



BENCHMARK NEW YORK STATE

Businesses regularly benchmark their cost of doing business against their competitors — because they know that if their costs are too high, they won't be in business much longer. The table below does the same for government in New York State — comparing the key, government-related costs of living and doing business in New York, with the national average. **These key costs are more than \$35 billion higher** than they would be, if New York matched the national average. That's about \$1,830 a year for every man, woman and child in the state — or \$5,015 for every private-sector job.

The New York State cost gap: Key benchmarks

Cost item	What We Pay	U.S. Average cost	What the difference adds up to, in total dollars per year
State and local taxes, \$ per \$1,000 of total personal income in the state			
Property taxes	\$44	\$33	\$8,145,000,000
Income taxes	\$42	\$22	\$14,386,000,000
Sales/gross receipts taxes	\$37	\$37	- \$15,000,000
Corporate income taxes	\$7	\$3	\$2,803,000,000
Other taxes	\$8	\$8	- \$686,000,000
State and local taxes, subtotal	\$137	\$104	\$24,634,000,000
Energy			
Electricity: cents per kWh	11.86	7.49	\$6,559,000,000
Natural gas: dollars per mcf	9.51-12.37	7.78-11.79	\$349,000,000
Energy, subtotal			\$6,909,000,000
Health care			
Avg. health-insurance premium	\$6,871	\$6,509	\$1,683,000,000
Workers' Compensation			
Average cost per case	\$19,737	\$10,562	\$1,331,000,000
State and local charges and misc. revenues, \$ per \$1,000 of total personal income in the state			
Tolls, permits, interest, etc.	\$41	\$40	\$750,000,000
Total extra cost of New York (per year)			\$35,306,000,000

Data sources: U.S. Census Bureau; Energy Information Administration; Medical Expenditure Panel Survey; National Council on Compensation Insurance/New York Compensation Insurance Rating Board. Calculations by the Public Policy Institute. For more details on data and sources, see reverse.

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Data summary and sources

Data in this table are statewide averages. Costs for taxes, energy and health insurance vary significantly within New York State, and are typically higher in the Downstate metropolitan region than in most of Upstate.

State and local taxes: U.S. Census Bureau, "State and Local Government Finances," for fiscal 2003-04, available at <http://www.census.gov/govs/www/estimate.html>. Estimates of personal income from U.S. Bureau of Economic Affairs, www.bea.gov.

Energy: Estimates of electric prices based on data for all user sectors, U.S. Energy Information Administration, "Electric Power Annual 2005 - State Data Tables, Average Price By State," available at <http://www.eia.doe.gov/fuelectric.html>. Estimates of natural gas prices for residential, commercial and industrial users, from "Natural Gas Prices," 2005 annual data, at http://tonto.eia.doe.gov/dnav/ng/ng_pri_top.asp. Figures for New York and national prices adjusted from actual figures to subtract estimated cost of state and local taxes (to avoid double-counting of tax costs in overall "extra cost of New York"). Actual prices reported by Energy Information Administration for electricity were 13.95 and 8.14 cents per kilowatt-hour in New York and U.S., respectively. Actual prices reported for natural gas were \$11.19, \$11.90 and \$14.79 per thousand cubic feet for industrial, commercial and residential customers in New York; \$8.46, \$11.42 and \$12.81 for such customers nationwide.

Health care: Average 2004 costs for all health-insurance policies in New York and nationwide. Source: U.S. Agency for Health-care Research and Quality, *State Differences in the Cost of Job-Related Health Insurance, 2004*, <http://www.meps.ahrq.gov/>; supplemental unpublished New York data made available to the Public Policy Institute November, 2006.

Workers' Compensation: Average 2002 cost per case from National Council on Compensation Insurance. U.S. figure is median of 45 states included in NCCI *Annual Statistical Bulletin*. Supplemental New York data made available to the Public Policy Institute by New York Compensation Insurance Rating Board November, 2006.

State and local charges and miscellaneous general revenue: U.S. Census Bureau, "State and Local Government Finances" for fiscal 2003-04 (see above). Calculation includes all current charges except education and all miscellaneous general revenue.