



TEXAS'S EXTREMISM IS BAD FOR TEXAS BUSINESS



UNLOCKING

AMERICA'S FUTURE

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Background: Killing the “Texas Miracle”

Spend a couple years in Texas and you’re sure to hear about the “Texas Miracle.” The term [was coined](#) after the 2008 recession, when Texas was mostly spared the deep economic pain faced by other states and enjoyed “[faster-than-average](#)” job creation during the recovery. Some claimed that “miracle” was the product of a conservative policy approach: low taxes, light regulation, and a pro-business attitude. Others pointed to investments in the most foundational systems in the state: public schools, public universities, healthcare, and public infrastructure. Whatever your outlook on what once led to the “Texas Miracle” – today, it is under threat.

Whenever state lawmakers convene in Austin, they churn out some of the worst, most extreme ideas on nearly every single issue. Special legislative sessions, once reserved for emergencies and unfinished business, are now used to score political points and earn clout with an extreme minority, securing their aims to the exclusion of any other issue. Every time lawmakers pass an extreme right-wing law, they send the message to businesses and investors that Texas is closed for business. Take your millions elsewhere.

The ceaseless charge to the far right threatens the prosperity of Texans and Texas business. As new laws become more and more extreme, Texas is falling behind other states on the metrics that matter the most, like [school funding](#) and [student outcomes](#), [child health insurance coverage](#), and [mental healthcare access](#). Lawmakers realistically cannot focus on growing businesses and the economy when the top priority is activist policymaking at the bidding of [right-wing billionaires](#). Texas has fallen from one of the best [to arguably the worst place](#) to live, learn, work, or worship – all because of extremist policies.

This report endeavors to take a closer look at the tangible economic costs of Texas’s extremist lawmaking.

Attacks on Responsible Investing

In 2021, the Texas Legislature passed [Senate Bill 13](#) and [Senate Bill 19](#), which bar the state from contracting with financial institutions that the state alleges discriminate against the oil and gas industry and the gun industry, respectively. Roughly a year after S.B. 13 went into effect, Texas Comptroller Glenn Hegar issued the [first edition](#) of his blacklist, [arbitrarily dictating the firms with which Texas could no longer contract](#). Luckily, S.B. 13 had a safeguard provision which allows state investment entities like the Teacher Retirement System and the Permanent School Fund to maintain their investments with blacklisted firms so long as it is in the best fiduciary interest of the funds. Initially, funds were able to exercise the fiduciary duty exemption and avoid any changes to their investment strategies.

Unfortunately, the fiduciary duty exemption alone has not prevented an astronomical increase in costs associated with municipal bonds, nor has it insulated Texas retirees from the threats to their pensions. A year after S.B. 13 was signed into law, researchers at the University of Pennsylvania's Wharton School of Business published their [analysis](#) estimating that the state's ban on responsible investing had already cost Texas taxpayers up to \$532 million in additional interest on bond sales. In March 2024, the Texas Association of Business, the state's chamber of commerce and political powerhouse, shared a [staggering report](#) which found that S.B. 13 and S.B. 19 have cost the state nearly \$700 million in lost economic activity and 3,000 lost full-time jobs. Texas quite literally cannot afford sustained losses of this magnitude, particularly as basic needs like [strong public schools](#) and [health insurance programs](#) go underfunded.

Texas retirees have worked too hard in our schools, in our state agencies, and in our universities to watch their pensions get gambled away by politicians looking for Fox News appearances and political clout. In a [2023 hearing](#) on [legislation](#) to remove fiduciary duty protections from S.B. 13, the Texas County & District Retirement System [cautioned](#) that stripping those protections would cost their \$45 billion retirement fund over \$6 billion in returns over ten years. Imagine losses at the same magnitude applied to the [\\$130 billion](#) Texas Teacher Retirement System (TRS) and the [\\$35 billion](#) state Employee Retirement System.

