Blueprint for New York – Creating a Roadmap for Change

Prepared for: The Public Policy Institute of New York

September 2025

ECONOMIC LEADERSHIP

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I. Introduction

John Updike, the Pulitzer Prize winning author famously said, *"The true New Yorker secretly believes that people living anywhere else have to be, in some sense, kidding."* Unfortunately, when talented workers and firms choose to locate in states other than New York today, they're not kidding at all. Instead, they're making rational economic decisions that result from New York's anti-competitive policies and the incredibly high hassle-factor of doing business in the state.

The Collins Idioms Dictionary, a comprehensive guide to understanding and using English idioms, defines "lose your edge" as when someone or something no longer has "the special skills, qualities or advantages that they had in the past." Over the past couple of decades, distinct advantages to living and working in New York have disappeared as other states have aggressively worked to compete, reducing corporate and personal income tax rates, implementing pro-growth processes, and reducing regulations and red tape.

While New York had a great run for more than a century, economic and qualitative data demonstrate that as a state, New York isn't "losing its edge," but has "lost its edge" in competitiveness relative to other states. In many cases, New York's economic performance and population metrics more closely resemble the economic and demographic trends of Louisiana or Michigan as opposed to some of the fastest-growing states, particularly Texas and Florida.

Does "New York, if you can make it there, you can make it anywhere" still apply?

This best-known quote about New York illustrated the position of the state when it was at the epicenter of the United States economy. Unfortunately, today it is often easier to succeed elsewhere. Talent and firms are finding more attractive states and discovering other more competitive locations in which to live and work.

> "We are focused on expanding our business…in any other state but here."
>
> - *Executive of a New York-based manufacturing firm interviewed for this project*

The state's economy is in a slow decline, obscured by the volume of activity and bright lights that gloss over the economic reality of a state that has lost its economic edge in many ways.

New York's population is aging… and as a result the state will have nearly 1.5 million fewer prime working age residents by 2035 than in 2005.

Over the past 20 years, New York's total population has been stable, growing by just less than one percent (+0.08%), making it the 47th fastest growing state. The only states growing slower were losing population: Michigan (-0.04%); Illinois (-1.6%) and West Virginia (-2.2%). Other states with growth rates similar to New York include Louisiana (+0.09%) and Mississippi (+1.2%).

In looking at demographic changes of the population between 2005 and 2025, New York has gained over 1.3 million people aged 65 and older, who now comprise almost 20 percent of the population (19.6%). During the same period, the population of children 19 and under shrank by 758,973 children, and the prime working age population of ages 25 to 54 shrank by 799,633 people. Projections for the next ten years show

New York increasing older residents (+496,862) and decreasing prime working age (-632,846) and children (-674,716).

New York lost 9.6% of its prime working age population between 2005 and 2025. During the same time, Texas grew its prime working age population by 32.5%. If that trend continues over the next 20 years, New York will lose an additional 725,055 workers and Texas would gain an additional 4,180,539 prime age workers. New York's prime working age population ranked 3rd in the country in 2005, behind only Texas and California. By 2025, New York had dropped to 4th place behind Florida, with most of that talent in New York City, presenting a massive gap in talent to support business growth in the rest of the state.

If the forecasted reduction in prime working age residents occurs, wages will be driven up due to competition for increasingly scarce labor, and employers will choose to fill jobs at locations in other states and even relocate entire firms to states with more available workforce.

New York also continues to see its' political influence eroded by slow population growth. Because all but four states are growing faster than New York, the state is likely to lose at least two more seats in the U.S. House of Representatives after the 2030 census count when Congressional seats are reapportioned. This would leave New York with only 24 out of 435 seats in the House which is down from an all-time high of 45 seats a century ago and 29 seats as recently as 2010.

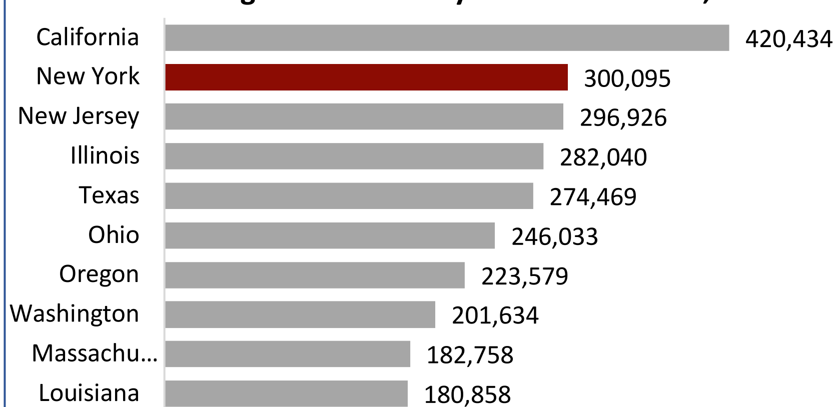
While New York loses jobs and people to other states, regulatory activity grows.

As part of the survey to business owners, when asked what would help improve the business climate in the state, the #1 answer was "**reduce state and local regulations**." Time and time again, survey respondents and focus group participants cited not only the sheer volume of regulation in the state compared to others, but the inability to keep up with changes given the rapid pace of new legislation being introduced without thoughtful consideration and insight from subject matter experts on related issues.

> "Regulations here are disastrous on our ability to grow."
>
> - *New York small business owner*

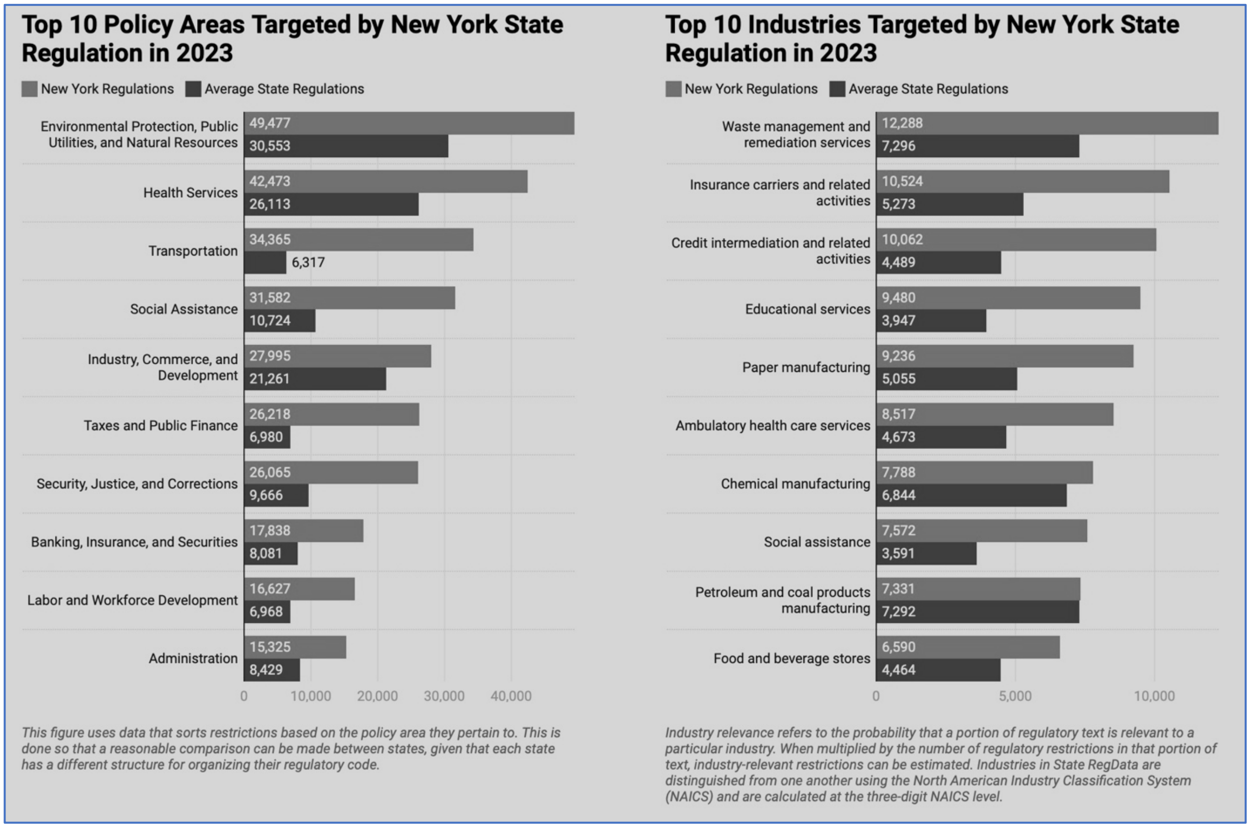
This regulatory environment creates challenges for existing New York-based businesses and reinforces the reputation of the state as a difficult place to do business. In a 2024 report, the Mercatus Center at George Mason University cites New York as the 2nd "Most Regulated State" in their most recent review of Federal and state regulations. At over 300,000 regulations containing more than 17 million words, no wonder it is impossible for firms in New York to keep up.

Most Regulated States by Total Restrictions, 2023



Source: Mercatus Center, Snapshots of State Regulations (2024)

The Mercatus Center also found that the rate of over-regulation in New York is distributed broadly across policy areas and industry sectors. The number of regulations is highest in the policy area of environmental regulations and regulations on utilities and natural resources – those areas of most importance to attracting and retaining business today. Certain industry sectors like insurance, credit intermediation and education are burdened with nearly twice the number of regulations of an average state.

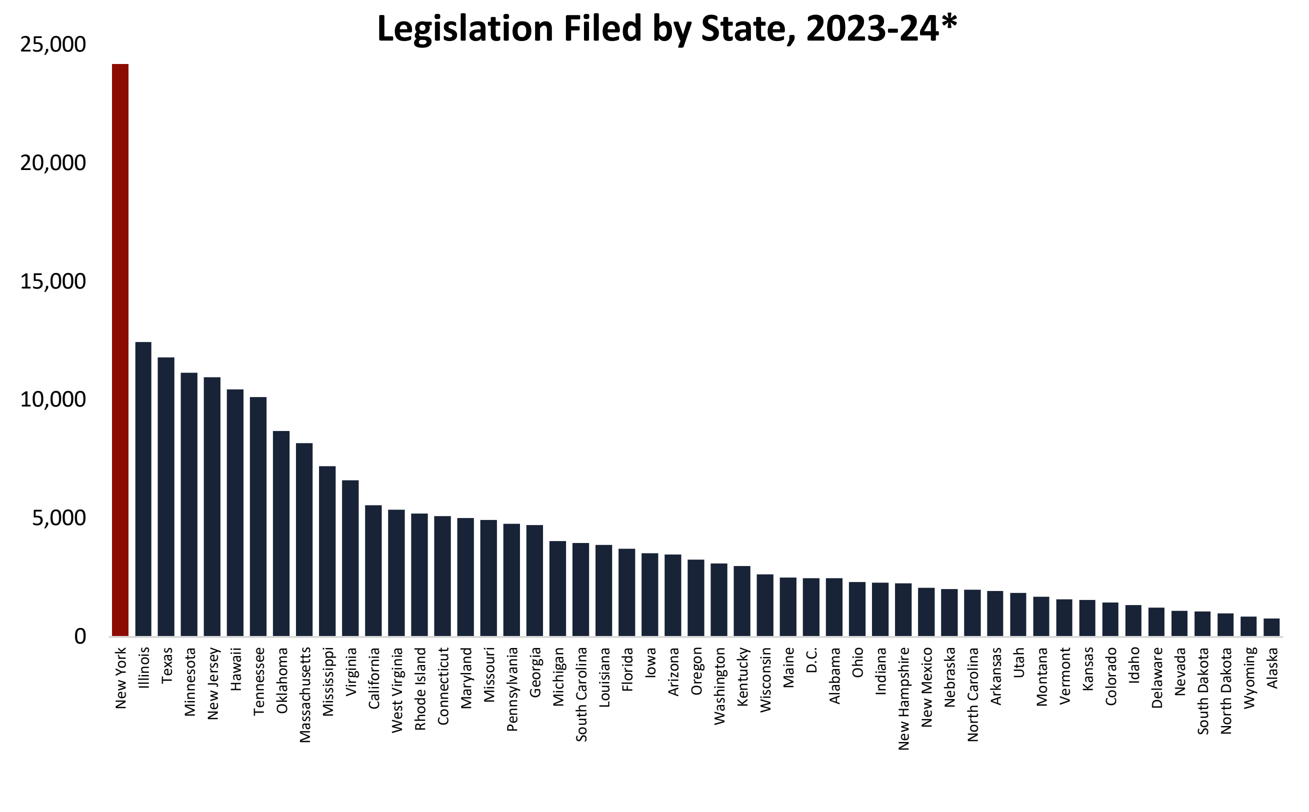


Source: Mercatus Center, New York's Regulatory Landscape, 2024

While regulations may be put in place to address a specific issue or safety concern, unintended economic outcomes resulting from many regulations often have a far more detrimental outcome on citizens in the state. Regulations can drive up costs and prices, limit the number of new business starts and ultimately reduce the number of jobs available. A 2022 paper from the Mercatus Center that analyzed the impact of Federal regulations on states found that between 2007-2017 new regulations resulted in 350,000 additional New Yorkers living below the poverty line and the regulations accelerated income inequality by 3.3% (Chambers & O'Reilly, 2022).

> "A giant tangled web of bureaucracy that no one can seem to navigate."
>
> - *Industry representative describing the difficulties faced in navigating government permitting processes*

In addition to being the #2 most regulated state, New York is far and away the #1 state for most legislation filed by the state legislature. The 213 members of the New York State Assembly and the New York State Senate combined to file 24,195 pieces of legislation during the 2023-24 biennium which is over 113 bills per legislator on average. The amount of legislation filed in New York is five times the average total number of bills filed among all states (4,610 bills filed on average) and nearly double the next most prolific state legislature, Illinois. The dizzying pace of legislative and regulatory activity in New York makes it impossible for firms to keep up with real and potential impacts and the uncertainty stifles new investment and innovation.



Source: EL Analysis of LegiScan bill data from regular legislative sessions (*special sessions not included)

Focus group participants throughout the state cited New York's "Scaffold Law" as an example of an antiquated law that adds cost to projects and ultimately stifles economic growth. Enacted in 1885, the Scaffold Law instituted liability measures to protect workers who were constructing taller buildings and bridges from gravity-related injuries. Today, New York is the only state in the nation with such a law, and it has been estimated to increase insurance rates for construction projects by at least 10%.

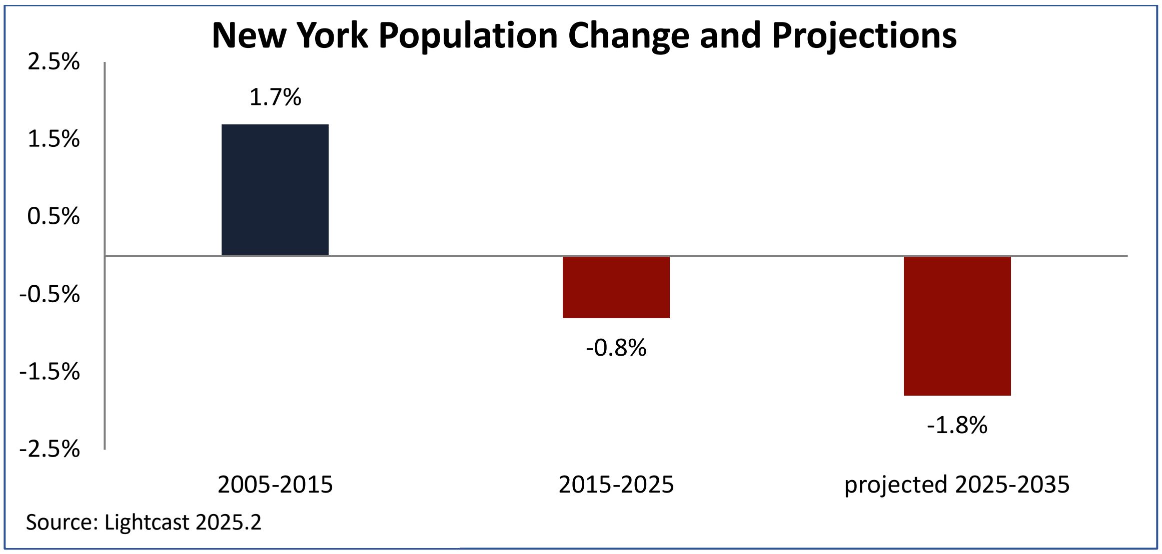
While these increased costs directly impact construction firms, it also results in fewer housing units being built in the state. With the cost to purchase a home already 34.6% higher than the average cost in other states and with 39% of New York households being "housing burdened" (defined as spending more than 30% of income on mortgage or rent), laws and regulations that increase the cost of construction make housing more expensive to build which makes New York less competitive as a place to live and work.

