

Penta Policy Insiders

Texas Insights Review

Cost of Living

December 2023
policyinsiders.pentagroup.co

Executive summary

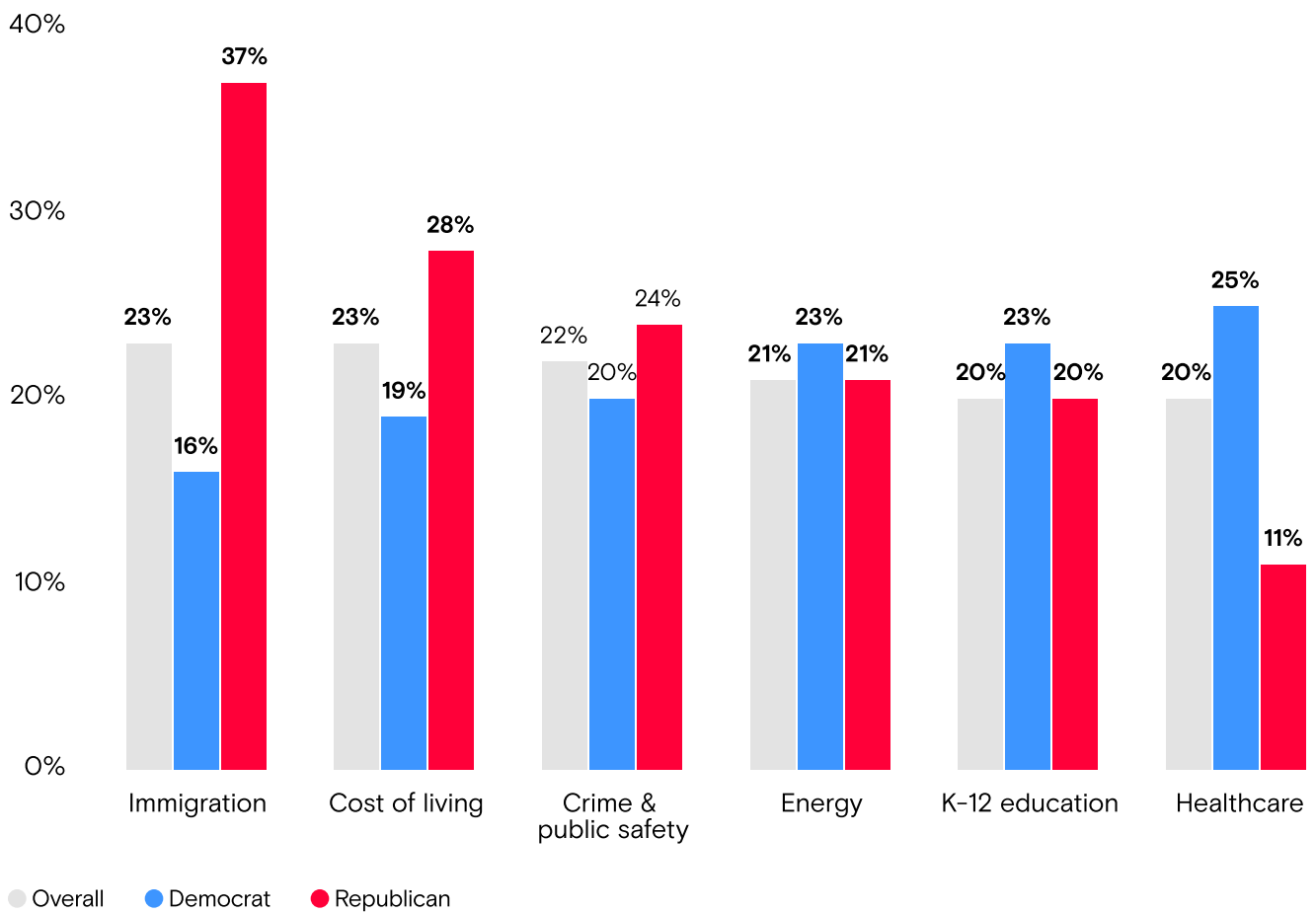
We are pleased to share our findings in this year's Texas Insights Review. From May to July 2023, we spoke to over 220 policymakers in the state to learn about their policy priorities and the top issues facing their communities.

Immigration and the cost of living are the top concerns among Texas policymakers, with almost a quarter of policy staff identifying the issues as individual leading priorities. Both issues are higher priorities for Republicans in the state. Crime and public safety is also a significant issue for the Lone Star state, with policymakers on both sides of the aisle identifying challenges, particularly in relation to immigration concerns. Energy, K-12 education, and healthcare are other top priorities for policymakers across the state of Texas.

This report is the third in a series that examines four of Texas policymakers' top priorities, which include (i) crime and immigration (ii) cost of living (iii) energy and (iv) K-12 education.

Top policy priorities in Texas

Multiple selections permitted



Texas deep dive

Cost of living

Policymakers on both sides of the aisle want to reduce the high cost of living, with 28 percent of Republicans and 18 percent of Democrats citing it as a top challenge in Texas. The increasing cost of renting and owning homes, in addition to the impact inflation has had on the price of goods and services, has created an ever-growing burden on individuals and local communities.

