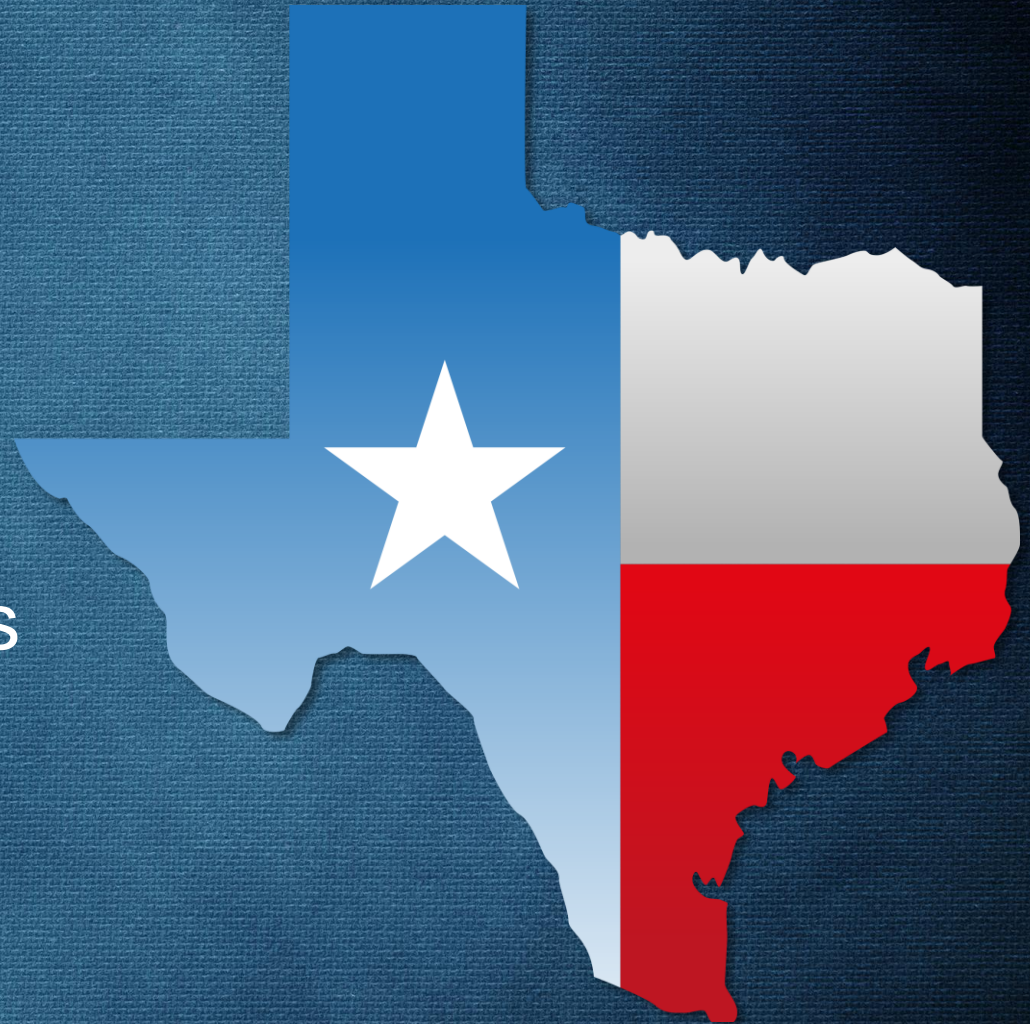


Pierpont  
Communications

*presents*

2018 Texas Midterm  
Elections and the Impacts  
on Business





# INTRODUCTION

As a firm with offices in cities across Texas, we recognize the importance of statewide elections and how electoral outcomes could impact your businesses. With more than thirty years of experience, our team at Pierpont knows what to expect during these tumultuous times and how to manage the effects it could have on the business environment in Texas. Through the following overview, we want to inform our clients- both headquartered in Texas and those who do business in Texas- about the current state of affairs and what to expect from the upcoming elections. Regardless of the results, significant challenges in urban growth, healthcare and education will remain as top issues for our elected officials in Texas.

