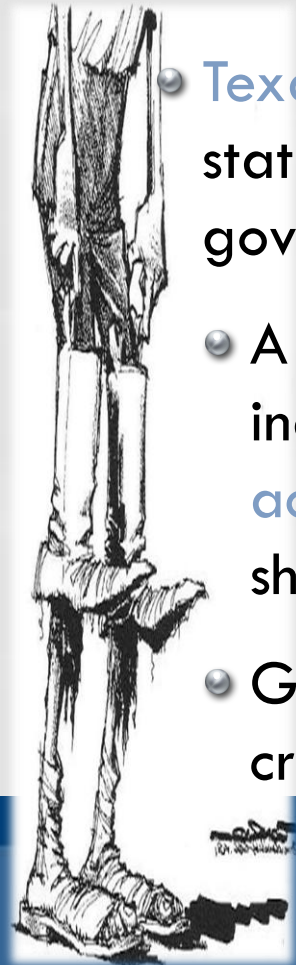
# Texas Political Culture: A Hybrid

- Because Texas culture developed from both the southern and middle colonies, Elazar believes that the political culture of Texas is a hybrid including both traditionalistic and individualistic elements.
- Texas's traditional political culture is represented in the state's long history of one-party rule, low levels of voter turnout, and social and economic conservatism.
- The traditionalistic political culture, emphasizing deference to elite rule within a hierarchical society, represents the values of 19th century Southerners who migrated to the rich cotton land of East Texas.
- Government activity is discouraged unless it reinforces the power of society's dominant groups.



# Texas Political Culture: A Hybrid

- Elazar believes that the political culture of Texas is a hybrid including both traditionalistic and individualistic elements.
- Texas's individualistic political culture is represented in the state's strong support for private business, opposition to big government and faith in individual initiative.
- A legacy of the state's western frontier heritage, the individualistic political culture celebrates individual achievement: the lone cowboy riding the range, the singular sheriff, the "one-fight, one-Ranger" attitude.
- Government activity is encouraged only to the extent that it creates opportunity for individual achievement.





# Texas Political Culture: A Hybrid



Taken together, individualism and traditionalism make Texas a politically conservative state, hostile to government activity, especially government interference in the economy.

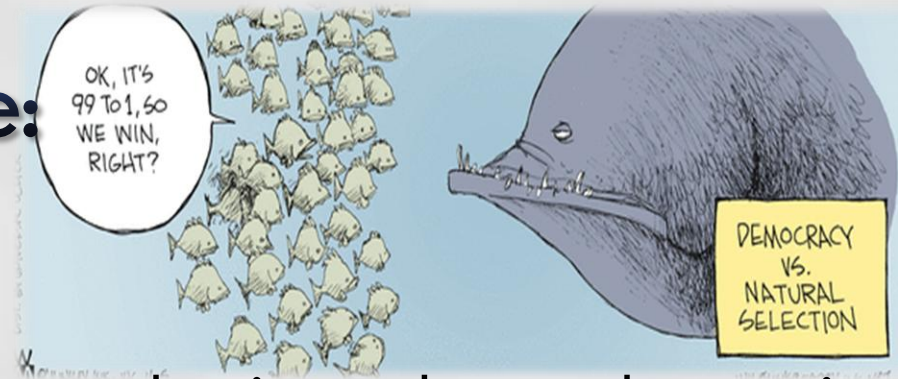
Individual businesspeople should control their own fates and the economy.

Government is expected to stay out of people's affairs, and when it does get involved, it should be **controlled locally**. Government should spend little and tax little, if at all.

Texas political culture mixes economic conservatism with a conservative approach to social life, in which **government becomes a barrier against any change** to the political and socioeconomic hierarchy that might result from individual competition.



# Texas Political Culture: A Hybrid



Absent governmental interference, those who rise to the top deserve it and those who fall to the bottom deserve it. It is not the government's responsibility to pick them up. Poverty results from **natural selection** and is not something to be fixed by government.

However, there is also a **strong populist streak** in Texas political culture that believes government power should be used to protect individuals from exploitation by powerful corporations, excessive wealth or government itself.

This populist streak sometimes mixes with **liberalism** and sees **government intervention as a welcome force** in society ... but populism and liberalism have typically remained subordinate to the dominant conservative political culture rooted in individualism and traditionalism.