Focus group participants also cited lack of coordination between agencies and departments that add unnecessary delays to projects. Permitting processes that simply reject a project for being non-compliant rather than providing for a process for developers to adjust their submittal add unnecessary time and paperwork for all parties (including the reviewing agency). Much like the impact of excessive regulations and laws, added time in the permitting process drives up costs and discourages developers, which ultimately results in fewer projects being built in New York.

> "Sarasota, Florida does as many permits in a month that New York state does in a year."
>
> - *Focus group participant on the pace of construction permitting*

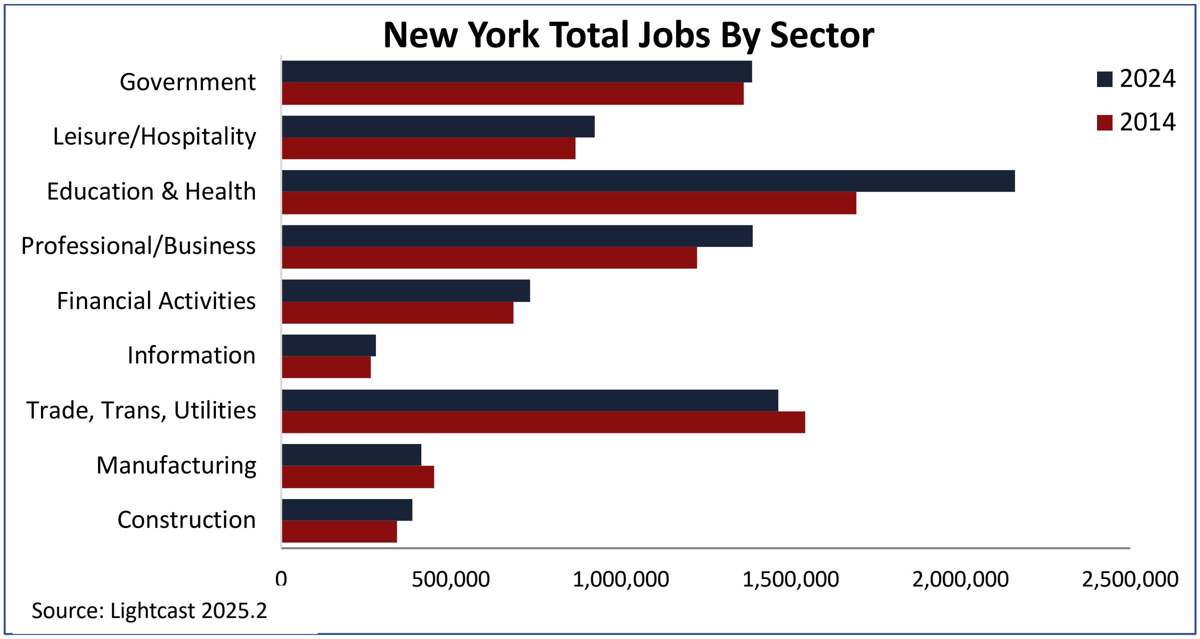
The challenge is clear. New York's position as the epicenter of the United States' economy has declined.

In 1950, almost ten percent of Americans lived in New York (9.8%). In 2024, that percentage had been reduced to 5.8 percent. Recent data and projections for the future suggest that the state's population, economic prowess, and political influence will continue to wane.

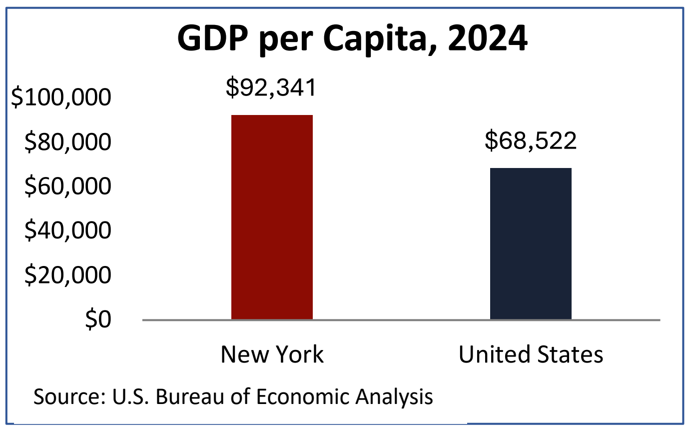


The New York economic decline impacts almost all sectors.

Over the past ten years, jobs in the state have grown 7.3 percent, less than the United States' 12.0 percent and about one-third of growth in Florida (24.9%) or Texas (20.3%). Manufacturing and Trade Transportation & Utilities suffered actual job losses. There were small gains in Construction, Information, and Government. Almost half a million jobs were added in Education and Health.



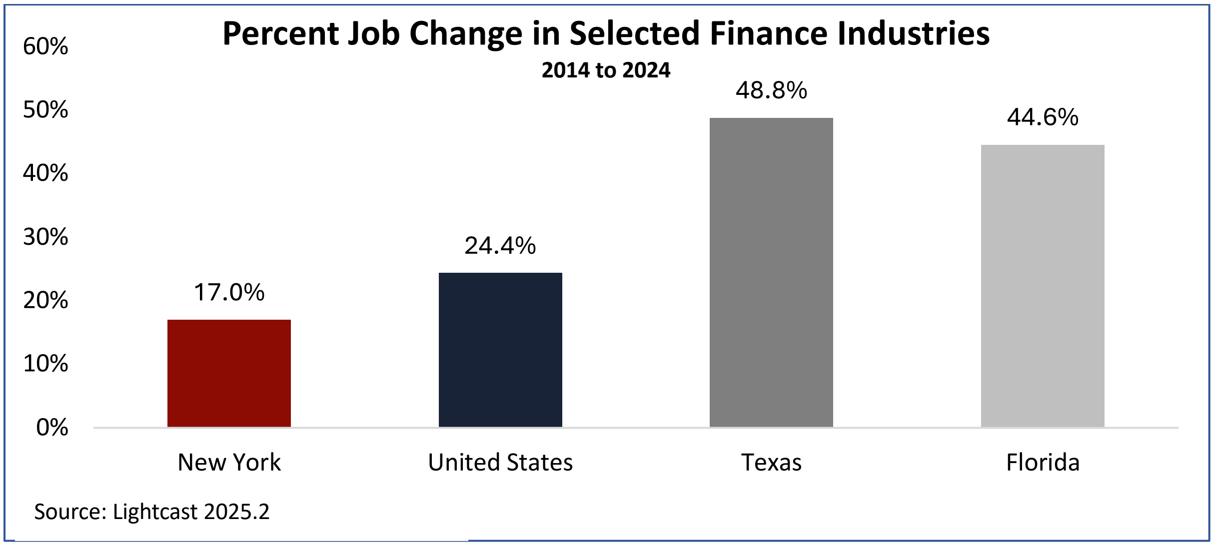
As the economy evolves, a key indicator of the state's economic health is Gross Domestic Product per capita, reflecting the output of residents and typically correlated with incomes and standard of living. New York's high educational attainment levels have given the state a key competitive advantage in high-output knowledge-driven industries.



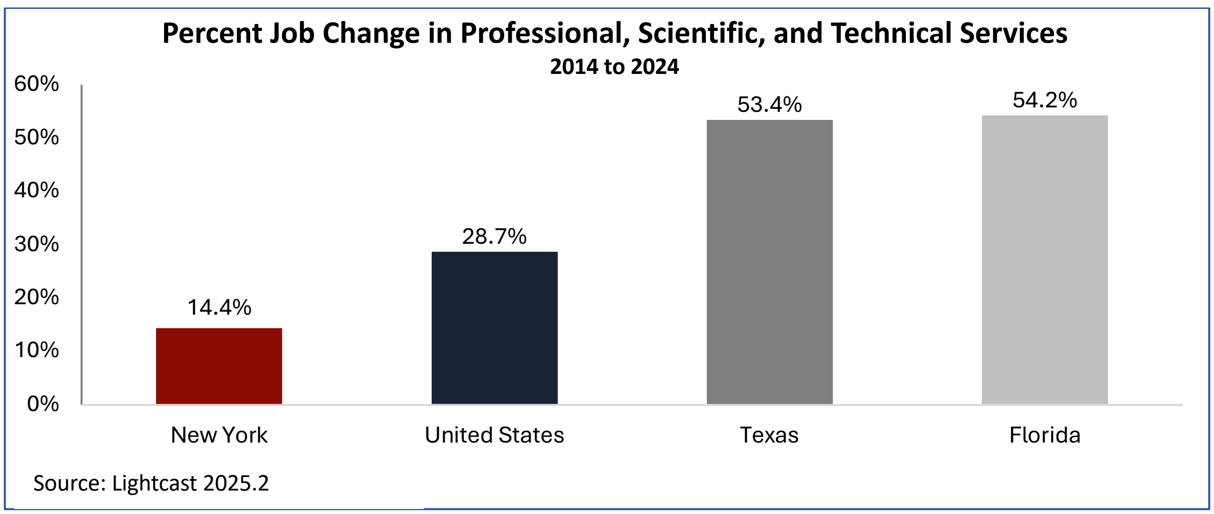
Between 2014 and 2024, New York's inflation-adjusted GDP per capita rose from $76,764 to $92,341, indicating growth of 20 percent, which is strong, but only about the same as the growth nationally.

A closer look at the approximately ninety individual industry categories (3-digit NAICs Codes) shows that knowledge-driven sectors that have been the foundation of the state's economy and business sectors, where New York had a competitive advantage, are growing very slowly within the state and much faster in competitor states.

In 2014, three sectors: Credit Intermediation and Related Activities, Securities, Commodity Contracts, and Other Financial Investments and Related Activities, and Insurance Carriers and Related Activities, combined to provide over 515,000 jobs in New York. Ten years later, the number of jobs had grown to 550,000, or about seven percent growth. But a deeper look shows that Insurance Carriers declined by 3.4 percent in New York, while growing over 20 percent nationally and over 50 percent in both Florida and Texas. The chart below shows performance in Securities, Commodity Contracts and Other Financial Investments and Related Activities. In a sector critical to the state, New York added jobs, but at a significantly slower rate than competitor states.

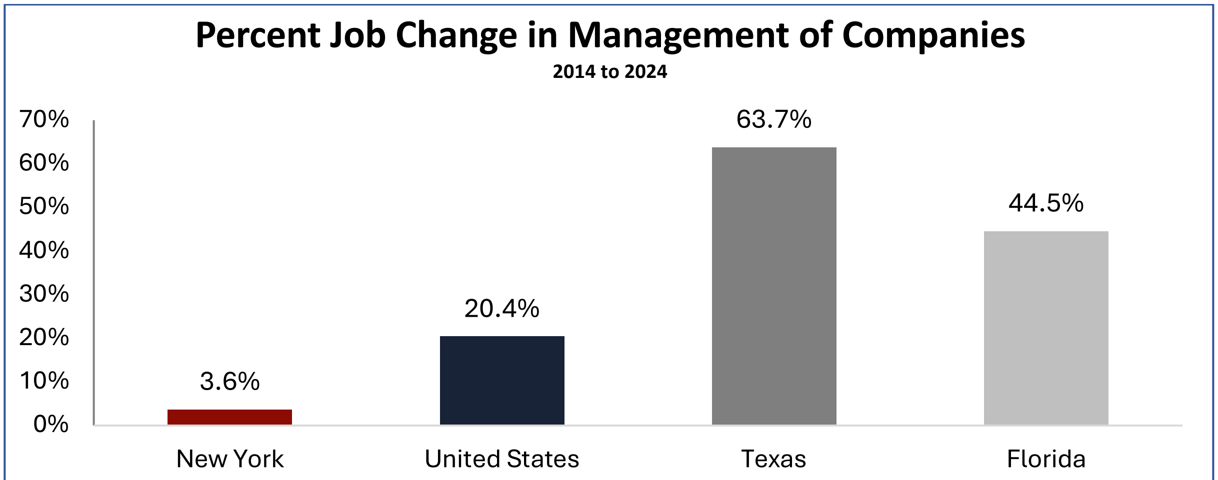


In 2014, New York had over 630,000 jobs in another key sector, Professional, Scientific, and Technical Services, and by 2024, the number of jobs had grown by 14.4 percent to over 720,000. Good growth, but **half** the national growth percentage.



New York has always been overrepresented as the home for companies and where management resided. In the category of Management of Companies and Enterprises, with over 140,000 New York jobs in 2014, growth has been very slow, rising by less than 4 percent. That still supports a narrative that jobs are growing, but **while New York management jobs grew 3.6 percent between 2014-24, nationally the growth was 20.4 percent, and in Texas it was 63.7 percent.**

> "This is a painful environment to be functioning in."
>
> - *New York-based industry executive*



Source: Lightcast 2025.2

The writing on the wall is clear – if these issues are not addressed, the state will continue to not just fall in the rankings, but its people and businesses will suffer and ultimately, leave.

II. PROJECT APPROACH & METHODOLOGY

As part of the ongoing efforts to restore competitiveness, national consulting firm Economic Leadership was hired by The Public Policy Institute of New York State to develop a “blueprint” to guide leaders in addressing key factors impacting the future of New York. Over the past decade, the firm has worked with more than 30 state chambers of commerce across the country to research, develop, and implement a broad range of strategic economic action plans.

To best determine New York’s **current competitive conditions**, the firm examined the state’s position within four categories: **business climate, workforce, infrastructure, and innovation**, addressing the following questions:

- What are New York’s economic trends over time and areas of economic inertia?
- How competitive is the state today compared to peers?
- What industries drive New York’s economy and how are those industries changing?
- What industries are emerging as currently or potentially critical to New York’s economic future?

Next, we engaged stakeholders to understand the **desired future**:

- What does the business community need to succeed in New York?
- What is realistic and achievable?
- What can be done to ensure that New York residents share in any success?
- Where does opportunity lie and how are those sectors evolving?

Lastly, we explored the **necessary actions** for improving New York’s competitiveness that will lead to the desired outcomes:

- What are potential specific actions that are proven, impactful, realistic, fundable, and timely?
- How do we measure success?
- How do we maintain momentum?

To ensure successful implementation, broad impact, and sustained success, the plan has:

- A limited number of specific and realistic actions
- Clear implementation responsibility
- Balances expectations with resources
- Aligned stakeholder expectations
- Continuously measured results with adjustments when needed
- Sustained, engaged leadership

In addition to the quantitative and qualitative research conducted specific to this project, including direct feedback from business executives in c-suite roles, the following organizations provided additional sources of information for review, along with surveys, reports, and analyses relevant to this work:

- The Business Council of New York State
- New York State Economic Development Council
- Various New York Industrial Development Agencies
- Local and Regional Chambers of Commerce
- Various Workforce Investment Boards
- Numerous trade associations representing key industries

An electronic survey was also distributed to business leaders across the state. A summary of the survey results is included in section III of this report and full results in the appendix on page 60.

III. STAKEHOLDER FEEDBACK

Focus Group Feedback

The competitiveness framework detailed in the previous section guided discussions in more than two dozen focus groups throughout the state where Economic Leadership met with more than 300 private sector stakeholders to gather qualitative feedback on owning, operating, and/or doing business in New York. Regardless of geography or industry, there were clear commonalities among business stakeholders of what was working and not working in the state.

There was general optimism about:

- The amount of regional collaboration happening, and associated successful outcomes
- Reinvigorated and new industry opportunities, especially in manufacturing and semiconductor and life science growth
- The quality of New York public education (both K-12 and post-secondary)
- The appeal of robust access to a variety of outdoor recreation amenities

However, when asked about challenges, participants had more than enough feedback on roadblocks to growth and economic opportunity. Generally, this feedback centered around:

- A prohibitive regulatory and legal environment
- The high cost of doing business due to taxation, antiquated policies, and process
- Extreme lack of agency coordination, communication, and accessibility
- The lack of a modernized, digitized public sector – many still citing paper forms and mail notice
- A dismal outlook on population loss and lack of access to a deep talent pool
- Lack of support of business community contributions – both economic and philanthropic
- Worrisome energy infrastructure, policy, and planning, with little vision for meeting demand or building capacity
- Little support for housing and real estate development despite the state's focus on addressing the housing crisis
- Horrible application, permitting, and reimbursement times
- Discrepancy between state policy demands on upstate and downstate geographies, many noting "one size does not fit all"

> "SLOW, DIFFICULT, CHALLENGING – three words to describe paperwork here."
>
> - *New York focus group participant*

> "New York state government is woefully behind when it comes to technology and applications in government."
>
> - *New York-based small business owner*

While the themes mentioned above were consistent throughout all of the focus groups, there were some local nuances region by region.

