

THEY SAY THE LONE STAR STATE HAS FOUR

seasons: drought, flood, blizzard and twister. This summer 97% of the state was in a persistent drought; in 2011 the Dallas–Fort Worth area experienced 40 straight days in July and August of temperatures of 100° or higher. The state's social services are thin. Welfare benefits are skimpy. Roughly a quarter of residents have no health insurance. Many of its schools are less than stellar. Property-crime rates are high. Rates of murder and other violent crimes are hardly sterling either. A recent report from the FBI found that the home state of Chuck Norris led the nation as the place the most people got punched or kicked to death in 2012.

So why are more Americans moving to Texas than to any other state?

Texas has acquired a certain cool factor recently. The pundit Marshall Wittmann has called it “America’s America,” the place where Americans go when they need a fresh start. The state’s ethnic and cultural diversity has made places like Austin and Marfa into magnets for artists and other bohemians.

But I believe the real reason Americans are headed to Texas is much simpler. As an economist and a libertarian, I have become convinced that whether they know it or not, these migrants are being pushed (and pulled) by the major economic forces that are reshaping the American economy as a whole: the hollowing out of the middle class, the increased costs of living in the U.S.’s established population centers and the resulting search by many Americans for a radically cheaper way to live and do business.

One of these pioneers is Casey Colando. When he was just 19, he bought—sight unseen—five acres of Big Bend mountain desert country in Texas as an investment. It was just \$300 an acre, far away both culturally and geographically from his native upstate New York. Four years later,

in 2008, Colando moved to his homestead in the magnificent but remote region of West Texas.

A graduate of the State University of New York at Canton, where he studied alternative energy, Colando now lives with his wife Sara some 80 miles from the nearest town (Alpine, pop. 6,000). The couple bought more land adjoining their original property, and they run an alternative-energy business that serves various settlers who have moved to this isolated corner of Texas—helping their neighbors eschew what Colando calls “the big electric company” and live off the grid by installing solar and wind power.

Colando says he first tried to launch his alternative-energy business in upstate New York. “It was difficult work for a small business there,” he says. “The costs were higher, and there were fewer business opportunities, more regulations. So I came out West, and I haven’t looked back.”

To a lot of Americans, Texas feels like the future. And I would argue that more than any other state, Texas *looks* like the future as well—offering us a glimpse of what’s to come for the country at large in the decades ahead. The U.S. is experiencing ever greater economic inequality and the thinning of its middle class; Texas is already one of our most unequal states. America’s safety net is fraying under the weight of ballooning Social Security and Medicare costs; Texas’ safety net was built frayed. Americans are seeking a cheaper cost of living and a less regulated climate in which to do business; Texas has those in spades. And did we mention there’s no state income tax? (Texas is one of only seven states in the union that lack the levy.)

There’s a bumper sticker sometimes seen around the state that proclaims, I WASN’T BORN IN TEXAS, BUT I GOT HERE AS FAST AS I COULD. As the U.S. heads



Desert homesteaders Casey Colando, with his wife Sara, runs an alternative-energy business in a remote part of West Texas

toward Texas, literally and metaphorically, it’s worth understanding why we’re headed there—both to see the pitfalls ahead and to catch a glimpse of the opportunities that await us if we make the journey in an intelligent fashion.

AVERAGE IS OVER

THE FIRST THING TO UNDERSTAND ABOUT our more Texan future is what’s happening to the American workforce on the whole: average is over.

More and more workers are leaving the middle class—headed both up and down—and fewer workers are moving into it. Median household income has fallen about 5% since the Great Recession ended in 2009; in that same period, 58% of job growth was in lower-wage occupations, defined as those paying \$13.83 an hour or less.

However, it’s not that incomes are stagnant generally. Earners at the top have done very well—but the gains have been distributed quite unevenly. Last year the top 1% of earners took home 19.3% of household income, their largest share