It's not just retirees and municipal bond costs. The fight over responsible investing has now reached the [Permanent School Fund](#) (PSF), the [largest](#) K-12 perpetual fund in the

country, which uses its returns to fund Texas public schools. In March 2024, the chairman of the Texas State Board of Education (SBOE), Aaron Kinsey, [announced](#) his decision to divest SBOE funds in the PSF from BlackRock via X, formerly known as Twitter. Kinsey notes that the duty of the PSF is “safeguarding and growing the approximately \$1 billion in annual oil and gas royalties managed by the Texas General Land Office.” Critics [argue](#) that in fact the fund’s North Star should be maximizing investment returns to aid our funding-starved public schools and the millions of Texas students they serve.

Far right lawmakers are expected to double down in 2025 after [failing](#) to repeal the fiduciary duty exemption in 2023. If successful, they will have stripped away the one remaining protection for Texas retirees, taxpayers, and businesses who rely on sound investments and trusted wealth managers to fund their futures.

Eroding LGBTQ+ Rights

In 2017, Texas lawmakers endeavored to follow in North Carolina's footsteps by introducing [Senate Bill 6](#), which if passed would have barred K-12 students from using school bathrooms that don't align with their sex assigned at birth. In the aftermath of North Carolina's bill becoming law, the NCAA [announced](#) that national championships would only be held in states where trans students are not discriminated against. In the first year of North Carolina's law, the Associated Press [estimated](#) that the state lost out on more than 2,900 jobs and nearly \$4 billion in business that ultimately put down roots elsewhere. Undeterred, Texas [barreled ahead](#), pushing its legislation in both the regular session and a called special session to force the bill through. Thankfully, a coalition of trans Texans, educators, and the business community dug in their heels and were able to [kill the legislation](#). Even the powerful and typically conservative-leaning Texas Association of Business [publicly opposed](#) the bill.

In the years since, the Texas Legislature has made transgender people—and specifically trans children—a focal point for their campaign of hate. Since 2017, lawmakers have considered and in some cases passed legislation banning gender-affirming care ([S.B. 14](#)), barring trans kids from K-12 and college sports ([H.B. 25](#) and [S.B. 15](#), respectively), and accusing parents that support their trans kids of child abuse ([H.B. 42](#) and subsequent [child welfare investigations](#) at the direction of Gov. Greg Abbott). This legislation harms trans kids when it passes and it harms them even when it doesn't. Qualitative analysis from the Trevor Project suggests that calls to their suicide hotline from trans and nonbinary youth increase when anti-LGBTQ laws are considered in Texas, with a [36% increase](#) in 2021 calls compared to 2020 when the Legislature was not in session.

Stories abound of parents making the drastic decision to uproot their families' lives and leave the state, all to keep their kids safe from Texas lawmakers. Take the [Stanton family](#), who left Texas for Colorado after lawmakers in 2023 passed a ban on gender-affirming care, or the [Crawford family](#), who left the state ahead of the 2023 session. Still, not everyone has the ability to leave. One family [profiled by CNN](#) in 2024 could not afford to lose the financial stability afforded by the husband's Texas-based job, so he remained while the rest of the family moved elsewhere. When families are forced out by extremist policymaking, the parents leave the Texas workforce, the children leave Texas schools, and their communities feel the loss.

Extreme anti-LGBTQ policies create major hurdles for companies seeking to do business in Texas. Inclusive corporate leadership is increasingly at odds with the political landscape in Texas, and that gap comes at a cost. A [2018 Deloitte report](#) showed that companies with more inclusive cultures were twice as likely to meet or exceed financial targets and eight times more likely to achieve better business outcomes. A [2024 survey](#) of both LGBTQ+ and non-LGBTQ+ workers found that nearly 77% of respondents are reluctant to apply to jobs based in states with anti-LGBTQ legislation, meaning companies considering a move to Texas may find it harder to recruit the best talent.