Buffalo: Participants in this area discussed the more affordable cost of living while still having access to good employment opportunities and welcoming quality of life. Despite the lower cost of living, the state's high taxes were still seen as a deterrent to relocation – one employer noting New York taxes were a "huge disadvantage" to his ability to attract talent. The real estate community was incredibly frustrated, citing delays and lack of approvals for bringing new housing supply online. Interconnectivity of rail and air was also a problem, along with the willingness of decision makers to explore various energy options, including natural gas.

Rochester: Good healthcare and collaboration in this community were noted as strengths, along with schools and affordability as compared to other parts of the state. There was a great deal of discussion among participants about state agencies being disconnected from the business community. Frustration with the pace of opportunities to align education and training programs to meet the needs of employers was cited as prohibitive to the larger region's growth, with poor support from New York State Education Department in problem solving. While there were some opportunities to redevelop parts of the city, the lack of urgency to do so often deters investment. With more flexibility, the IDA would like to play a role here in supporting childcare.

Utica-Rome: This region notes excellent local collaboration to resolve workforce and economic development project issues. Many participants noted how hard it was to "sell" New York to talent, particularly for jobs requiring advanced degrees and believed a statewide talent campaign to drive a narrative around opportunities in New York would be helpful. While there has been some redevelopment of brownfield sites, many feel "nickel and dimed" to get the site online while the state addresses infrastructure issues with little vision for future growth. Apprenticeship programs are strong in this area but limited in expansion due to state regulations or lack of funding. Many cited the complicated reimbursement process for grants and incentives, causing small organizations and businesses to walk away from projects or programs due to lack of administrative capacity.

Syracuse: With the popularity of Syracuse University and the visibility brought on by the massive Micron investment, the participants in this region were enthusiastic about upcoming opportunities but cautious in expectations to meet workforce and infrastructure demands. While education partners were open to designing programs to meet industry needs, the ability to retain talent in the market was a major concern. One participant noted that the region has a "finite time to get this right,"

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and everyone expressed needs of major infrastructure improvements needing to be made to accommodate growth, including at Syracuse Hancock International Airport (SYR). Echoing other regions, the lack of coordination among agencies and program administration is presenting a challenge to advancing local economic development goals.

Southern Tier: This region offered a rich history of innovation in New York during better times and craves the opportunity to return to that moment. Struggling to recruit and retain workers at every skill and education level, leaders cited multiple frustrations in process and coordination with state entities, causing a lack of predictability and stability in the New York business climate. While natural assets benefit recruitment, gaps in infrastructure assets cause doubt in long-term sustainability of the region as a place to live and work, particularly around energy availability and affordability.

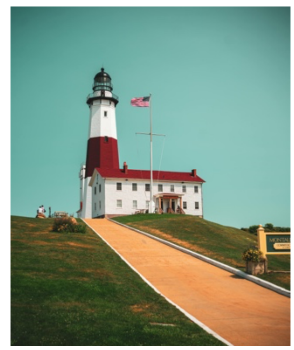
Albany: As the largest of the focus groups, the Capital Region stands out for its unique position as home to New York's state capital. This proximity to the heart of government fuels a high level of engagement in state-driven policy and innovation initiatives—including the cutting-edge work at Albany NanoTech. However, despite its strategic advantages, area companies and organizations voiced concerns about the challenges of attracting businesses and top-tier executives due to a complex regulatory landscape and slow grant processing times. Lifestyle amenities are spread throughout the region. Downtown Albany continues to face challenges in its post-COVID recovery.

New York City: Complicated by the impacts of over-regulation by both the state and the city, this discussion focused on the business climate and the policy, legal and regulatory issues prohibitive to growth and economic opportunity in this part of the state. Extreme costs for both businesses and residents are crippling the city and surrounding boroughs, and driving investment and people away. The region has also become a highly litigious environment, causing business owners and investors to look for other areas to grow and allocate capital, limiting redevelopment and expansion. While the area is still a magnet for talent fresh out of college and shows early positive migration, talent often leaves for other markets outside of the state, forcing businesses to locate mid-career employment opportunities elsewhere.

> "The tax climate here affects just about everything in our organization."
>
> - *New York industry executive*

Hudson Valley: Participants in this region noted benefiting for years due to the proximity to Manhattan, but agreed on a steep decline in recent years with a loss of talent, reduced demand for office space, and lack of ecosystem support, particularly around life sciences and hospitality development. New wetlands regulations have posed a major roadblock to residential and commercial projects already under consideration. The lack of coordination among workforce boards and organizations is also cumbersome, spreading resources thin with little effectiveness to address the talent pipeline and skills gap. As with other regions, many companies take small office space in Manhattan to accommodate investors and attract talent.

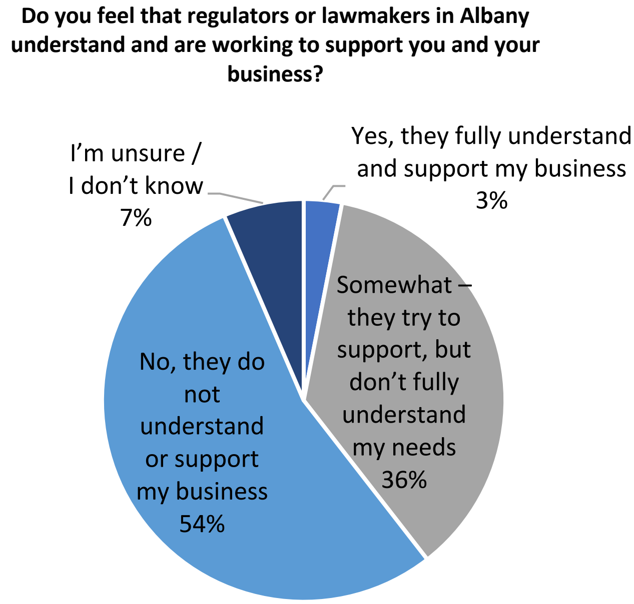
Long Island: The Long Island business community is very engaged and seeking ways to advance economic goals to benefit all residents. The major concerns here also related to business climate, with a focus on housing affordability and supply and energy infrastructure, particularly offshore wind. There is an increased presence of development opponents, or NIMBYs (Not In My Back Yard), who are presenting political pressure and opposition to new multifamily developments to accommodate the workforce. Coordination of local permitting with state regulatory bodies is also a hinderance to progress, along with overall cost of living and doing business.



Survey Feedback

This qualitative feedback was echoed in an online survey, which was distributed to business and economic development stakeholders statewide, which included responses from more than 550 business leaders. Key findings of the survey included:

- Only 21% of business leaders surveyed say New York State is on the right track
- 72% of businesses do not see the current economic conditions of New York as good
- 3% of business leaders feel regulators and lawmakers fully understand and support their business
- 2% of New York business leaders feel lawmakers represent their interests in Albany
- Only 8% say government actively supports innovation in their respective industries



The responses of the survey overwhelmingly point to high taxes, excessive regulations, and the overall cost of doing business in New York as the primary barriers to growth. Businesses struggle with labor costs, compliance burdens, and government inefficiencies that make it difficult to compete with other states. Housing shortages, workforce availability, and infrastructure challenges also hinder economic expansion. Many respondents highlight capital access issues, slow state funding disbursement, and excessive red tape that delay projects and discourage investment. Additionally, crime, population decline, and the outmigration of businesses and workers are seen as critical issues impacting the state's economic future.

> "Does New York even really WANT to grow manufacturing in the state?"
>
> - *New York business leader surveyed for this project*

In fact, the top priorities survey respondents identified as critical to improving competitiveness include:

- Reduce state and local government regulations
- Reduce business taxes
- Take a more active role in business retention and expansion efforts
- Greater emphasis on addressing power capacity, supply and transmission
- Better support for entrepreneurs and start-ups

A copy of the full survey responses is included as Appendix C on page 60.

IV. ANALYSIS

Factors Influencing Competitiveness

How competitive is New York, and what can state and private-sector leaders do to better prepare for the future? Various publications rank state competitiveness using different criteria, leading to mixed assessments.

CNBC ranks New York #22 overall commending education and access to capital in the state but **#50 in terms of business friendliness** in its "America's Top States for Business" list. U.S News and World Report ranks New York #23 overall but ranks **the economy #44 out of 50 states. Chief Executive's latest poll of CEOs across the U.S. ranks New York #49 in its annual "Best & Worst States for Business" list.** The Tax Foundation also ranks New York **#50 in the 2025 State Tax Competitiveness Index.**

Source: CNBC *America's Top States for Business 2024*
Iowa & Wyoming ties for 10th

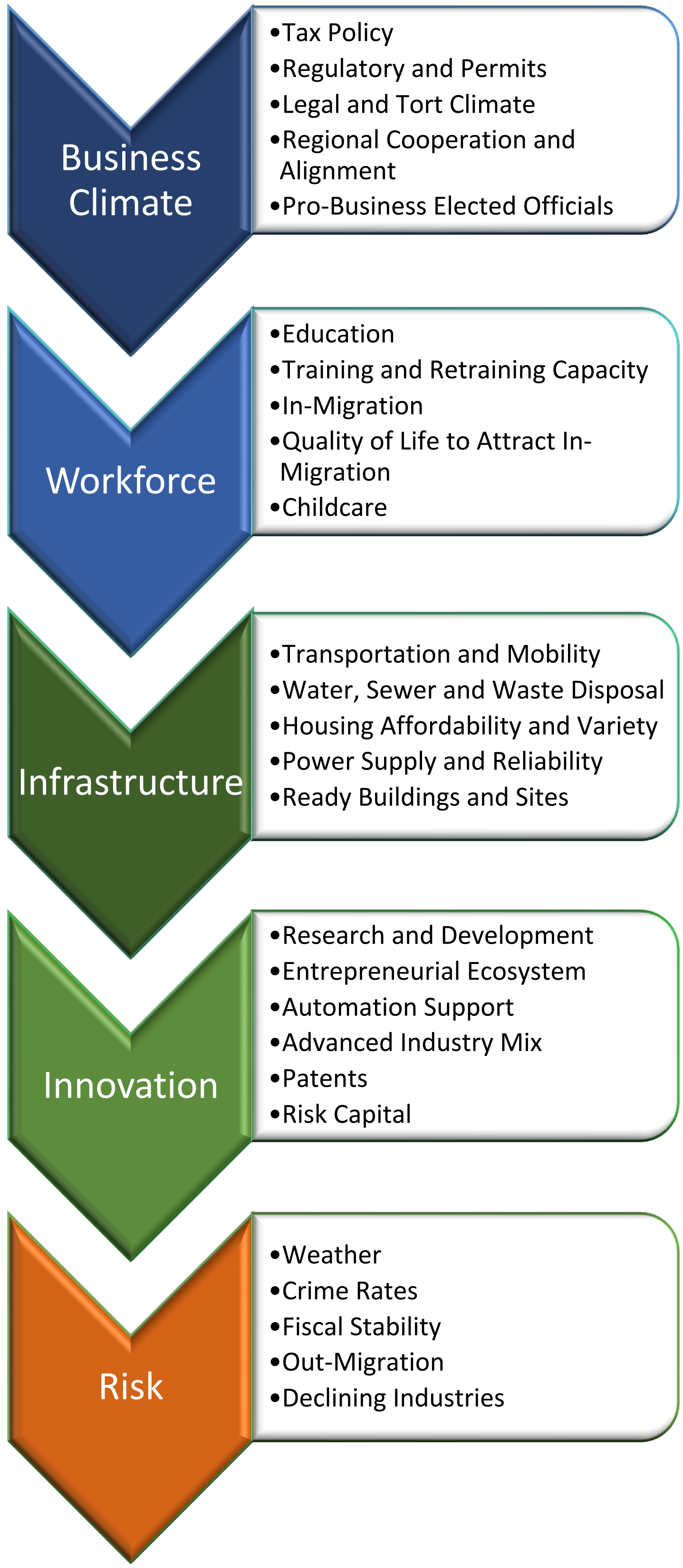
Each state is in constant competition with other states and other countries for investment, jobs, and people. To successfully grow any state's economy, it must continually enhance its competitiveness. While no single ranking or factor determines a state's overall competitiveness, many of the key factors considered by business decision makers and site selectors are well known.

The following framework outlines what Economic Leadership believes to be the key drivers of place-based competitiveness: the ability of a state to attract and retain jobs, talent, and investment by providing the conditions businesses and workers need to thrive. Four core areas of competitive focus are **Business Climate, Workforce, Infrastructure**, and **Innovation**—all of which interact with underlying economic **risks**. While individual companies prioritize different metrics, these five broad categories of competitiveness factors help simplify the complexity.

Business Climate encompasses a state's tax structure, regulatory procedures, and legal environment. Key factors influencing business location decisions include the overall cost of doing business, regulatory complexity, predictability, and tort law. Stability and certainty in these areas are crucial for long-term business success. Business climate was consistently noted as a top challenge for business operations and growth, causing major delays in process and projects and ultimately, causing financial impacts to businesses of every size.

Workforce availability and skills have been a top priority for the past two decades as labor shortages persist and businesses increasingly struggle to find workers with the right skills. Critical factors include the quality of K-12 and higher education, access to skill training programs, domestic and international migration trends, and the quality of life necessary to attract and retain talent. Additionally, worker productivity and the comparative cost of labor play a significant role in competitiveness. While New York City has experienced significant population gains, the state has suffered from population decline over the last decade, a trend that started prior to the pandemic.

Infrastructure traditionally refers to essential utilities such as water, sewer, and waste disposal, as well as transportation assets like interstate highways, commercial airports, deepwater ports, and railroads. In recent years, the availability and cost of power, broadband service reliability, and cellular connectivity have become increasingly important. Since the pandemic, additional



factors—such as housing affordability and childcare availability—are now often considered part of a location's infrastructure. Many of these critical infrastructure pieces are causing major concerns to employers, particularly energy, housing, and childcare.

Innovation assets are critical for companies navigating rapid change. Businesses value the presence of strong higher education institutions, local research and development, government support for automation, and a dynamic entrepreneurial ecosystem. Additionally, the presence of other advanced industries and well-developed supply chains can enhance a state's appeal to innovative businesses. New York has a rich history of innovation and must vehemently protect that ecosystem.

Risk has become a key competitive factor in the post-pandemic landscape. Companies assess factors such as crime rates, fiscal stability, and the likelihood of weather-related disruptions to evaluate potential external threats that could impact their operations. A close eye must be kept on crime, particularly in metro areas. Some suburban and rural areas have been sought after locations for "climate refugees" seeking space free from severe weather risk.

Measuring and minimizing risk has become an increasingly important factor in location decisions. The COVID-19 pandemic, a surge in major weather disruptions, heightened concerns about crime, worker health, and shifting national economic policies have all reinforced the importance of risk assessment in long-term business planning. Crime rates spiked in 2020, and while they have declined in many areas, they remain above pre-pandemic levels in others.

Maintaining or improving a state's competitiveness requires continuous monitoring and swift responses to both opportunities and challenges. States that can anticipate changes or implement smart scenario planning to enable rapid responses gain a distinct competitive advantage. The following analysis examines the competitiveness of New York state, which is currently facing extreme threats to its reputation as a place to live, build a business and career, and raise a family.

Analysis: Business Climate

A friendly state business climate is crucial as supportive policies and incentives can attract high-growth firms, skilled talent, and venture capital. By fostering a competitive regulatory and tax environment, the state can enhance its appeal as a hub for innovation and growth. **In 2023, the effective state business tax in New York was 5.9 percent; this was one of the highest rates in the nation and the state ranks 42nd**. High tax rates can push existing businesses to relocate if they believe they can produce similar output in a state with lower taxation. This tax rate along with the costs of doing business and regulations in the state caused CNBC to rank New York 50th in its 2024 business friendliness rankings. The Tax Foundation also ranks New York in the bottom third of states in individual income, sales, property, and unemployment insurance taxes.