# Texas Political Culture: Civic Culture

- A different approach to political culture focuses on the concept of the **civic culture**: a political culture that is conducive to the development of an efficient, effective government that meets the needs of its citizens in a timely and professional manner.
- Political scientists Tom Rice and Alexander Sundberg identify four elements of a civic culture.
  - **civic engagement**: Citizens participate in the policy making process in order to promote the public good.
  - **political equality**: Citizens view each other as political equals with the same rights and obligations.





# Texas Political Culture: Civic Culture

- elements of a civic culture
  - **social structure of cooperation:** Citizens are joiners, belonging to a rich array of groups, from recreational sports teams to religious organizations.
  - **solidarity, trust and tolerance:** Citizens feel a strong sense of fellowship with one another, tolerating a wide range of ideas and lifestyles.
- Are any of the four elements common in Texas?
- Rice and Sundberg rank Texas 43rd among the states in terms of civic culture.







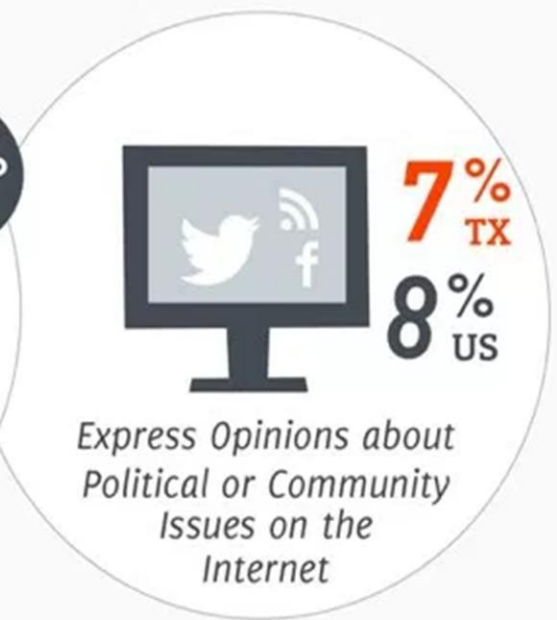
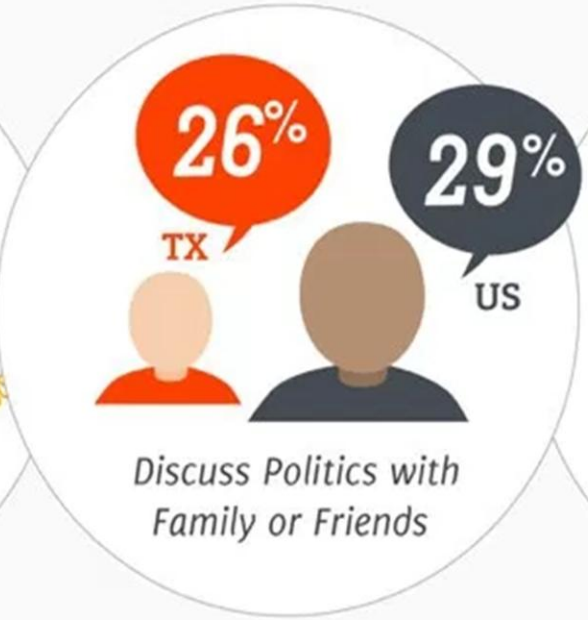
# Texas Political Culture: Civic Culture

- Traditionally, Texas politics has been the **playground of the upper class**.
- Texas **voter turnout** has been below the national average for the past few decades, regularly falling well below 50%.
- Texans are less likely to **discuss politics** with their family and friends or contact elected officials.
- They are also less likely to discuss political or community issues **online**.
- **Volunteering** is a way to give back to the community, to develop community attachments by learning about problems and helping solve them, to find personal rewards ... but only 23% of Texans do so, ranking Texas 39th in the nation.



# Texas Political Culture: Civic Life in Texas and the US

## Political Action, 2011<sup>o</sup>



Texas residents are ranked 49th for contacting elected officials



Texas residents are ranked 44th for discussing politics a few times a week or more