Organizations like [Texas Competes](#) have sprung up to quell these fears and provide businesses a platform to affirm their support for pro-LGBTQ policies. But these efforts aren't enough to salvage the tarnished reputation of a state that makes transphobia and homophobia the cornerstones of its policy agenda year after year. Businesses understand that corporate responsibility is an important part of building a brand that consumers want to engage with, and they know that hateful, extreme policies harm their ability to attract the best and brightest workers. Texas lawmakers have yet to take this lesson to heart.

Extreme Bans on Abortion & Reproductive Rights

In 2022, the United States Supreme Court overturned *Roe v. Wade* in a 6-3 ruling. *Dobbs v. Jackson Women's Health Organization* upended 50 years of policy that many had assumed was settled law. However, the campaign to end abortion rights didn't start with the landmark *Dobbs* decision. Much of the legwork was done in states like Texas, which have been chipping away at reproductive rights for decades.

Texas's attacks on reproductive rights kicked into high gear in 2011 with the defunding of family planning clinics [as retribution](#) for their referring patients to clinics that—at the time—provided abortion services. The state estimated that roughly [300,000 women](#) would lose access to family planning services as a result of the cuts. That same year, Texas lawmakers [required](#) sonograms prior to receiving an abortion.

The following legislative session, Texas introduced an omnibus anti-abortion bill that [garnered national attention](#) following then-State Senator Wendy Davis's historic [eleven-hour filibuster](#). [H.B. 2](#), which ultimately passed in the [second special session](#) that year, banned all abortions after 20 weeks and forced the closure of [all but nineteen](#) abortion clinics in the state. Though [H.B. 2](#) was overturned in the 2016 Supreme Court ruling in *Whole Woman's Health v. Hellerstedt*, the damage was largely done. Clinics had already been forced to close and faced an [expensive and long road](#) to reopen.

In 2021, lawmakers passed [a law](#) barring abortions once electric pulses—and not a heartbeat as the bill's author's have falsely claimed—are detected, which [could be as early as 6 weeks](#) gestation, before many people even know they are pregnant. That same legislation created a right of action allowing vigilante lawsuits against anyone suspected of helping another person get an abortion. Lawmakers also passed a [trigger law](#) banning all abortions in the state if *Roe* were to be overturned. The Supreme Court did exactly that the following year.

With abortion functionally outlawed, lawmakers did not pass any major abortion restrictions during the 2023 legislative session. However, filed legislation may be a harbinger of what's to come. Introduced bills included [H.B. 787](#), barring companies that aide their employees in seeking an abortion from receiving tax incentives; [H.B. 1280](#), limiting franchise tax credits available to companies whose health plans offer abortion coverage, including travel vouchers; and [H.B. 2690](#), which, among its many provisions,

would open up web hosting companies like Google Cloud or SquareSpace to civil litigation for hosting websites offering information on receiving abortion services. One particularly [extreme bill](#) would criminally charge people who get abortions with murder. [Many local governments](#) have passed or pursued bans on people using their roads to drive out of state to get an abortion.

Though abortion and other sexual and reproductive health decisions are deeply personal matters, laws that restrict them have direct implications for companies trying to do business in Texas. Unintended pregnancies in places where abortion services are outlawed will take women [out of the workforce and out of educational pursuits](#). [Analysis](#) from the Institute of Women's Policy Research found that abortion restrictions cost the U.S. economy an average of [\\$173 billion](#) per year due to labor force reductions, lower earning levels, increased turnover, and increased time off from work among women in the private sector. The same analysis estimates that without these restrictions nearly [597,000 more women](#) would be in the country's labor force annually. Texas alone sees an average economic loss of over [\\$23 billion](#). Beyond workforce woes, businesses may see direct hits to their bottom lines if states like Texas adopt tax penalties for businesses that support their employees' healthcare decisions.

To quote then-State Rep. and current-oil and gas regulator Wayne Christian back in 2011 when family planning clinics were defunded, "[this is a war on birth control and abortions and everything](#)." What "everything" entails remains to be seen, but fringe ideas rarely stay that way in Texas. When lawmakers suggest they're open to [banning IVF](#), [outlawing contraceptives](#), and [punishing businesses](#) that cover abortion services and/or logistical costs, believe them.