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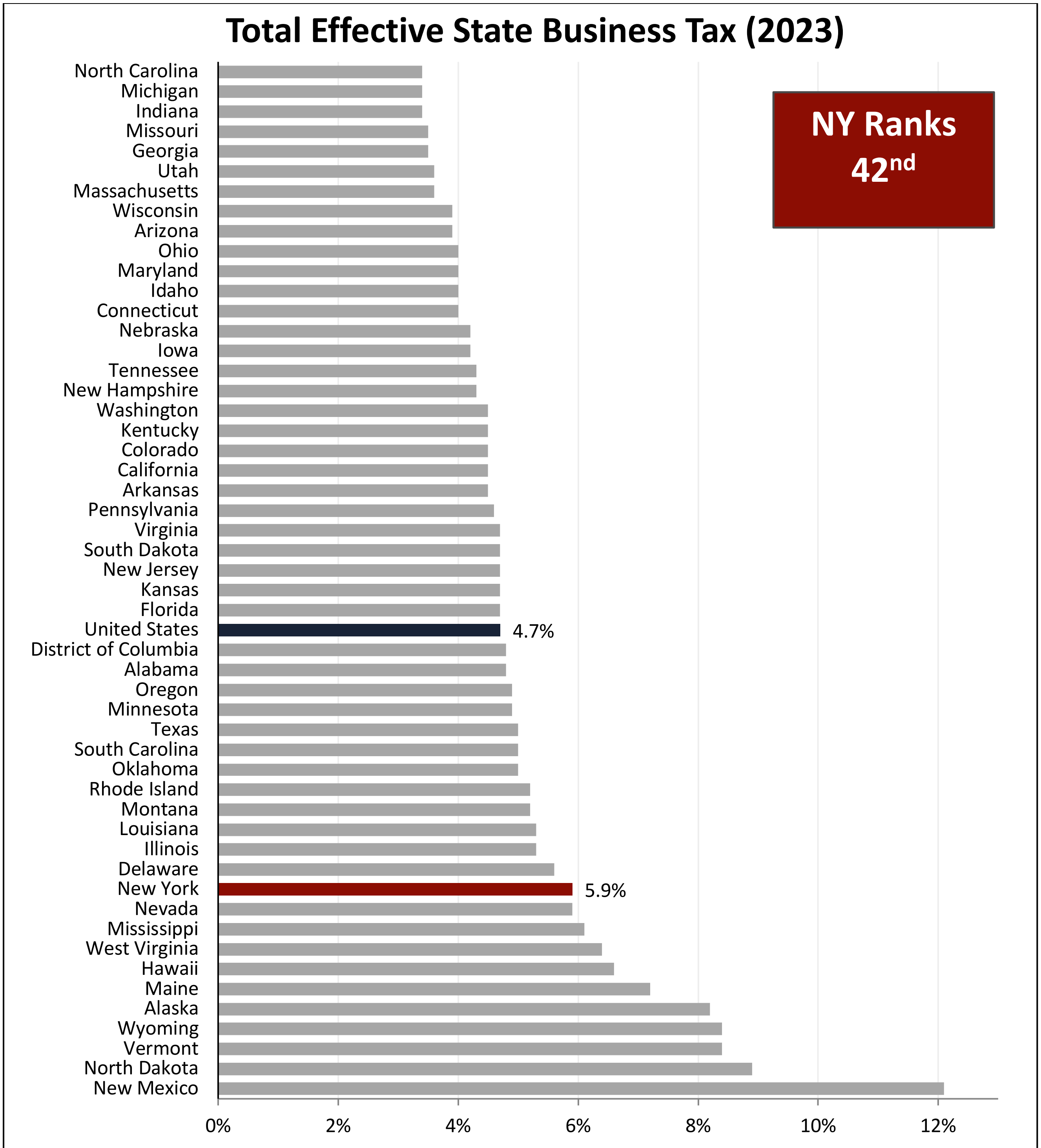


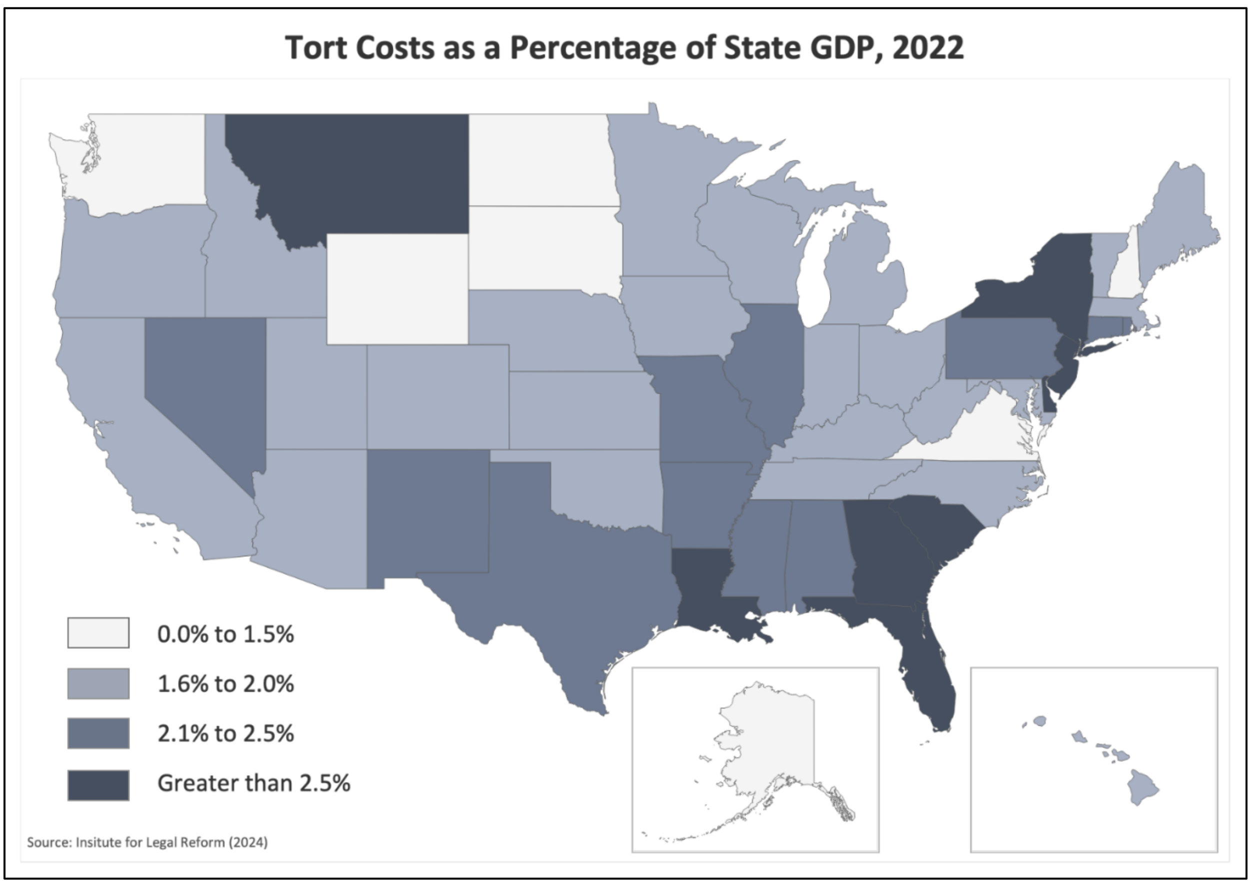
Source: Council on State Taxation (2024)

Tax Foundation Rankings of New York's Tax Competitiveness, 2024

Category	Rank
Overall	**50th**
Corporate Taxes	28th
Individual Income Taxes	50th
Sales Taxes	42nd
Property Taxes	47th
Unemployment Insurance Taxes	37th

Tax rates and costs are an important piece in business locations decisions, but they are not the only piece of the equation. Due to New York's strong performance in other categories like technology and innovation, quality of life, and infrastructure CNBC gave New York an overall ranking of 22nd.

Low tort costs make a state more competitive by reducing legal uncertainty and keeping business expenses predictable, which encourages investment and entrepreneurship. A restrained tort environment also lowers insurance premiums, supports job growth, and strengthens long-term economic stability. **In 2022, NY had the 4th highest tort costs as a percentage of GDP.**



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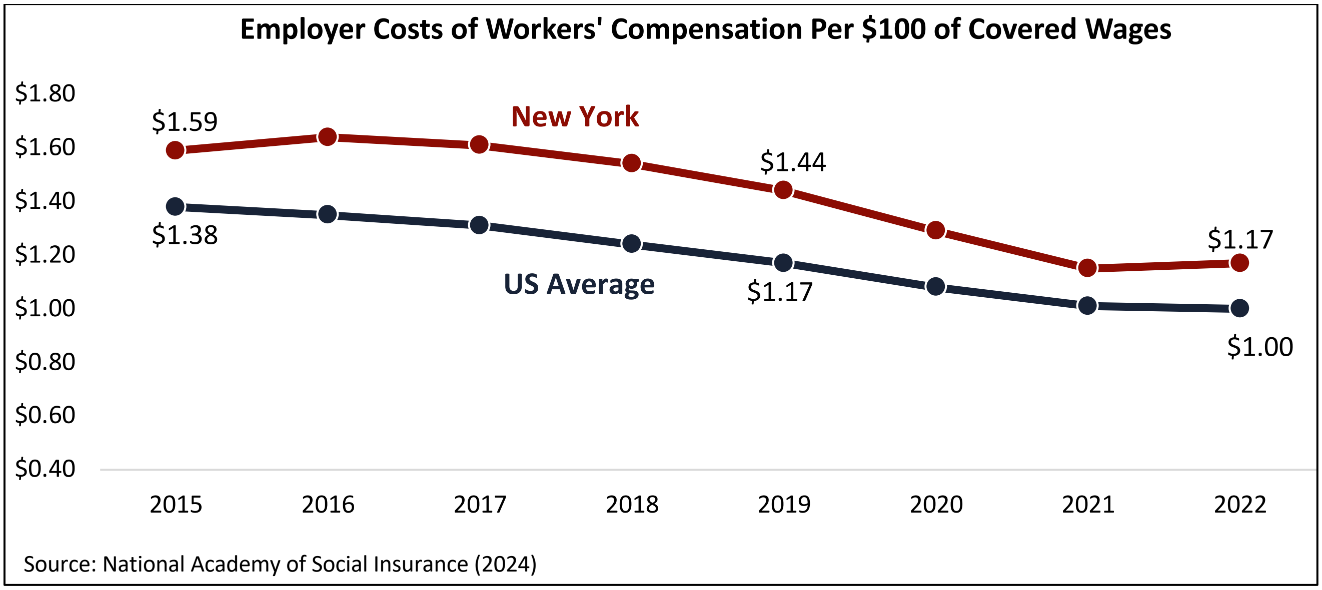
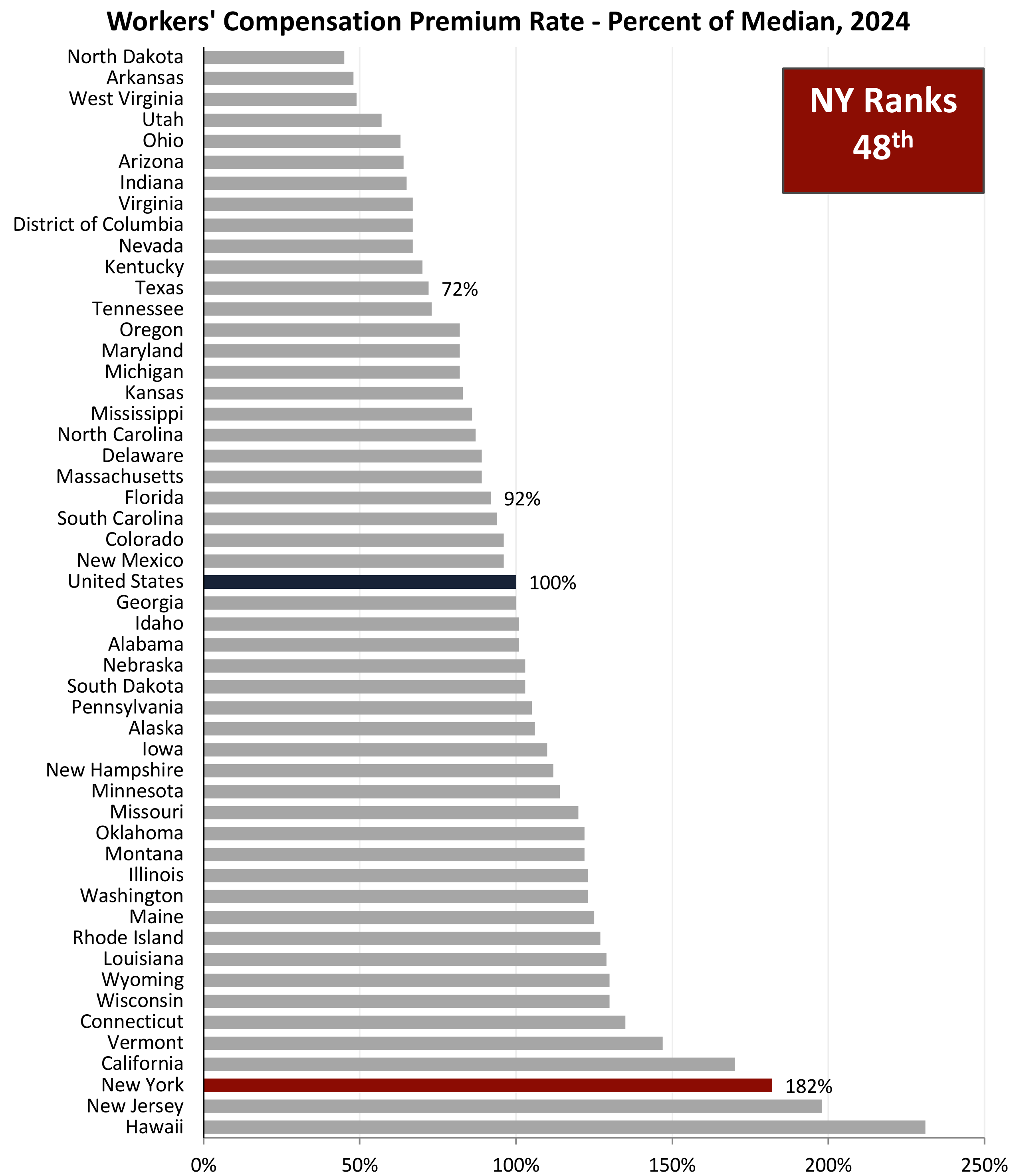
Other costs that can create financial burdens for companies are workers' compensation and health insurance. The average expense to employers in New York for workers' compensation has remained higher than national average for many years. **New York ranked 36th in the nation for employer workers' compensation costs in 2022.**

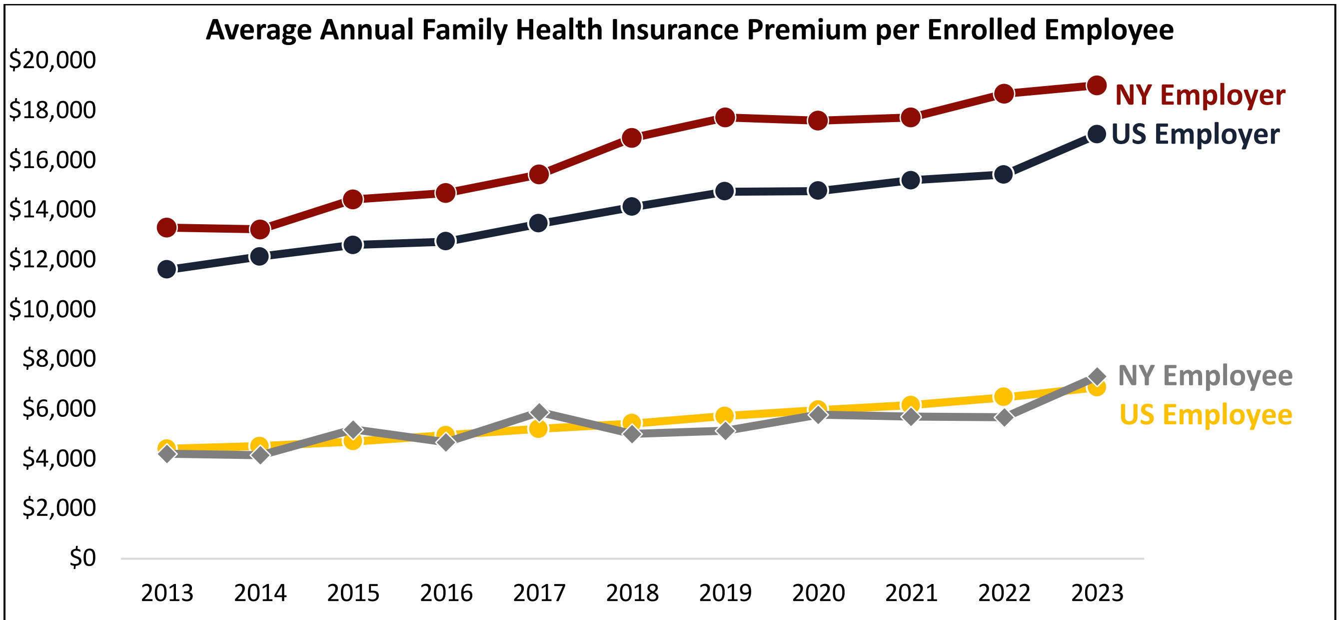


The higher costs of providing medical and cash benefits to injured workers often results in higher insurance premiums for companies, further driving up costs. Every two years, the Department of Consumer and Business Services in the state of Oregon measures workers' compensation premiums across states by adjusting for the industrial mix of each state. This is necessary because some states are more reliant on more dangerous industries like extraction, agriculture, and manufacturing. In 2024, after this adjustment, the premium rates in New York were 182 percent of the national median. This was one of the highest premium rates in the country.