As a leader in public affairs, Pierpont has experience working with companies on many types of efforts to communicate how policies impact the public including:

- Creating Public Awareness and Education Campaigns
- Developing Grassroots Initiatives
- Leading Crisis Incidents & Managing Critical Issues

# TEXAS, OUR TEXAS: SNAPSHOT

- **The living's easy:** [Forbes](#) ranks Texas #1 nationally in “Economic Climate” and second in “Best States to do Business”.
- **In the black:** Texas boasts a \$1.6 trillion economy, second only to California.
- **Robust workforce:** Texas’s unemployment rate is currently 4%, as [the Bureau of Labor Statistics](#) notes.
  - Austin’s unemployment rate is at 3%, Houston at 4.3% and Dallas-Fort Worth at 3.6%
- **We’re hiring:** The industry with the most growth in Texas was business and professional services followed by education and health services, according to a [job report](#) by *The Dallas Morning News*.
  - The state saw two straight years of job growth, culminating in 27,200 new jobs in June 2018
- **Unprecedented growth:** Percent change in real GDP from the end of Q4 in 2017 to the end of Q1 in 2018 was 2.9 percent in the state.
  - As a result, Texas ties for fifth nationally for the highest percent change across the decade, according to the [Bureau of Economic Analysis](#) and [Forbes](#) at 30.4%

# THE BIG ISSUES — GROWING PAINS IN URBAN CENTERS



While Texas cities are driving the economic engine, it's up to city leadership to ensure the new urban environments are fit for long-term sustainability. Transportation and the challenge of affordable real estate in major cities are high on the list of problems for which mayors are ready to tackle. Texas is in an era of “New Urbanism”, and in order to retain our talent and industry, cities must aim to stay competitive while maintaining the state’s well-known quality of life.

This is a very exciting time to be living in and doing business in Texas.

# THE BIG ISSUES — EDUCATION



Public education remains a top issue in Texas. The biggest area of contention is around funding for Texas public schools. Most of our public schools are funded through local property taxes. With many property tax bills sky-rocketing, some Texans are voicing concern over the long-term sustainability of this funding model. Moreover, many public education advocates believe the state is not fulfilling its share of the burden in funding public education. These two conflicting issues will likely be at the forefront of the 2019 Texas Legislature. However, some experts are skeptical of the ability of our elected officials to find a solution.

Other issues concerning education include private school vouchers, charter schools and the cost of higher education on Texas students.



# THE BIG ISSUES — HEALTHCARE



Healthcare is another issue that remains top of mind for many Texans.

According to a [poll](#) earlier this year, survey respondents said the Legislature's top healthcare priority should be lowering overall costs. Despite various efforts at both the state and federal level, healthcare costs continue to rise for many Texans. The ACA ("Obamacare") has seen mixed results at best. While more Texans may have coverage, costs have not been constrained. It is increasingly challenging for small and medium businesses to find reasonable insurance options for their employees. Additionally, many rural Texans face issues regarding the accessibility of reliable healthcare.

# TALKING POLITICS

- The midterm elections will take place on November 6, 2018
- All 36 Texas seats in the House of Representatives are open for election, as well as a Senate seat
- All of Texas's executive officer positions are up for election

