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## Fastest Growing Municipalities are in "Right-to-Work" Texas

By Juliette Fairley

NEW YORK ([MainStreet](#)) — The state of Texas dominated the list of [fastest-growing municipalities](#) with Austin, San Marcos, Cedar Park and Georgetown ranking among the top ten, according to the U.S. Census Bureau.

"The population and market are growing rapidly through both immigration and investment, which create growth, but much of the growth stems from an investment made decades ago by a politician too many people in Texas have forgotten named Governor John Connally," said George Haley, head of the Center for International Industry Competitiveness at the University of New Haven.

Although once dominated by cotton, cattle and oil in the past, today the state's economy includes farming, tech and health services.

"Energy is driving Texas's economic boom, and the small cities are benefitting as well as larger ones," said Steve Berkowitz, CEO with Move, which operates Realtor.com.

Austin by itself is gaining nearly 21,000 people a year. Other emerging municipalities in the lone star state that made the list include Frisco, McKinney, Odessa and Pearland.

"Texas offers the best tax incentive of all with no levy on individual or corporate income," said Michael Cox, director with the William J. O'Neill Center for Global Markets and Freedom at Southern Methodist University Cox School of Business. "A business owner can save enough in taxes to buy a BMW by moving to Texas from New York or California."

New York added 61,440 people for the year and continues to be the nation's largest and most populous city with 8.4 million residents in 2013 followed by Los Angeles and Chicago.

"Greater New York's unemployment rate has been a nearly a full percentage point lower than Chicago's for more than a year," Berkowitz told [MainStreet](#). "The increased demand in New York has pushed up home prices 17.53% while prices in Chicago have risen 10.92%."

One significant difference between Texas and New York is that Texas is a "right-to-work" or non-union state.

"Pay goes farther in Texas than many other states because of the lower cost of living," Cox told [MainStreet](#). "Right-to-work laws discourage tilting the market. A freer labor market helps keep wages in check with right-to-work laws helping to curb the union power that helped destroy Michigan and other states."

Its lack of a state income tax is another reason for the Lone Star State's population growth.

"Wages have nothing to do with conservative politics except in the sense that Texas lets market forces work," Cox said. "The key to a low cost of living is housing prices. Sensible land-use policies encourage a lot of homebuilding, allowing the wave of newcomers to find housing without bidding prices up too much."

The Texas markets did not suffer steep price declines or major inventory shortages during the foreclosure crisis from 2002 to 2006. "One reason the Texas housing market is so strong now is that it never experienced the housing boom ten to 15 years ago and the bust that followed it," Berkowitz told [MainStreet](#). "The majority of the five million foreclosures that flooded housing markets after 2006 occurred in markets where prices had zoomed."

--Written by Juliette Fairley for [MainStreet](#)

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