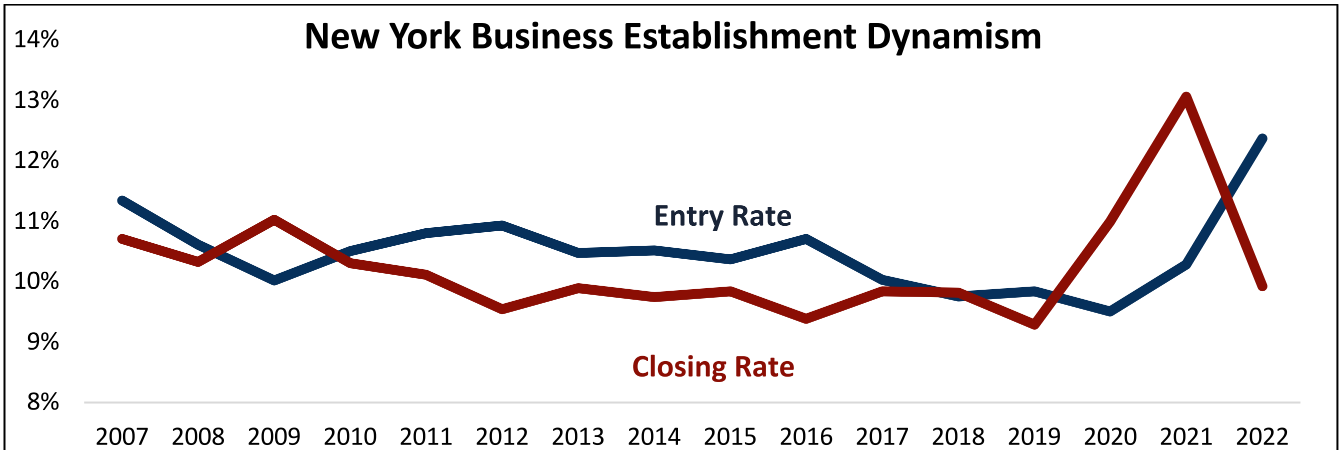
Source: Oregon Department of Consumer and Business Services (2025)

Most working age people receive their health insurance through their employer with the bulk of health insurance costs covered by the employer. **Employers in New York continue to pay higher rates for health insurance compared to the national average.** In the most recent data for 2023, NY employees saw increases in their premiums which offset the rise in employer costs.



Source: Kaiser Family Foundation (2024)

These costs of doing business can affect the choices of owners. Some people may choose not to start a business in the state. Those with existing business may have to shutter their business or move to a lower cost state. After recovering from the Great Recession, the entry rate for new businesses in New York was trending down but remained higher than closing rates. Closing rates soared during 2020 and 2021 during the peak of the COVID-19 pandemic. By 2022, new business starts were higher than closings. This change has been primarily driven by the creation of small businesses in the state. As a result, New York ranked 12th in business dynamism for the most recent year of data, 2022.



Source: US Census Bureau (2024)

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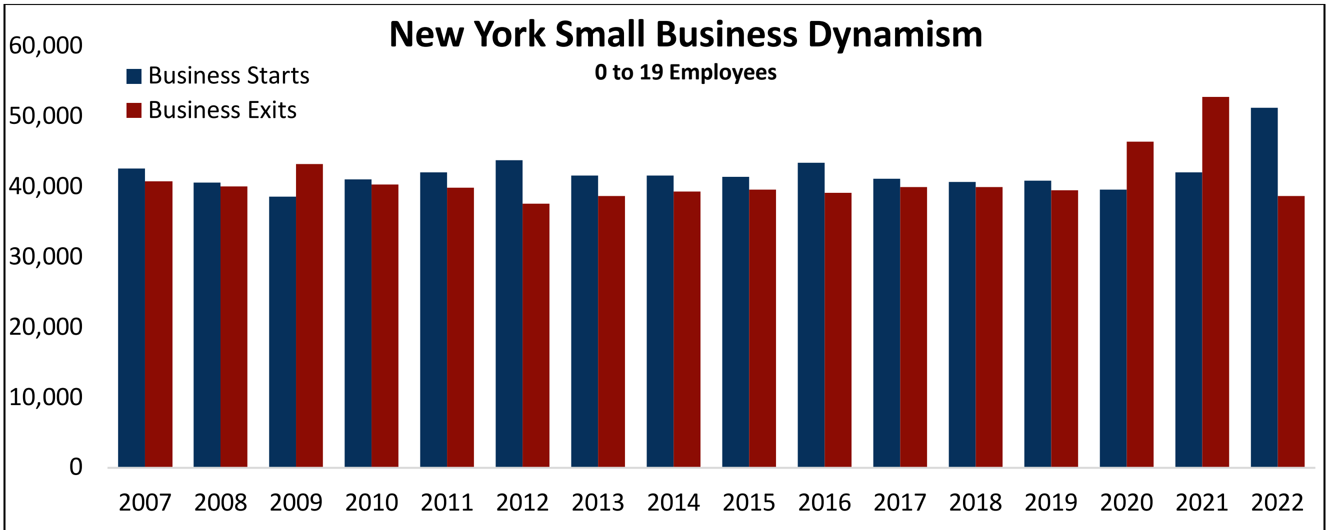
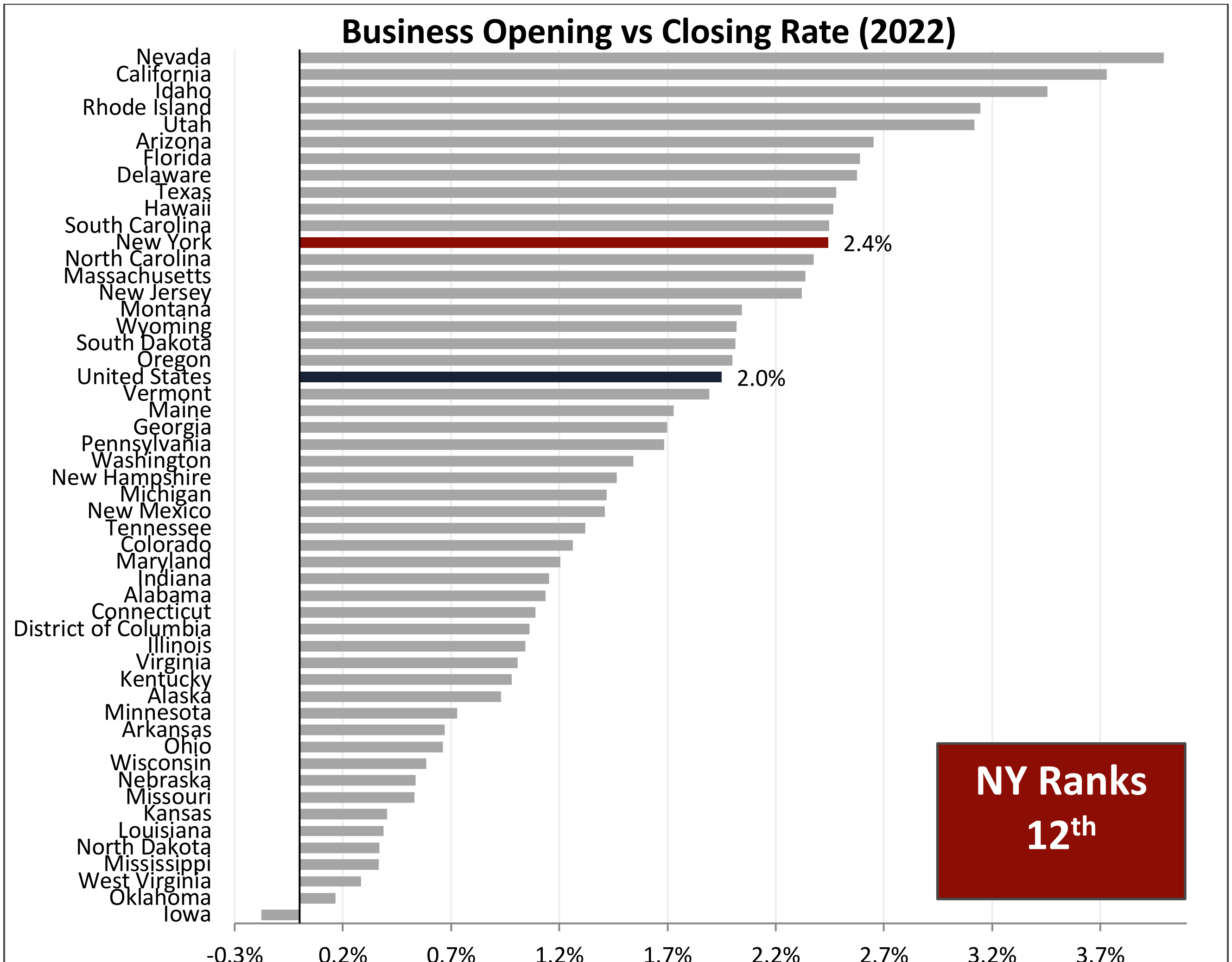


Source: US Census Bureau (2024)



Source: EL calculations based on US Census Bureau

Best Practices for Business Climate Competitiveness

- Every state agency in Arizona is required to review all its rules every five years, to identify any that should be repealed or changed. This statute helps Arizona maintain one of the least-complex regulatory codes in the country. Arizona also created an online portal enabling people who live and work under its regulations to make recommendations, and it has exceeded its target to reduce red tape. Over a two-year period, the state removed 1,100 regulations, saving businesses an estimated $79 million.

- One of the executive priorities in Ohio is the Common Sense Initiative (CSI). Its mission is to reform Ohio's regulatory policies to help make Ohio a jobs and business-friendly state and was founded in the belief that a strong regulatory system should prioritize compliance, not punishment. CSI reviews Ohio's regulatory system to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Ohio's regulatory process should be built on the foundations of transparency, accountability, and performance, and should hold state agencies accountable as rules and regulations impacting businesses are developed or renewed.

  The program focuses on four goals:

  - Regulations should facilitate economic growth
  - Regulations should be transparent and responsive
  - Compliance should be easy and inexpensive
  - Regulations should be fair and consistent

  The activities of the CSI build on the use of a Deloitte tool called RegExplorer to conduct an analysis of the state's administrative code. At the end of 2023, 2.2 million words' worth of unnecessary and outdated regulations had been eliminated and 58,000 hours of labor were expected to be saved over the next decade.

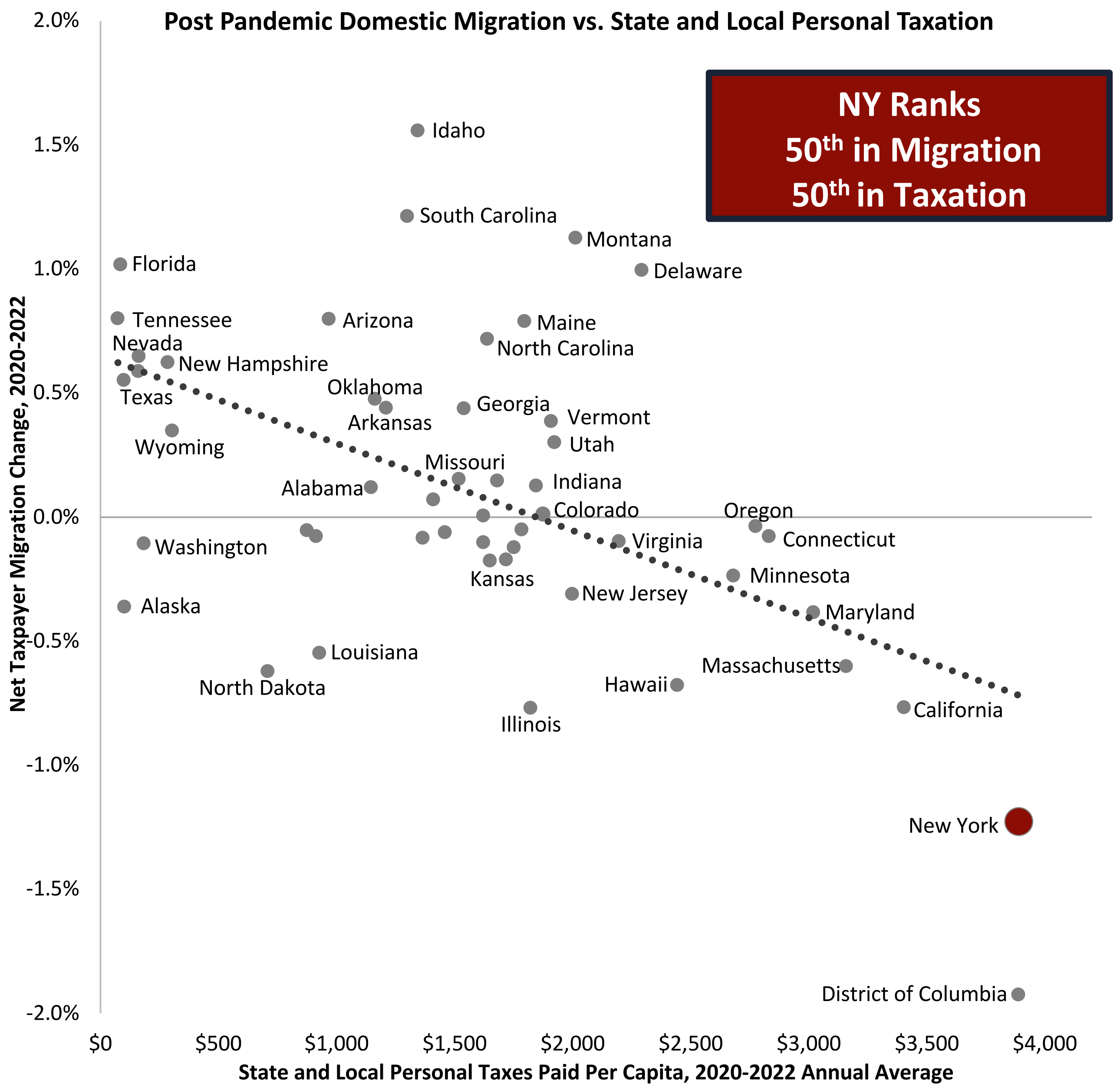
- The Texas Sunset Commission and its sunsetting process is a key legislative oversight tool that has significantly streamlined and improved Texas government since it was created by the legislature in 1977. It promotes a culture of continuous improvement in state government by providing an objective, nonpartisan public forum for evaluating the need for state agencies and their effectiveness, efficiency, and responsiveness to the public. Key outcomes include $1 billion in state and federal savings and revenue gains since 1977, as well as an ROI of 16:1 for every dollar appropriated by the commission since 1985.

- Through **Colorado's** Vision 2033 strategy, the state is working to establish an environmental sustainability & climate action task force to create proactive sustainability principles and policies that are achievable and also balance climate goals with the economic impact on businesses.

- A long-standing cap on non-economic damages in medical malpractice cases, part of California's MICRA law since 1975, was updated through AB 35 in 2022. The bill **gradually raises the damages cap**—to $750,000 for non-death cases and $1 million for death cases over the next 10 years—and **indexes future increases to inflation**. It also adjusts attorney contingency fee limits, providing a more balanced, sustainable system.

Analysis: Workforce

New York State's economy has faced significant challenges in recent years, grappling with the lingering effects of the COVID-19 pandemic, shifting labor market dynamics, and high costs of living that have driven some businesses and residents to seek opportunities elsewhere. The state has also had to adapt to trends like remote work, rising housing costs, and an aging workforce which has posed hurdles for both employers and workers. This section reviews the historical data of these trends and analyzes New York's competitiveness compared to other states in the country.