## Races We're Watching

### House

Will Hurd **vs.** Gina Ortiz-Jones

John Culberson **vs.** Lizzie Fletcher

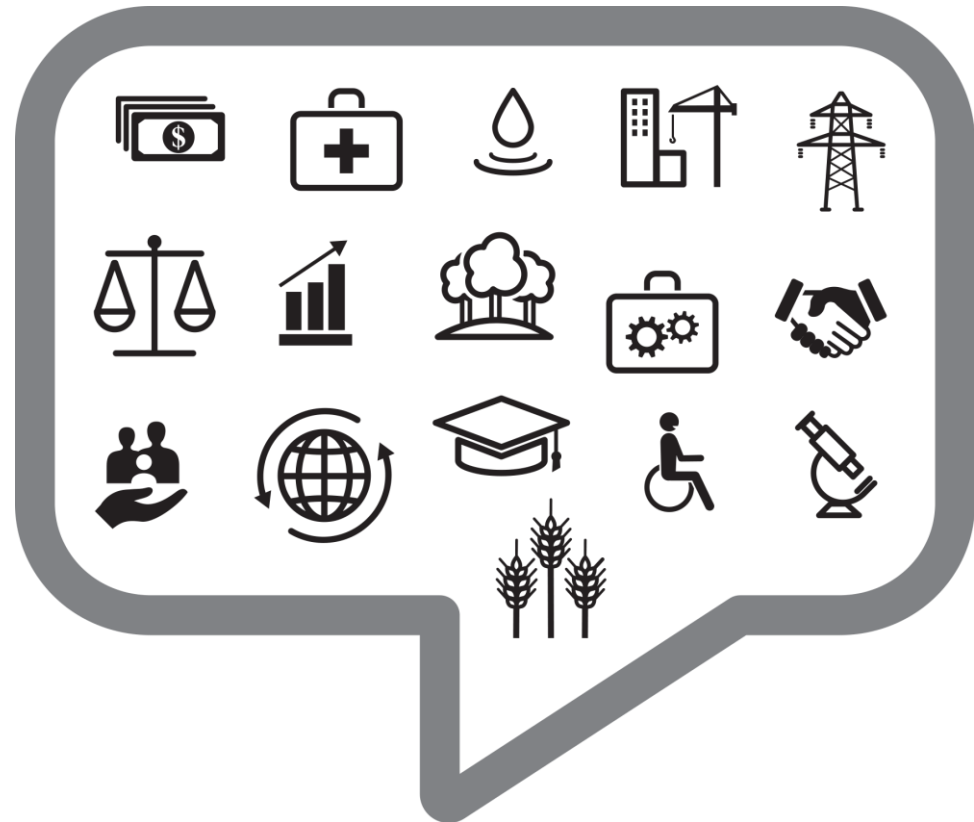
Colin Allred **vs.** Pete Sessions

### Senate

Beto O'Rourke **vs.** Ted Cruz

### Governor

Lupe Valdez **vs.** Greg Abbott



# U.S. SENATE



**Ted Cruz**

*Republican\**

Leads with 50.8 points

**Key stances:** economy, education, Constitution and the Bill of Rights



**Beto O'Rourke**

*Democrat*

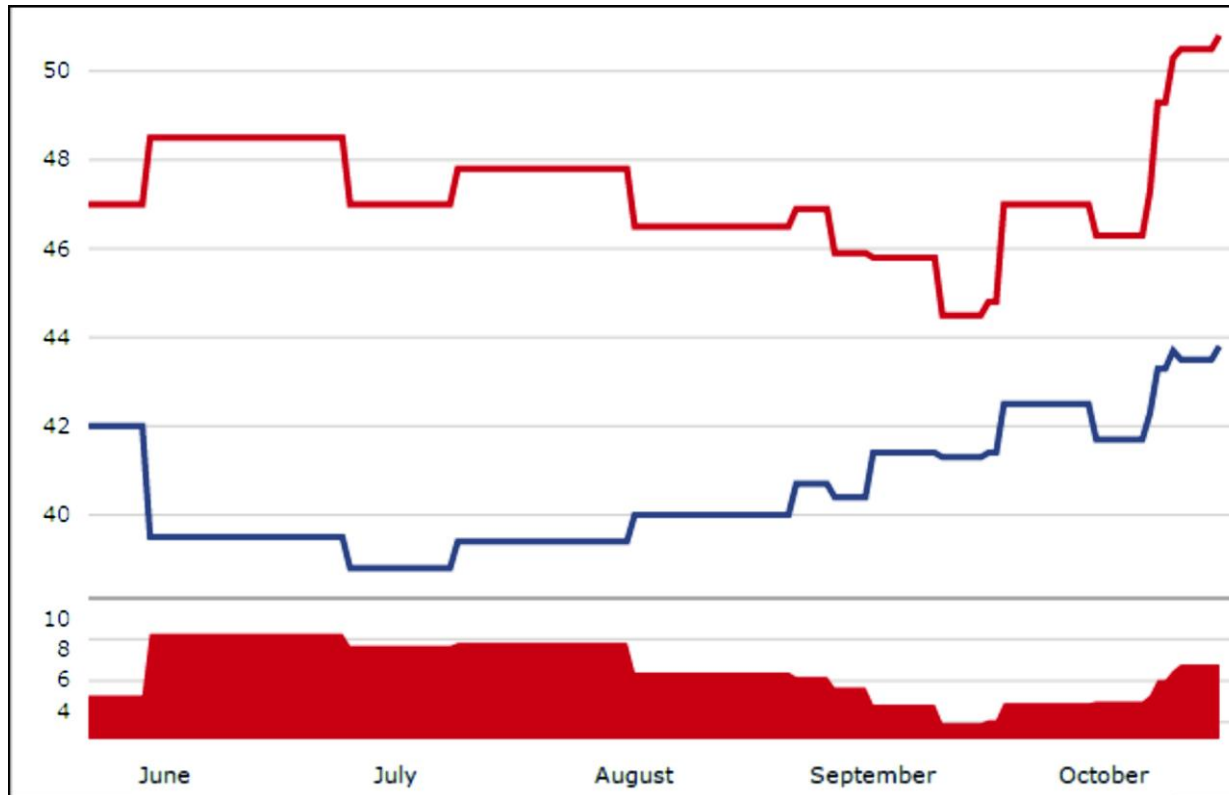
Trails with 43.8 points

**Key stances:** government accountability, women's issues, equality

\* Incumbent



# TEXAS SENATE



Graphic courtesy of [RealClear Politics](#)

This line plot demonstrates the polling average of Cruz (in red) and O'Rourke (in blue). Interestingly, Cruz was ahead by the lowest margin, 3.2 points, in late September 2018. Possible causes of this brief decline in popularity could be attributed to Cruz's cancellation of a would-be debate with O'Rourke, or perhaps due to his dealings with President Trump.

# U.S. HOUSE - DISTRICT 7 (HOUSTON)



**John Culberson**  
*Republican\**

Leads with 48 points

**Key stances:** border security,  
taxes, defense



**Lizzie Fletcher**  
*Democrat*

Closely behind with 45 points

**Key stances:** equality, civil rights,  
education

\* Incumbent

# U.S. HOUSE - 23RD DISTRICT (SAN ANTONIO)



**Will Hurd**  
*Republican\**

Leads with 51 points

**Key stances:** energy, job creation, security



**Gina Ortiz-Jones**  
*Democrat*

Trails with 43 points

**Key stances:** immigration reform, affordable healthcare, economic growth

\* Incumbent