Blocking Gun Safety Reforms

After [23 people died](#) in a mass shooting at an El Paso Walmart in 2019, Texas's Republican leaders swore things would be different. Armed with a racist-Latino manifesto invoking the white nationalist "Great Replacement theory", the shooter drove to El Paso from North Texas to stop "the Hispanic invasion of Texas." In the aftermath, Gov. Greg Abbott [organized roundtable discussions](#) to find solutions to address extremist ideologies and domestic terrorism in Texas. The governor pledged to make sure "[rhetoric will not be used in any dangerous way](#)" moving forward, and Lieutenant Governor Dan Patrick [signaled an openness](#) to universal background checks. Still, no emergency legislative session was called, and by the time lawmakers reconvened in Austin, lawmakers—unlike the families of the dead—had moved on.

Three years later, an 18-year-old gunman walked into an elementary school in Uvalde, Texas, and held two classrooms hostage for 77 minutes while law enforcement idled in the hallway. [19 fourth graders and two of their teachers](#) were killed in what would become the worst school shooting in Texas history. The shooter [had purchased](#) two guns and hundreds of rounds of ammunition mere days after his 18th birthday, though that was not his first attempt to get a gun. Despite exhibiting "[almost every warning sign](#)," per one counterterrorism expert, Texas law allowed the shooter to arm himself and carry out the shooting. At a press conference in the aftermath of the shooting, Governor Abbott told scared and grieving Texans that "[it could've been worse](#)."

No amount of death and carnage has been able to move the majority of lawmakers to support even the most common-sense protections. More extreme, permissive laws are passed each session, even over the [objections of law enforcement officers](#) who fear the proliferation of weapons of war and recognize the dire implications for their jobs. Practical reforms like [extreme risk protective orders](#), [required reporting](#) of lost and stolen guns, and more comprehensive [background checks](#) are often not even given a public hearing.

Gun violence has both direct and indirect consequences for Texas businesses. Everytown for Gun Safety [reports](#) that communities that experience gun violence are less likely to experience economic growth and commerce, face lower property values, foster fewer startups, and may experience loss of jobs. If employees on employer-based health plans experience gun violence, the cost to the plans could be significant. Gun violence

generates over [\\$1 billion](#) in direct health care costs each year, with survivors' health care spending rising by nearly [\\$2,500 per month](#) for the year following their injury. Beyond healthcare and economic costs, it is estimated that gun violence costs the U.S. economy roughly [\\$49 billion each year](#) in lost wages and productivity. In Texas, Everytown for Gun Safety estimates that gun violence costs the state [\\$53.1 billion](#) every year.

Our workplaces and our schools are not safe in Texas. No amount of hardening can realistically prevent the next mass shooting in a state with such permissive gun laws, and employees may not want to put their kids in our schools knowing that Texas lawmakers cannot keep them safe. We also know that workplaces are the [most common mass shooting sites](#). Prospective employees may not want to work in Texas office spaces and build their lives in Texas communities knowing that our Legislature has made it [easier to buy an assault weapon than a handgun](#)—and, with 2021's [permitless carry law](#), it's not hard to get a handgun in Texas.

Existential Threats to Public Education

Texans [love](#) their neighborhood schools. [89% of Texas public school parents](#) are satisfied with the quality of education their kids receive, and [76%](#) would give their child's teacher an A or B grade. Despite the overwhelming popularity of Texas public schools and teachers, many in the education policy space [question the state's commitment](#) to the public education system.

Texas schools by law [are funded](#) both by the state and using local property tax revenue. In an ideal world, each party should bear roughly half the cost. However, [years and years of underinvestment](#) from the state have shifted a disproportionate share of the costs onto local taxpayers, and no one wins. In 2019, lawmakers tried to rectify that with [House Bill 3](#). H.B. 3 injected \$11.6 billion into Texas public schools and stipulated for the first time that 75% of any increase to the [basic allotment](#)—put simply, the base amount of money that schools receive per student—had to be used to increase teacher pay. Though some argued the approach [fell short](#) and [was not sustainable](#), H.B. 3 was a significant boost to Texas public schools and marked the rare occasion that the state increased funding without being [ordered by a court to do so](#).