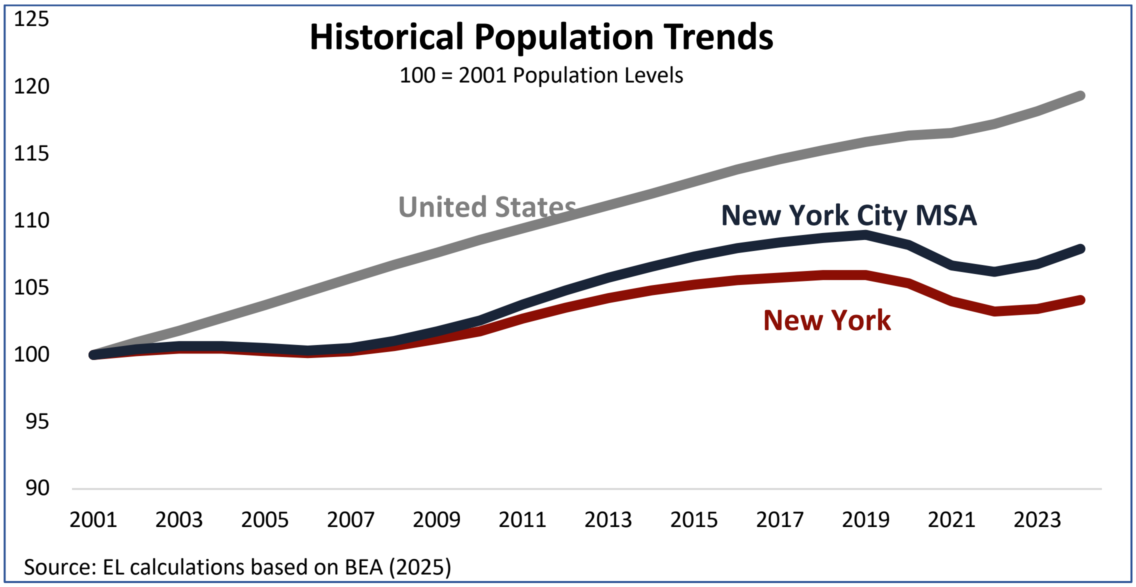


Source: EL calculations based on IRS (2024) and BEA (2024)

Note: The tax per capita value includes state and local taxes on income, personal property, motor vehicle licenses, and other taxes on personal licenses by US residents. The figure does not include federal taxes or sales, residential property, or production activity taxes.

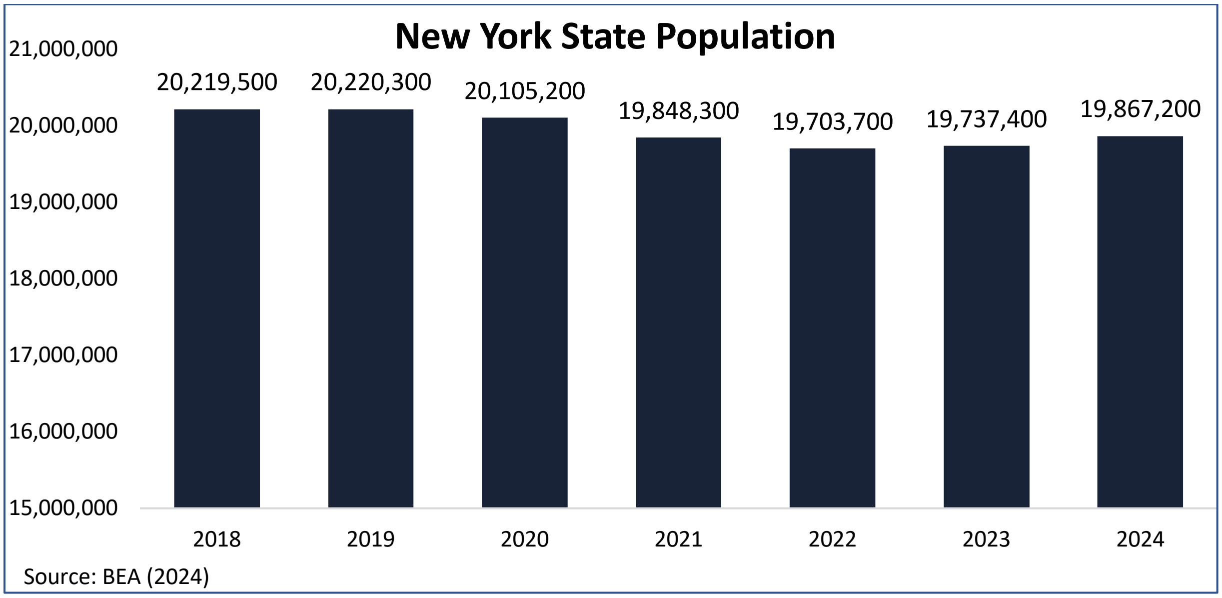
As illustrated in the previous chart, New York ranked #**50 in both migration and taxation** – meaning it not only lost the most people and had the highest taxes on individuals. The media narrative for the population changes in recent years has been that wealthy residents were fleeing from the state to Florida and other states with lower tax burdens. When migration rates are compared with taxation rates there does appear to be some correlation, albeit with several outliers. Only the District of Columbia had higher state and local taxation compared to New York, it was also the only area that had larger population losses than New York from 2020 to 2022. Positive migration gains in states like Montana, Maine, Idaho, Delaware, and South Carolina indicate that taxation is not the only reason for migration and that other factors like quality of life also play a role.

The state also ranked **#49 in projected working age population growth and ranked #47 for states with the most housing burdened households.** This data clearly demonstrates the exit of population due to rising overall costs of living and doing businesses.

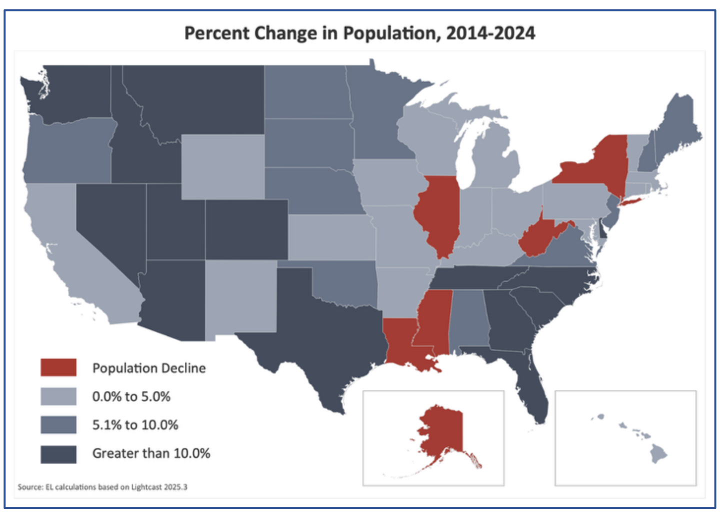


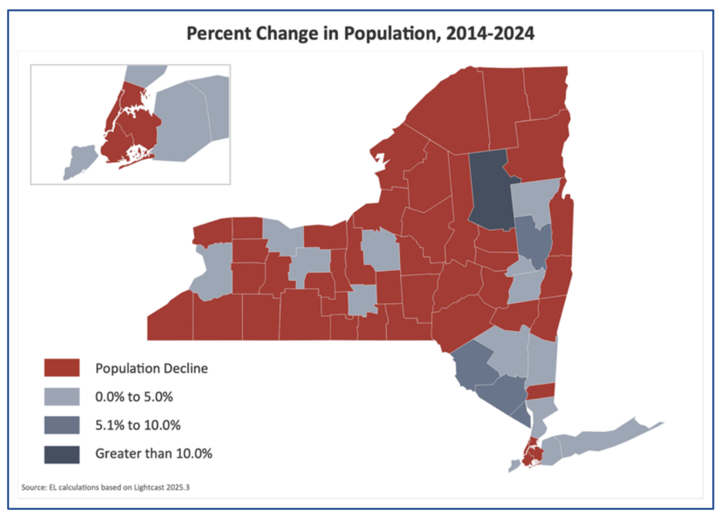
New York was already experiencing slower rates of growth compared to the US average, even before the state hit hardest and the earliest by the COVID-19 pandemic. Fear of the virus and the proliferation of remote work pushed some people to leave the state. New York City and the state have both experienced population declines from 2020 to 2022. New York State's population went from 20.2 million in 2019 to a low of 19.7 million by 2022. The data from 2023 and 2024 shows some stabilization in population but values remain below pre-pandemic levels.

> "Expanding here is such a heavy lift compared to the other states we operate in."
>
> - *Executive from a legacy New York retail company*

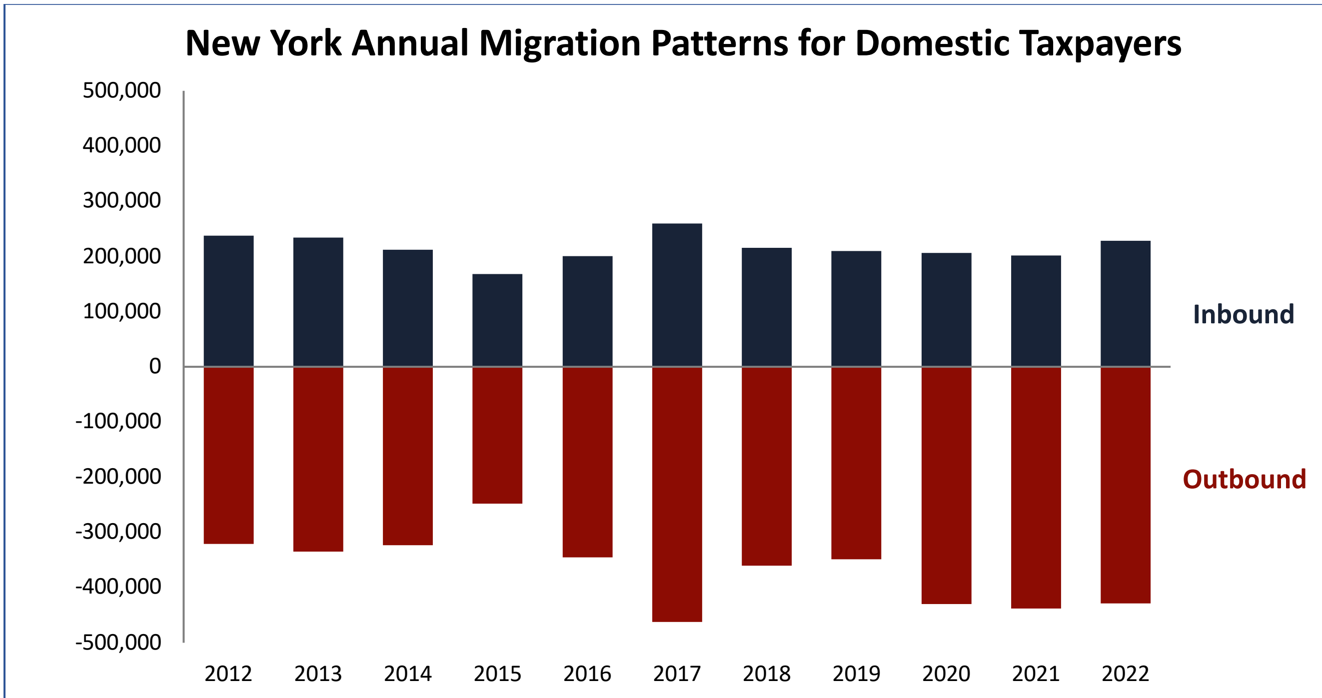


New York was one of five states that experienced population decline over the last decade. New York State's population decline is part of a regional trend. In the last decade, population growth in the Northeast and Midwest has been much slower than states in the Southeast and the Intermountain West. The population change data at the county level shows a varied experience. The counties experiencing the most population loss tend to be in the middle of the state while the suburban counties surrounding New York City and other urban areas have increased their populations in the last decade.

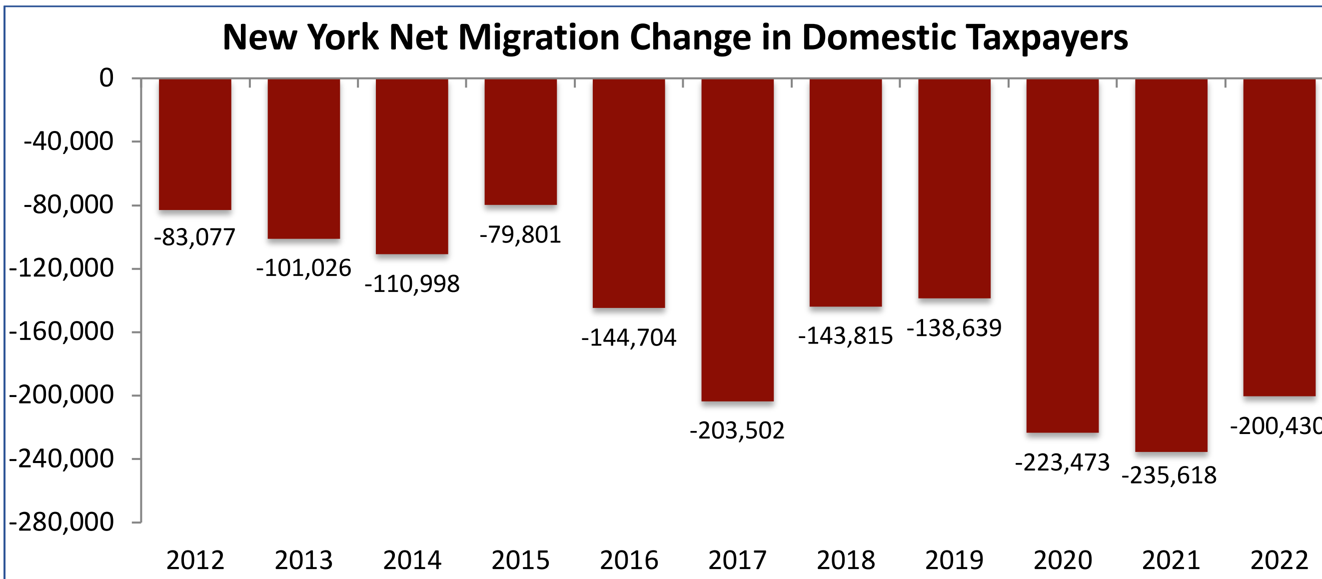




The IRS can track migration patterns for those who file taxes by any changes in address year to year. This data provides more insight into the trends of the working age population who file taxes every year. The number of inbound domestic migrants to the state has remained relatively consistent over the past decade of tax data. During this time, outbound migration has increased overtime resulting in greater net migration losses. Net migration rates for domestic taxpayers were negative for New York even before the onset of the COVID 19 pandemic. The net losses then reached their highest levels in 2020 and 2021 before improving slightly in 2022.