# U.S. HOUSE - 32ND DISTRICT (DALLAS)



**Pete Sessions**  
*Republican\**

Leads with 48 points

**Key stances:** taxpayer accountability, federal fund appropriation, defense and veterans



**Colin Allred**  
*Democrat*

Closely behind with 47 points

**Key stances:** healthcare, economic growth, gun violence prevention

\* Incumbent

# TEXAS GOVERNOR



**Greg Abbott**  
*Republican\**

Leads with 54.7 points

**Key stances:** property tax reform, veteran care, public safety policy



**Lupe Valdez**  
*Democrat*

Trails with 35 points

**Key stances:** voting rights and gerrymandering, same-sex equality, veteran's healthcare

\* Incumbent

# THE NATION IN NUMBERS

## Uncertainty among many Americans in our Future

- [RealClear](#) reports that 40.2 percent of Americans believe that the country is heading in the right direction, and 54.2 percent believe we are on the wrong track.

## Yet Energy Continues to Pave a Strong Path of Growth for the Future of Texas

- The Texas employment growth forecast for 2019 is 2.8 percent, according to the [Dallas Federal Reserve](#).
- Texas continues to hit records in oil production, particularly in the Permian Basin; Texas is still #1 producer of oil and natural gas in nation.
- Texas exports rose significantly in July and are up 16 percent year to date compared with the same period last year. The key to Texas' success in export markets is the growth of oil and gas exports, which were up 126 percent year over year in the second quarter.







# THANK YOU

CONTACT US WITH ANY QUESTIONS OR PUBLIC AFFAIRS NEEDS AT:  
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