Unfortunately, House Bill 3 wasn't enough to sustainably fix the funding problems in Texas public schools. Inflation has eaten up the increases, and it is estimated that schools would need to see a [25% increase](#) in the basic allotment just to breakeven with 2019 levels by the end of 2025. As a result, over [91% of Texas public school students](#) attend underfunded schools.

In the 2023 legislative session, lawmakers promised districts an increase in state funding, but only [as leverage to pass private school vouchers](#). Teacher groups and school districts, understanding the long-term ramifications of the voucher program, [bravely refused to take the bait](#), and both voucher legislation and school funding did not pass. As a result, some of the biggest districts in the state have announced [layoffs](#), [school closures](#), and [tax hikes](#) to cover looming budget shortfalls that the state was expected to fill.

Texas also faces a critical teacher shortage. Teachers play a critical role in developing a curiosity, confidence, and lifelong love of learning in Texas children. However, the state [consistently undervalues](#) them with average salaries more than [\\$7,700 less](#) than the national average. A [recent survey](#) of Texas teachers found that 75% have considered

leaving the profession, up from 58% when first asked in 2020. The percent of teachers who have actually left their teaching jobs jumped up to a [record high 13%](#) in the 2022-23 school year. Texas teachers [generally cite](#) unrealistic workloads and low wages as the main forces driving them out of the classroom.

Not only does Texas underinvest in its schools, it plays politics with the materials that students use to learn. Controversy over Texas's textbooks and curriculum goes back to the [early 1920s](#), only a few years after Texas [first empowered](#) the State Board of Education (SBOE) to adopt textbooks for all Texas schools. Back then, the Klu Klux Klan [succeeded in having](#) the SBOE ban evolution in Texas textbooks. Over one hundred years later, the board is still debating [evolution](#), along with [comprehensive sexual education](#), [climate change](#), the [depiction of oil and gas](#), [mischaracterizations of American slavery and the Transatlantic slave trade](#), and more. After a contentious debate over the new state sex education curriculum, one San Antonio district [chose not to offer sex education courses at all](#) in the 2022-23 school year, fearing confusion between the old and new standards might create liability for teachers and the district.

Texas employers need an educated workforce, and that starts in Texas's K-12 public schools. Our students have just as much potential as their peers in higher-performing states. Texas does not invest enough in its students, nor does it adequately support their teachers and the schools that cultivate them into the next generation of leaders and workers. More [work remains](#) before Texas public schools and the students they serve can truly thrive.

Tearing Down Higher Education

Higher education institutions are major economic engines in Texas. In addition to shaping the minds of the next generation of Texas leaders, colleges and universities are at the forefront of cutting edge research and innovation across industries. Texas has [nine public universities](#) with R1 status, a prestigious designation for top-tier research universities. Texas A&M University alone estimates its value to the Texas economy at [\\$20.8 billion](#), equivalent to [nearly 1%](#) of the Texas gross state product (GSP).

Instead of fostering greater success and doing everything in their power to maintain our universities for generations to come, Texas lawmakers are waging war against them, which they lampoon as bastions of liberalism and violators of free speech. In recent years, lawmakers have passed laws to allow guns on college campuses (2015's [S.B. 11](#)); to outlaw diversity, equity, and inclusion (DEI) offices and staff (2023's [S.B. 17](#)); and removing university oversight of speakers at campus events (2019's [S.B. 18](#)). All the while, state leaders bully universities to get in line with threats to take away their funding or their [professors' tenure](#). Funding for non-flagship universities and Texas's [nine](#) Historically Black Colleges and Universities (HBCUs) consistently lag behind Predominantly White Institutions (PWIs) by nearly [\\$2500 per student](#). In March 2024, the University of Texas at Austin announced that it would lay off around [60 employees](#) who previously worked in DEI, even though the university had [previously taken those employees out of DEI roles](#) and reassigned them elsewhere. Many students and staff [believe](#) the changes go far beyond what is required by the letter of the 2023 law.

