The Business Council

KENNETH ADAMS
President & CEO

July 15, 2010

Honorable Sheldon Silver
New York State Assembly
250 Broadway Ste 2307
New York, NY 10007-2516

RE: NEW REPORT OF INDEPENDENT ECONOMIC INDICATORS SHOWS NEW YORK LAGGING IN VIRTUALLY EVERY KEY CATEGORY

Dear Mr. Speaker:

As you know better than anyone, this past legislative session has been among the most challenging in New York's history and we recognize how many difficult decisions you and your colleagues have had to make. With the state's economy struggling to recover from an unprecedented recession, we at the Business Council have worked hard to provide you with as much economic information and data as possible to help you develop policies that will lead to job creation and reinvestment across New York.

It is within this context that we wanted to share with you the attached new report from the Public Policy Institute, ***Unique New York: Key indicators of the economic performance of New York State***. This report brings together 21 leading indicators from diverse sources to provide a snapshot of exactly how New York State is faring on issues ranging from personal income and population growth to state and local taxes.

Unfortunately, the conclusions of ***Unique New York*** – which come from independent sources ranging from the US Census Bureau and the US Department of Commerce to the American Legislative Exchange Council – are cause for concern: New York lags dangerously behind the rest of the nation in numerous key economic indicators, demonstrating the need for immediate steps to lower the cost of government and enact fiscal reforms to allow us to finally grow out of this crippling recession.

While New York continues to rank near the top in terms of Per-capita Gross State Product (US Rank: 6), that potentially positive indicator is completely eclipsed by serious obstacles to economic growth, which include high costs:

- State and Local Personal Income Tax Per-Capita (US Rank: 1)
- Cost of Electricity (US Rank: 2)
- State and Local Spending Per-Capita (US Rank: 4)

And lagging economic indicators:

- Personal Income growth (US Rank 36)
  * Upstate rank 48, ahead of only Michigan and Ohio
- Population Growth Upstate: -1% (US Rank: 50)
- Overall Business Climate (US Rank: 50)

As you can see from these standard, objective indicators, there is simply not much good news to report here. New York is an unquestioned leader in high taxes and spending, but lags the rest of the nation dramatically in most economic growth categories.

Therefore, as the Legislature faces the possibility of having to return later this year to address new budget gaps, we strongly urge you to consider the challenging economic picture provided by ***Unique New York***. It makes clear that it is time to bring New York's fiscal house into order, to improve our economic climate – both Upstate and Downstate – and to promote new private sector investment and job creation.

We remain ready and willing to work with you to achieve these critically important goals for the people of New York State. As always, please don't hesitate to contact me at 518-465-7511 should you have any questions or require any additional information.

Sincerely,