# Texas Political Culture: Civic Life in Texas and the US

## Electoral Participation, 2010 <sup>9</sup>



Texas residents are ranked 51st for voter turnout



Texas residents are ranked 42nd for voter registration

**TEXAS**  

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36%  

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62%



**USA**  

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46%  

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65%



# Texas Political Culture: Civic Life in Texas and the US

## Social Connectedness, 2011<sup>0</sup>

**TX** **US**  
**78%** **79%**



See or Hear from Friends  
or Family, Whether  
In-Person or Not

**TX** **US**  
**50%** **57%**



Trust most or all of the  
people in your neighborhood

A Few Times a Week or More Often



Exchange Favors With Neighbors

**TX** **US**  
**15%** **14%**



Talk to Neighbors

**TX** **US**  
**43%** **44%**





# Texas Political Culture: Civic Life in Texas and the US

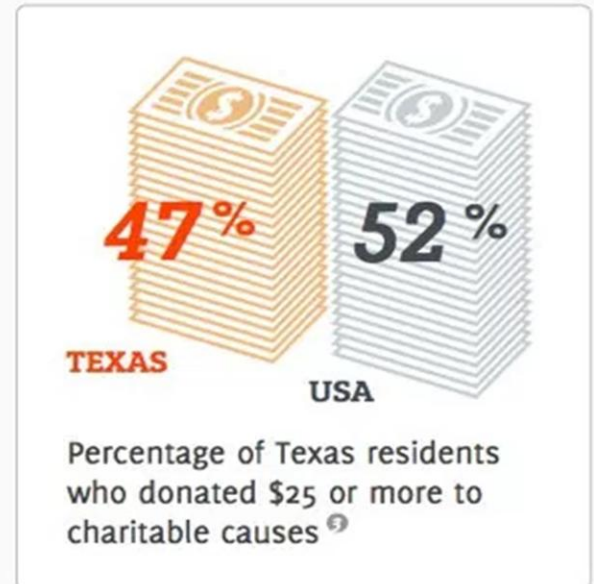
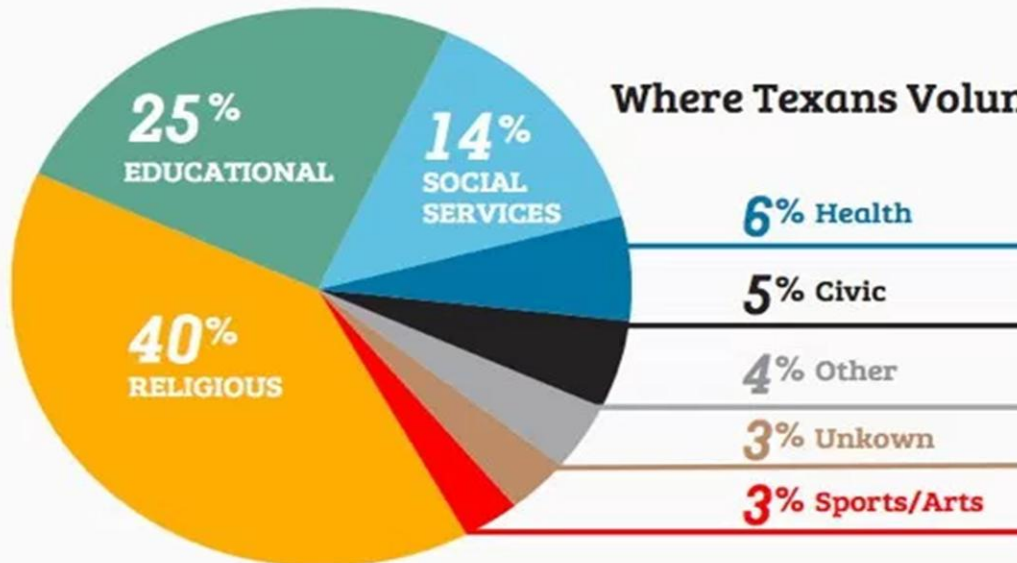
## Participation in Formal/Informal Volunteering, 2011<sup>9</sup>



Texas residents are ranked 42nd for volunteering.



Participation in any group or organization <sup>1</sup>





# Political Culture and Policy Making

- Political culture is a useful concept for students of public policy because it leads them to focus on a state's **history and development as important factors influencing politics and policy.**
- As we'll see, the demographic, economic and cultural environment affects every stage of the policy making process.
- Demographic and infrastructure challenges may have serious implications for the future Texas economy.
- Population size and diversity continue to grow quickly, driven by the Hispanic population. The **future Texas labor force** will be largely minority and will tend to have lower levels of education.
- [America's Future Is Texas](#)



# Political Culture and Policy Making

The increasing diversification of the population in Texas may mean conflict for our political culture.

As minorities grow in number, what will that mean for the traditional Texas hierarchical society and its ruling elites?

As competing groups become more powerful, what will that mean regarding the distribution of finite resources?

And if conflict becomes more a part of the policy process, what will that mean for Texans whose civic culture is one of low participation?



# The End