As with K-12 education, Texas colleges and universities are a critical part of the infrastructure that businesses are looking for when deciding to move to Texas. Though not the only way to prepare young people for their careers, both employers and universities have long benefited from a symbiotic relationship that opens doors for students while helping employers recruit them for post-graduate work. The short-sighted decimation of Texas public institutions has wide-ranging consequences.

Extreme Texas laws threaten to send our best and brightest students, professors, and university staff out of the state. [Lawmaker's threats to get rid of tenure](#) and universities' bending to the state have made Texas institutions [less appealing to academics](#) who might otherwise work here, teach here, and—critically—bring their research grant dollars here. Students may prefer to apply to colleges and universities that are allowed to be more

inclusive—and they may not come back. Roughly [50% of college graduates](#) live and work in the same metro area that they went to college, and [67%](#) remain in the same state. This “[Red State Brain Drain](#)” costs the state some of its best talent, and that [isn’t lost on those in tech](#) and other burgeoning industries. Those who do stay in-state will face an academic environment where professors and staff are unsure what they can teach students—even if the material is factual and true—without running afoul of an activist Legislature.

Businesses understand the value of strong, independent, and inclusive public universities. Billionaire businessman and Texan Mark Cuban has [strongly and publicly backed](#) DEI initiatives in the workplace, which he believes increase the likelihood of finding the most qualified candidates, build public trust with companies, and build inclusive work environments that bring out the best—and the most productivity—in employees. The numbers back up some of Cuban’s assertions. McKinsey, which has reported on diversity in the workplace since 2014, notes that companies in the top-quartile for racial and ethnic diversity are [35% more likely](#) to see greater financial returns than their peers with less diversity. Companies understand that diversity is a strength. Texas lawmakers generally do not.

Failing on Climate and Energy

In Texas, the changing of the seasons is often a harbinger of extreme weather to come. A short-lived spring shifts into the record-breaking heat waves of summer; ever-warmer winters bring with them the risk of another catastrophic freeze. Though advocates and experts have warned of the increasingly severe effects of the climate crisis for decades, Texas lawmakers have not listened, and Texans pay the price.

In 2011, a devastating winter storm hit Texas. Millions of Texans endured widespread power outages, and they looked to their lawmakers for answers. In the aftermath, the Federal Energy Regulatory Commission (FERC) investigated and [issued a report](#) recommending the winterization of facilities that contribute electricity to the grid. Instead of welcoming the federal government's expert assessment and swiftly taking action to implement their recommendations, the state's leaders [moved on](#). Ten years later, [Winter Storm Uri](#) hit a still underprepared and un-weatherized Texas energy system, plunging the state into the cold and the dark for days on end. An [estimated 700 people died](#) while [Gov. Abbott donor Kelcy Warren's company](#), Energy Transfer, raked in a [\\$2.4 billion windfall](#) from the disaster.

The legislative response that followed was impassioned but largely empty. Market participants were taken to task in days and days of [public hearings](#), while leading regulators either [resigned](#) or [were fired](#). Everyone from ERCOT to the utilities faced [lawsuits](#) to place blame and responsibility on those responsible for the grid failure. In the end, lawmakers ended up passing [lenient weatherization requirements](#) and new mandates that politicized the state weather grid by [adding political appointees to its Board rather than electricity experts](#). By 2023, lawmakers were too busy [punishing renewable energy](#) and [spending billions](#) to develop more oil and gas facilities to revisit any substantive reforms to the grid. Many experts [still believe](#) the state has not done enough to prevent the next grid crisis.