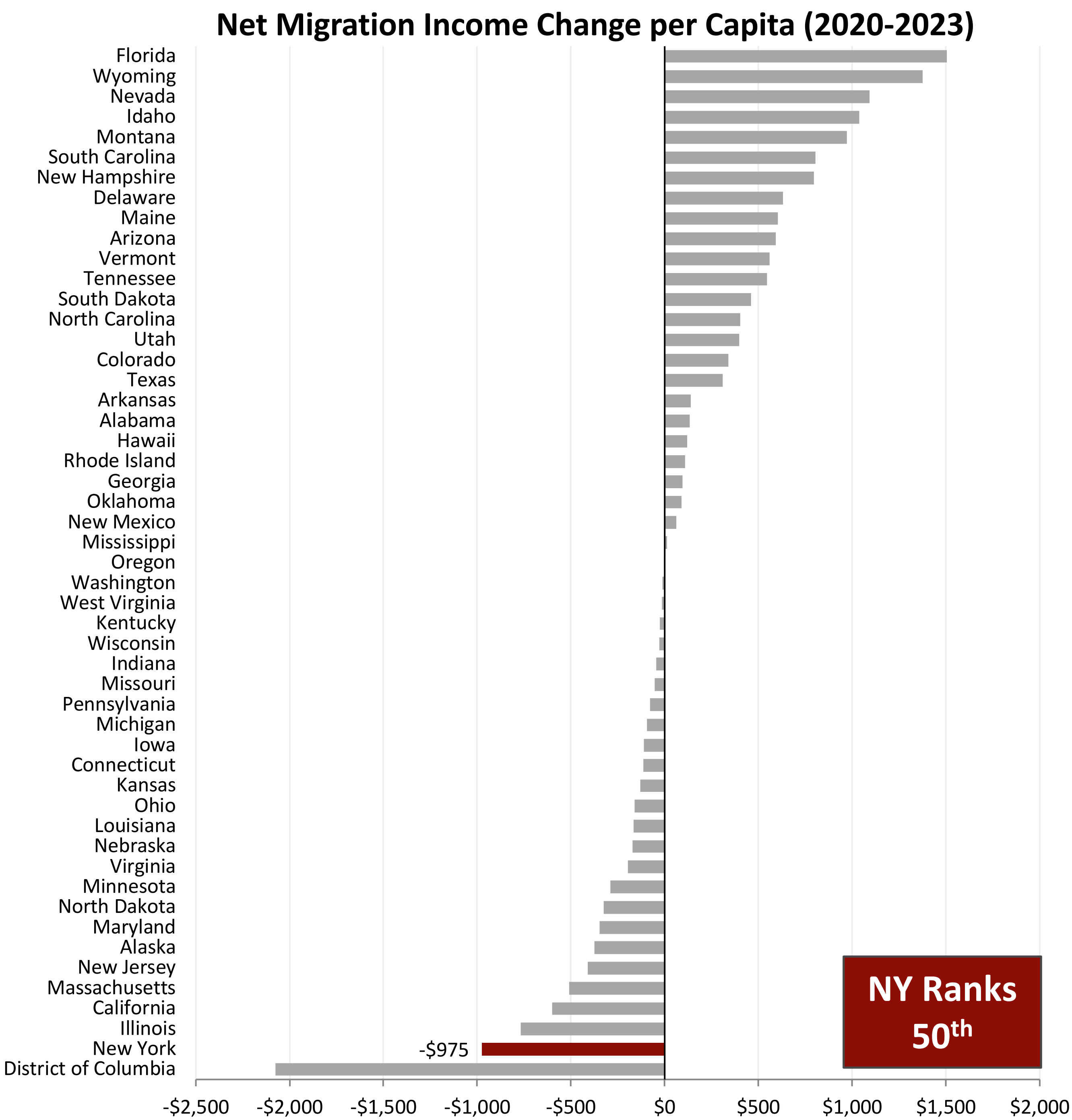


Source: EL calculations based on Lighcast 2025.3



Source: EL calculations based on Lighcast 2025.3

The data on taxpayer migration can also reveal the changes in wealth because of migration. In New York, the average income of those moving out of the state was higher than the average of those who were moving into the state, resulting in a large net loss of wealth. This loss of wealth can impact the state's economy as these residents take their spending to other states. It can also limit the availability of resources in terms of entrepreneurial funding, hindering innovation, and business growth in the state.



Source: EL calculations based on IRS (2024)

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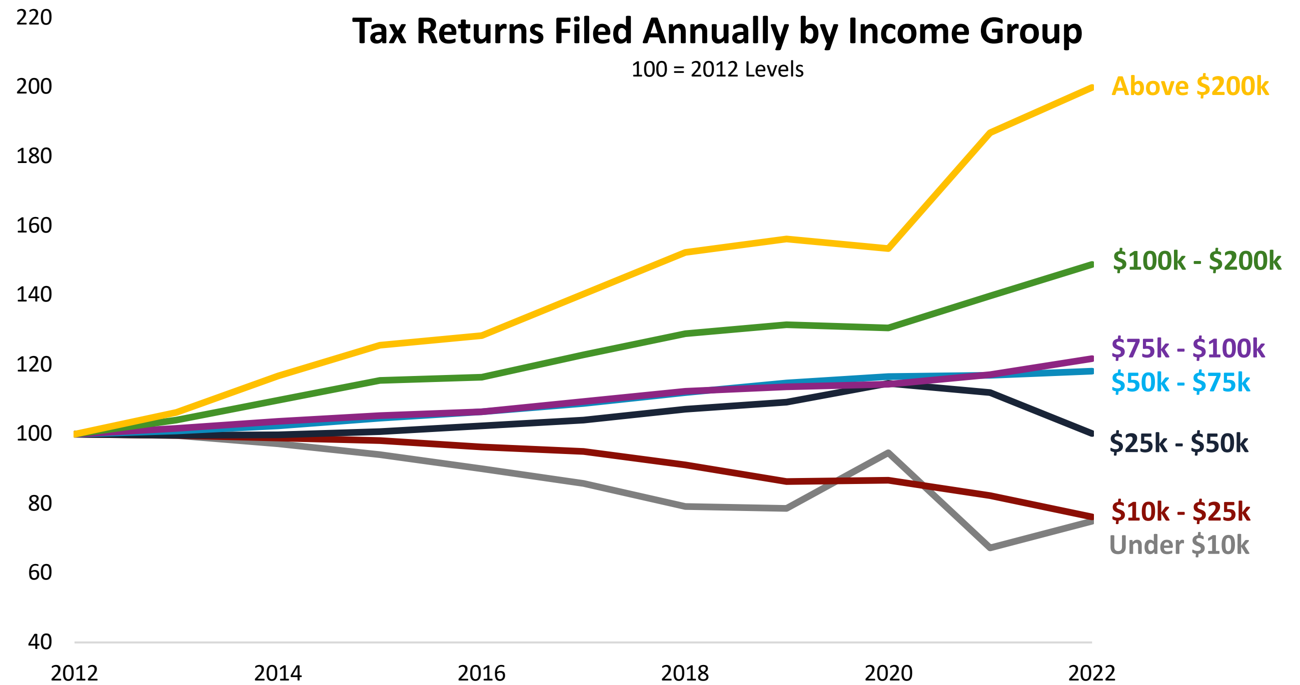
The IRS tax data does not reveal the migration patterns by income bracket but does provide insight on the number of tax filings by income bracket. Over time the number of filings by lower income groups has fallen over the last decade, middle income numbers have increased slowly, and growth in the higher income brackets has been strong in 2021 and 2022. While some of the losses in the lower income brackets may be from people moving up to higher income brackets, it seems reasonable that some of the losses in the lower income brackets could be from outbound migration.



Source: EL calculations based on IRS (2024)

Best Practices in Workforce Development

- In **Rhode Island**, the Governor's Workforce Board (GWB) was created in 2011 to combine the responsibilities and funding of the state and federal workforce bodies. It is composed of 23 members appointed by the Governor with the advice and consent of the Senate. The board includes representatives from various sectors, including business, labor, education, community, and government. The board aims to prepare both youth and adults for meaningful careers through the development of demand-driven pathways in partnership with employers. The GWB's comprehensive approach aims to strengthen Rhode Island's workforce by fostering collaboration among employers, educational institutions, and community organizations, thereby enhancing economic growth and stability. The GWB is also a partner in the Rhode Island Talent Dashboard to track the success of state workforce programs.

- Since it debuted in **Arkansas** in 2016, the successful **Be Pro Be Proud** program has highlighted the strong job demand and high earnings of work in the skilled professions. Career awareness for these occupations is literally driven home through custom built, tractor trailer Mobile Workshops with hands-on, virtual reality and augmented reality tools on board. After starting in Arkansas, Be Pro Be Proud has now spread to Georgia, South Carolina, North Carolina, Tennessee, and New Mexico.

Best Practices in Workforce Development (continued)

- In 2022, **Kentucky** merged its Education and Workforce Development Cabinet and Labor Cabinet into a single Education and Labor Cabinet. The new cabinet was created to consolidate education and workforce authorities in the state and foster opportunities for lifelong learning, training and career services while protecting the well-being of Kentucky's workforce. Through this system overhaul, the state worked to align resources with the goals of creating a cradle-to-career educational system, creating equitable higher education opportunities for low-income and minoritized Kentuckians, helping match graduates with employers, and helping businesses develop their workforce. The ELC Cabinet holds regular in-person and virtual meetings that are open to the public. Agencies within the Education and Labor Cabinet include the Kentucky Workforce Innovation Board the Governor's Office of Early Childhood, and the Department of Workers Claims, among others.

- For many businesses (especially smaller employers), building an apprenticeship program can be a complicated and difficult undertaking. The Keystone Development Partnership and the **Pennsylvania** Apprenticeship and Training Office created a **Registered Apprenticeship (RA) Navigator** program to train people to help companies, unions, and workforce boards work through the apprenticeship process. Since it began in 2018, more than 100 people have enrolled in the one-year training program to become RA Navigators and navigators now cover 78 percent of Pennsylvania counties.

- In April 2024, the **North Carolina** Department of Commerce announced the hiring of its first-ever **Child Care Business Liaison**. This new position was established in the state's economic development plan to address the crucial role that high-quality, available, and affordable childcare plays in "set[ting] the next generation up for success while allowing parents to fully participate in the workforce." The first liaison hired came with lengthy workforce development experience in economic development organizations.

- **Connecticut** has initiated the Tri-Share Child Care Matching Program as a pilot in New London County. This innovative program aims to alleviate the financial burden of childcare by equally distributing costs among three parties: the parent, the employer, and the state. Each contributes one-third of the childcare expenses, making quality care more accessible and affordable for families. The program is modeled after successful initiatives in **Michigan and North Carolina**. In Connecticut, Electric Boat, a major employer in the region, has committed $500,000 to support the pilot, underscoring the collaborative effort between businesses and the state to address childcare challenges.

- In addition to many state programs around the U.S. that assist childcare providers and client families, approximately half of all states now offer tax credits or other incentives to employers that help to address their employees' childcare needs. The tax credits and incentives are for businesses that provide childcare, reserve slots for their employees elsewhere, or otherwise subsidize the cost or add to the supply of childcare in their area.

- In **Kentucky**, the **Employee Child Care Assistance Partnership Act** matches up to 100 percent of employer expenditures that subsidize childcare for their workforce. For companies that provide on-site childcare in **Kansas**, the state tax credit is equal to 50 percent of the annual operating expenses, up to $3 million per year. **Iowa** offers a **Business Incentive Grant** in addition to a tax credit. Since 2022 the Iowa Child Care Business Incentive program has made more than $75 million in grants to spur construction of on-site childcare and provide thousands of new slots in other facilities.

Analysis: Infrastructure

According to the Site Selectors Guild 2025 "State of Site Selection" report, infrastructure was the #1 factor in industrial site location decisions. Growing companies and new technologies are driving record demand for power, water, gas, and wastewater capacity. Communities that invest in resilient infrastructure will be best positioned to attract new business and retain current employers.

In addition to energy, other infrastructure factors related to competitiveness include broadband access, transportation, housing, and childcare. Investments in all of these areas are critical to support industry and most importantly, provide an environment where the workforce is able to achieve a good quality of life.

Energy: In terms of energy production, New York averaged 26 million BTUs of energy produced per capita in 2022. This was the 44th lowest rate in the nation. When it comes to electricity costs, New York has one of the lowest rates in the nation for industrial customers but ranks among the highest in costs for residential and commercial customers.

> "The green energy targets have unrealistic implementation requirements."
>
> - *New York-based logistics and distribution industry executive*

New York Average Electricity Price by End User, 2023

End User Category	Price (Cents per KwH)	NY Rank
Residential	22.24	43rd
Commercial	18.01	45th
Industrial	6.87	9th

Source: Energy Information Agency (2025)

Broadband: As the economy becomes increasing digital, access to fast broadband internet connection remains critical to accessing economic mobility. BroadbandNOW Research compares all states on their internet access and connection speeds. Overall, New York ranked 6th in the broadband rankings. About 94 percent of population has access to high-speed broadband. About 92 percent of the state has access to affordable broadband, defined by costs lower than $60 per month.

New York Broadband Access, 2024

Access Type	Percent of Population	NY Rank
Broadband Access	94.0%	10th
Affordable Broadband Access	91.7%	9th
Overall Ranking	**--**	**6th**

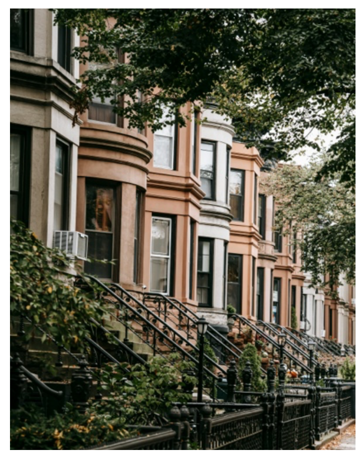
Source: BroadbandNOW Research (2024)

Transportation: In terms of transportation infrastructure, New York had the 16th highest rate of enplanements. This is likely due to the large volume of flights available at the airports in NYC. In other transportation rankings the state scores in the bottom third of states. New York has the longest average commute time for workers at almost 33 minutes. New York also had a high number of bridges in poor condition compared to other states.

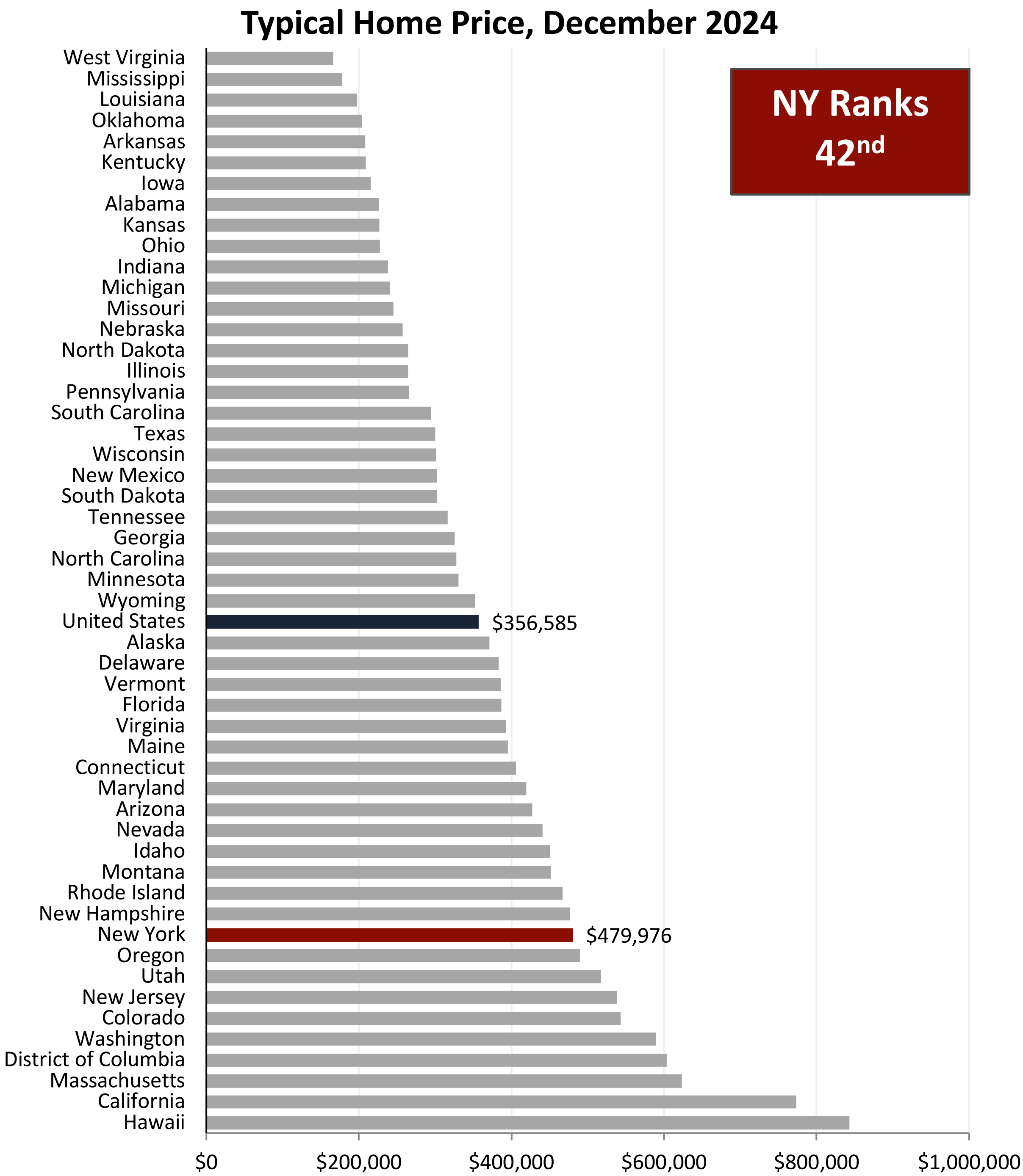
New York Transportation Rankings, 2023

Metric	Value	NY Rank
Enplanements per 1,000 People	2,829	16th
Roads in Poor Condition	24.5%	36th
Bridges in Poor Condition**	9.4%	42nd
Average Commute Time (min)	32.8	50th