Cost of goods and services

Policymakers are concerned about the rising costs of goods and services in the state, and point to gas prices as a prime example of growing expenses.



"The gas is 5 and 6 dollars a gallon again. I think that's really affecting people, the price of gas... I think that's a huge, huge issue...it's a big issue because I know a couple of them that just had to give up their businesses because they had trucking business, but nobody wants to be able to buy the gas, to purchase the gas."

Commissioner, Texas State Municipality, D



"[There is] stagnant growth in the lack of funding, I think rising rates have hurt us. And the rising costs and goods.

Representative, Texas House of Representatives, R

Impact of population growth

Coupled with the rising cost of living, policymakers worry that population growth – stemming from an influx of people moving to the state – is putting additional strain on the state's resources.¹ Policy staff are concerned that a higher volume of residents could further contribute to infrastructure and supply issues, making it even more difficult for anyone to afford living in the state.



"My concern is that once this growth hits, we're just going to be behind in every front with housing, with infrastructure needs, water, sewer, power, gas, whatever the industry needs to come start a community."

Mayor, Texas State Municipality, I



When you have a thousand people a day moving to the state, they're looking for a place to live. You're having people move here. Some of the move, **it's been inflationary in the housing market."**

Representative, Texas House of Representatives, R



I think as the population grows, folks moving here has impacted the housing market, and definitely the pandemic played a big, big role, I think.

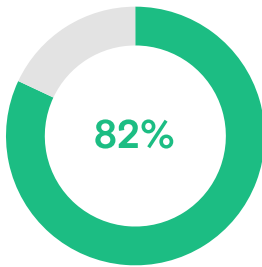
Executive Director, Texas House of Representatives, D

Spotlight on housing

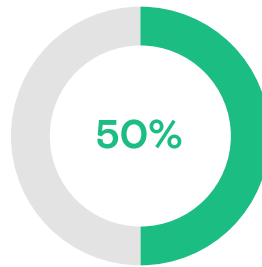
A vast majority of policymakers - 82 percent - indicate that the cost of renting is the most significant issue when it comes to the Texas housing market. Policy leaders also note that regulations for housing developments are additional barriers to creating more affordable housing and further limit the availability and accessibility of homes for purchase.

Top housing priorities in Texas

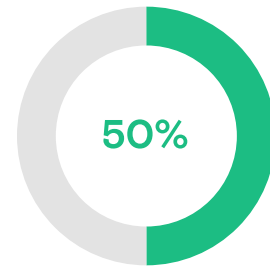
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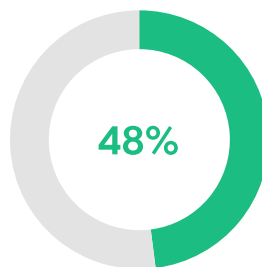
Cost of renting



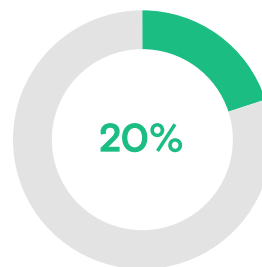
Cost of ownership



Gov regulations regarding development



Homelessness



Land shortages



We're working on city regulations that drive up the cost, whether that's minimum square footage of air condition, whether it's minimum lot sizes. **In Austin, if you followed [the city] codes, we heard testimonials on the minimum amount you would spend building a new house to code was \$850,000. And we wonder why we have an affordability problem.**

Senator, Texas State Senate, R



Even though there's new investment and inventory, it's still too high.....The reason why people can't afford homes is they can't get a down payment together and they can't really qualify for reasonable financing. **They can't afford a home. They're just not able to afford it.**

General Counsel, Texas State Senate, D



It's very, very expensive here.. I personally know that I cannot afford a housea lot of my friends are buying homes on the outskirts of town, because that's just what's available since **everything is really overpriced, and wages haven't risen as much as they need to just with inflation. But the housing market where I've lived for the past 13 years now, has just been ridiculous.**

Executive Director, Texas House of Representatives, D



People are trying to rezone in ways that are beneficial to them and not to the city's plan or the long-term vision of the state....Those types of [short-term rental] zoning requests that benefit one individual or groups of individuals in a short term has a longer term economic impact, and **that may be detrimental to the long-term health and shape of our community.**

Mayor, Texas State Municipality, R

Conclusion

Policymakers across the aisle agree that cost of living is a top issue to be addressed in the state. Of particular concern are increasing prices for goods and the strain placed on state resources due to population growth. Additionally, policymakers highlight rising rental and home ownership costs, along with housing development regulations, as significant barriers to affordable housing.

About Penta Policy Insiders

Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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Citation

1. <https://www.census.gov/library/stories/2023/03/texas-population-passes-the-30-million-mark-in-2022.html#:~:text=The%20population%20of%20Texas%2C%20the%20next%20largest%2Dgaining%20state.>

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