By prioritizing short-term indebtedness to oil and gas industries over the long-term prosperity of the state, Texas lawmakers leave their constituents vulnerable to the sometimes life-and-death consequences of a warming planet. It's not just a failure to fix the grid. In recent years, Texas has faced [catastrophic flooding](#) and [devastation](#) from Hurricane Harvey, [raging wildfires](#) that rip through rural communities and [cost millions](#) in damage to Texas ranchers, and [worsening droughts](#) that threaten the state's water

supply and agriculture. In the aftermath of these disasters, Texans prove themselves to be [resilient, generous, and kind](#). Texans deserve elected officials who demonstrate at least the same level of leadership.

Despite the looming and inevitable reality of the climate crisis, Texas lawmakers have repeatedly ignored pleas to take action, remaining steadfastly loyal to the oil and gas industry and leaving the long term interests of the Texan people on the backburner. Energy efficiency and climate emergency preparedness legislation [failed](#) in the Texas Legislature in 2023, while an effort to revive an expired economic incentive for relocating businesses excluded the clean energy projects that [bring millions to](#) Texas's rural communities .

Lawmakers' obstinance means not only has Texas not met its full clean energy potential, but it has also failed to adequately protect people from the consequences of worsening climate disasters. Severe weather in Texas has cost more than [\\$402 billion in damage](#) since 1980, outpacing every other state in the country. Home insurance costs in Texas [have risen](#) about 40% since 2015, far outpacing the 21% increase nationwide. Many insurance companies [pulled out of Texas entirely](#) after Hurricane Harvey and Winter Storm Uri, leaving homeowners [vulnerable to higher recovery costs](#) when disaster strikes. A staggering [26% of homeowners](#) in Texas's rural communities do not have homeowners insurance, compared to [11%](#) in major metropolitan areas.

The impact of worsening climate disasters on the Texas business landscape and economy is profound, both in terms of direct business costs and of the general health of the state economy. A [2023 report](#) from the Center for American Progress estimates the health care costs associated with extreme heat—just one consequence of the climate crisis—total roughly [\\$1 billion per year nationwide](#), potentially straining businesses that offer employer-sponsored health plans to their employees for years to come. Countless studies [have demonstrated](#) that extreme heat reduces business productivity across industries, with the Federal Reserve Bank of Dallas going as far as estimating [a \\$24 billion hit](#) to the Texas economy in the summer of 2023 due to extreme heat.

The winter offers no respite. Lingering trauma from the 2021 winter storm have shaken the confidence of both individual Texans and businesses in the stability of the grid, despite lawmakers' insistence that they've fixed the problem. Texas may not be the most appealing place to do business if the state's grid regulators cannot guarantee that the

lights will stay on. Technology companies [have cited](#) Texas's failing power grid as a reason to doubt that Texas has the infrastructure needed to support a booming tech industry long-term.

Until lawmakers get serious about smart policy-making on energy and climate issues, Texas companies choosing to do business in the state are rolling the dice on the long-term economic forecast of the state and the long-term health of their employees.

Billionaires Buy their Way In

Across the issues discussed in this report, Texans are faced with a slate of [bad actors and billionaire funders](#) who use their money to push an extremist right-wing agenda. No amount of conservatism will protect lawmakers who fall on the other side of their issues, even for business Republicans who recognize the tangible economic consequences of these policies. These funders and their foot soldiers have sent a clear message: fall in line, or we will primary you.

As a result, the Texas Legislature has been held hostage in service of extremely bad-for-business policymaking in recent years. Instead of focusing on the issues Texas businesses really need to thrive—like strong public schools, flourishing universities, and a healthy workforce—our lawmakers waste their time and our money on policies that are hindering corporate responsibility and subjecting the Texas Miracle to death by a thousand cuts.

Conclusion

Texas has the chance to salvage whatever is left of the Texas Miracle, but only if lawmakers are willing to look beyond the extremist model legislation pushed on them by out-of-state billionaires and right-wing policy shops. Texas has been an economic powerhouse and a national leader for decades. Those who live here know it is a great place to call home. We want businesses to move here and set down roots in our communities.

Texas's future economic growth is not guaranteed, and lawmakers can't afford to risk losing it in the name of short-term political wins that dissolve like sugar on the tongue.