Source: FHA, FAA, and US Census Bureau (2024)
** Data for 2024

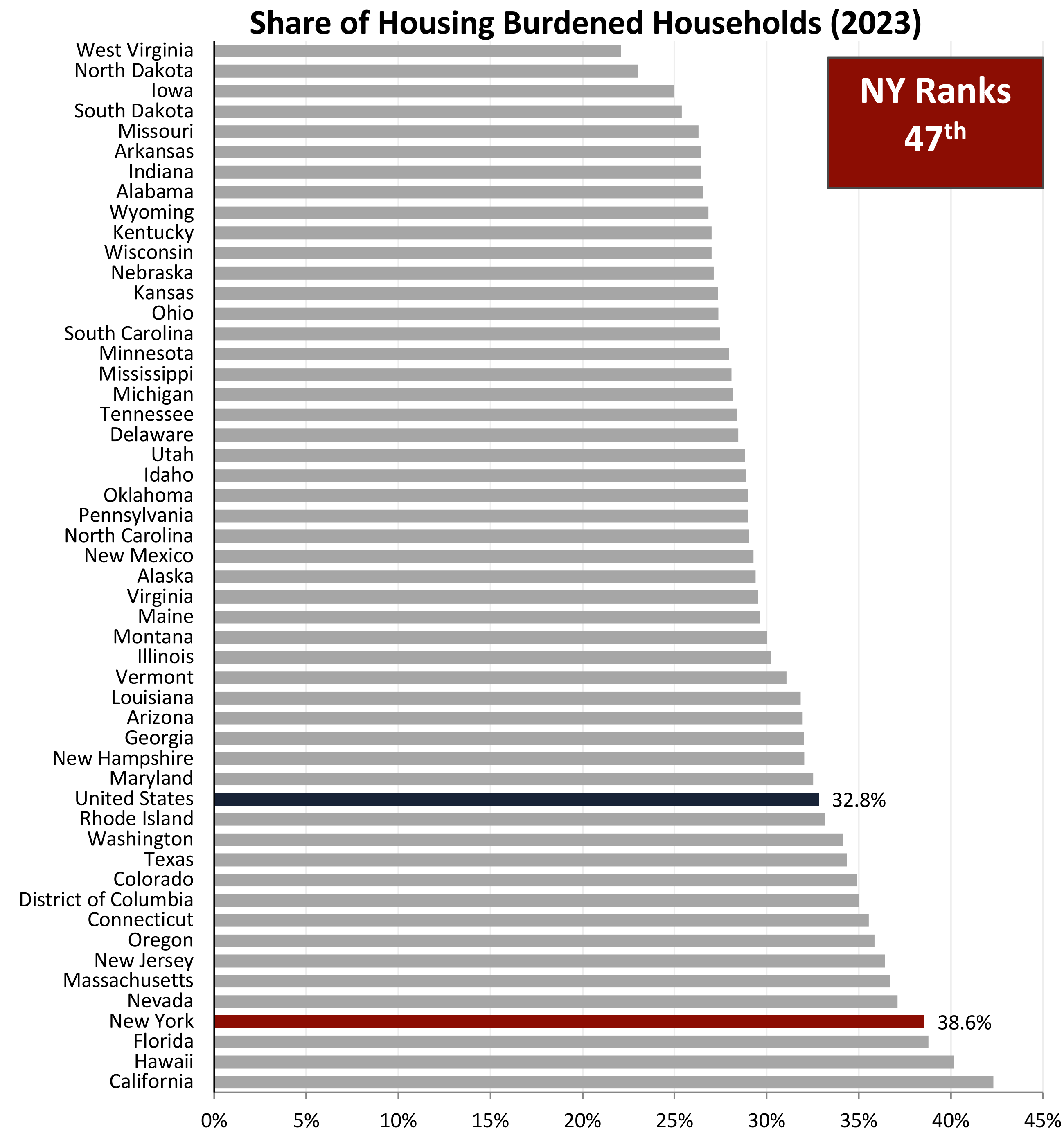


Housing: While inflation has cooled in recent years for many goods, housing costs have remained high as they as less likely to ever fall back in price. Housing, unlike other inflation witnessed in the reopening of the U.S. economy, still suffers from a lack of supply that continues to drive up costs. New York has long been a desirable state to live in due to its access to economic opportunities and home prices have reflected that historically. However, the pandemic and remote work caused housing rates to jump even higher than the national average. **The state ranked in the top 10 for highest home values across the country in December 2024**. The typical home value in New York has increased by over 39 percent since December of 2019.



Source: EL calculations based on Zillow (2025)

While these increases in the housing market can be benefit those who have already purchased a home and intend to stay, the rise can make it more difficult for first time home buyers to acquire equity. The increases in the home market also accelerate rates for renters. Rent prices have followed the spike in home values in recent years. About 39 percent of households in the state spend more than 30 percent of their income on housing (mortgage or rent). This value is above the national average and one of the highest rates in the country.



Source: US Census Bureau (2024)

Childcare: Throughout our roundtable discussions, it was clear that childcare is a top focus of business leaders as a critical piece of workforce infrastructure and the need for solutions to further support the workforce and worker's abilities to participate in the workforce. Childcare has become a critical piece of infrastructure in the overall economic development landscape, with employers more focused on this issue than ever before. These challenges can leave talented workers on the sideline as they choose staying home with children rather than center-based care. In New York, the cost to have one infant and one toddler in center-based childcare is about $36,000 a year; this is more than the average cost for housing or college tuition in the state.

Cost of Full-Time, Center-Based Child Care by State, 2023

State	Infant	Toddler
New York	$19,580	$18,080

Source: Childcare Aware of America (2024)

Source: Childcare Aware of America (2025)
Note: Child care cost is for 2 children (one infant and one 4-year old) in a center.

Cost of Full-Time, Center-Based Child Care for Infant by State and Median Income, 2023

State	Infant Cost	Single-Parent Median Income	% of Income	Married Couple Median Income	% of Income
New York	$19,580	$37,900	52%	$133,180	15%

Source: Childcare Aware of America (2025)

When compared to median household incomes in the state, childcare for one infant can account for about 15 percent of annual income for a married couple's household and 52 percent for a single-parent household in New York. Obviously, in households with multiple children under the age of 5, these percentages increase.

Best Practices in Infrastructure

- The national housing shortage estimated at four million homes or more has tremendous impacts on availability and affordability, especially for younger workers and their families. Younger Americans often want newer homes and a range of low-maintenance choices like townhomes, condominiums, and apartments. To address this key workforce issue, many states are taking steps to encourage housing development.

- In 2024, the **Utah** state legislature passed several housing measures, including a) tax increment financing for new **First Home Investment Zones**, and b) authorizing the state treasurer to offer low-interest loans to housing developers through a new **Utah Homes Investment Pro**gram. A majority of homes built under the latter program must be "attainable," currently defined as costing less than $450,000. Utah also made it easier to create multifamily housing near public transit in 2022.

Best Practices in Infrastructure (continued)

- **Colorado** expanded the available amount of **Affordable Housing Tax Credits** that developers can take advantage of through 2031. In 2024, it also created a **Middle-Income Housing Tax Credit** aimed at creating rental housing for those making 80 to 120 percent of median income. **Florida's Live Local Act** from 2023 mandates that local governments allow multifamily and mixed-use housing in commercial, industrial, and mixed-use zones as long as 40 percent of the units are affordable. **Vermont** (2020) and **Maine** (2023) are among the states encouraging the building of accessible dwelling units (ADUs), smaller residences on the same parcel as a primary residence. Several states have also required that two, three, and four-unit residential buildings be allowed in single-family zones. Other recent state measures have focused on streamlining project permitting and providing flexibility on parking and building code requirements.

- **Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont** are involved in the Power Up project. This regional initiative, a part of the federal Department of Energy's Grid Resilience and Innovation Partnerships (GIP) Program, aims to enhance the reliability and resilience of the New England power grid by facilitating the integration of new offshore wind power and battery energy storage systems through transmission upgrades. The states collectively secured a $389 million federal grant in August 2024 for the first phase of these transmission and energy storage projects. Power Up New England will create new electrical grid interconnection points, innovative energy storage systems, and connections to incorporate offshore wind energy production.

- **New Mexico:** In 2022, 70% of New Mexico voters approved a constitutional amendment to guarantee a right to early childhood education. Those voters placed early care and education in the same category as K-12 education, recognizing it as a public good worthy of state investment. Amendment 1 opened a consistent funding source previously reserved for K-12—the state's Land Grant Permanent Fund—to early learning.

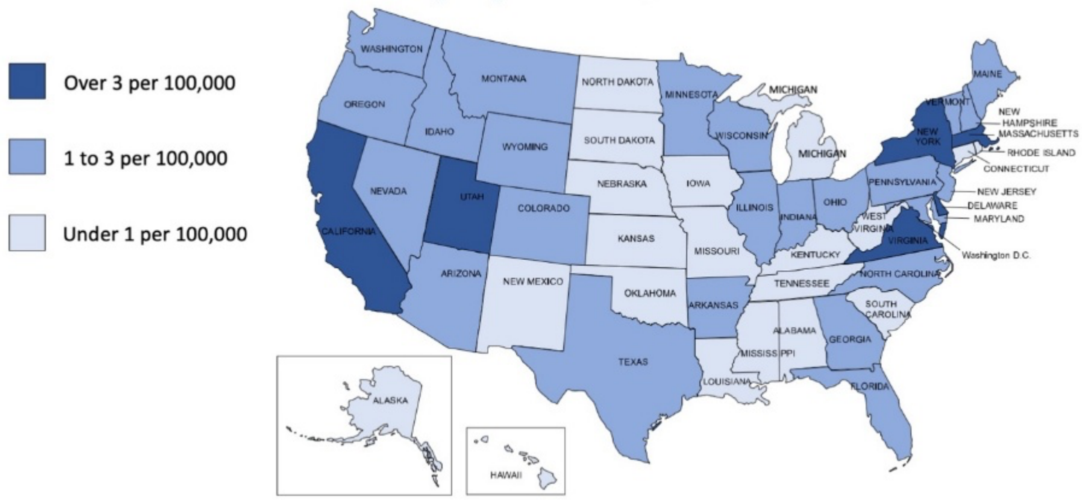
- **Massachusetts**: Massachusetts launched the Common Start initiative, which aims to create a universal childcare system accessible to all families in the state. This initiative proposes to fund childcare through a combination of public subsidies, employer contributions, and family co-payments based on a sliding scale. Massachusetts also focuses on improving wages and professional development opportunities for childcare providers to attract and retain qualified staff.

Analysis: Innovation

New York is still a national leader in many important metrics that matter to businesses and innovation is one of those areas. New York remains a top state for venture capital investment, ranking as the 4th highest state in funding rates over the last five years. Scrubbing online profile data reveals that New York is still a top state for tech startups. Retaining the strength of this entrepreneurial ecosystem is essential to New York's competitiveness going forward.

Source: EL calculations based on NVCA (2024) and BEA (2024)

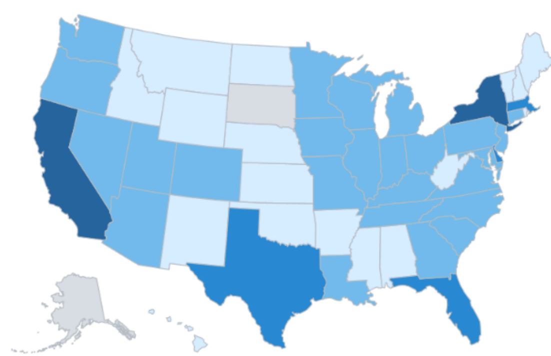
Tech Startups per 100,000 Profiles



Source: Gad Levanon, Chief Economist, Burning Glass Institute via LinkedIn

According to PitchBook-NVCA Venture Monitor, updated for Q1 2025, New York had the **2nd highest** number of VC backed deals behind California and was ranked third behind California and Texas in total VC deal value.

VC Deal Activity by State, Q1 2025



Source: NVCA Venture monitor
*As of March 31, 2025

There is noted momentum with existing Empire State Development and NYSERDA programs that support innovation, although administrative burdens tend to complicate engaging with these entities. Policies and regulations must be carefully considered to ensure entrepreneurs and investors driving innovation are not leaving New York to scale business in other states.

Best Practices in Innovation

- **Utah** has a number of entrepreneur and innovation-focused efforts that help it earn accolades such as the number one state in America to start a business for 2024. In 2023, Utah Governor Cox named the state's first entrepreneur-in-residence to advise the governor's office on entrepreneurship policies. The Utah Innovation Fund was born in 2023, using income from existing state investments to make early-stage investments in Utah-based tech companies. In 2024 the Governor's Office of Economic Opportunity launched the Startup State Initiative and new business portal at https://startup.utah.gov/. The Startup State Initiative aims to establish "a new global standard" for combining a strong entrepreneurial ecosystem with simplified government processes and a reduced regulatory burden.

- Many states have stepped up regulatory reform efforts. One branch of regulatory reform is so-called **"sandbox"** legislation that promotes innovation – such as the adoption of new technologies – in regulated industry sectors like financial services and transportation. In 2021, Utah became the first state to create a "universal sandbox" in which innovators from any industry can apply for an exemption from regulations. With the universal sandbox, a new product or service that would not be permitted under existing regulations can be tested for a set period of time, with certain requirements such as reporting. The goal is to promote experimentation among companies with high growth potential.

- **Texas** created a new tax incentive focused on technology with JETI – the Jobs, Energy, Technology, and Innovation Act – in 2023. The act provides a 10-year tax abatement for the construction of a new or expanded facility "engaged in research, development, or manufacture of high-tech equipment or technology." Companies can qualify for the incentive based on the amount of capital investment and job creation, both on a sliding scale according to the county population where the project is located. In keeping with economic development project trends, the job creation requirements are modest. The required new employment levels vary from 10 to 75 full-time jobs, while capital investment minimums range from $20 million to $200 million.

- **Maine**'s Office of Innovation was created in **2019**. It was established to foster economic growth, support innovation, and drive technological development across the state. The office operates under the **Maine Department of Economic and Community Development (DECD)** and serves as a hub for initiatives aimed at promoting Maine's innovation economy. The Maine Legislature also created the Maine Venture Fund in 1995 to invest in Maine businesses that have the highest potential for growth and impact while elevating Maine to national prominence in state-sponsored entrepreneurship support. The Fund, which operates as a revolving "evergreen" fund, has been actively investing in Maine companies since 1997 with over $49 million invested to date.

V. CONCLUSION & RECOMMENDATIONS

As the country watches the Northeast decline, the focus is easily on New York. Once the envy of most, the state is now a prime target for other states to recruit the businesses and talent needed to flourish. While the data in this report shows the weaknesses, it also uncovers opportunities.

New York has always been a place where new ideas and capital have come together to drive innovation. It has been a place where young people thrive, learn, and build careers and families to fuel future growth. But that trend has ended for many and will continue to end if the state drives away the industries and businesses that built it. Private and public sector leaders have the opportunity to transform the state by removing barriers and roadblocks to allow for more thoughtful, intentional planning for the future and long-term economic success.

The recommendations outlined in this action plan are designed to boost the state's competitiveness and its ability to retain and attract business investment and talented people. They represent a long-term, strategic approach, focusing on the fundamentals of a successful competitive economy and providing policy continuity across election cycles and different administrations to drive generational change.

Business Climate – to improve the predictability, clarity, speed, and cost of doing business in New York.

- Recommend and participate in comprehensive regulatory review to identify out-of-date and duplicative state regulations, specifically those related to business establishments, investments and operations.
- Continue to oppose new or increased taxes on businesses of all sizes and industry types and oppose new or revised legislation reducing business rights and protections.
- Create opportunities for subject matter experts from the private sector to participate in the discussion and development of new regulations and guidelines for implementation.
- Reinforce the importance of a fiscal impact analysis being included (and completed) as part of all new legislative and regulatory proposals.
- Work collaboratively with state agency leadership to identify new technologies, workflows and formats to improve coordination and reduce the administrative burden on residents and businesses.
- Track and report on state agency review and approval of applications for new business activity, including land use

approvals, permit approvals, economic development assistance approvals and others; identify ways to assure timely review and approvals, and assure public transparency of state review/approval processes.

- Work with state leaders to modernize and improve the communications process for rolling out new regulations to businesses; expand the use of informal, pre-rule proposal discussions with regulated entities and other stakeholders to better inform state agencies on key concerns and alternatives.
- Support policy and program changes to improve the consistency and clarity of the MWBE program including the certification and renewal process.
- Work with insurance industry organizations to actively pursue participation in the Interstate Insurance Compact to enhance the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved to provide employers and employees quicker access to competitive products.
- Assure that the Regional Economic Development Council process is achieving its objective of better coordinated project reviews by state agencies.
- Support legal reform to reduce abusive and frivolous litigation costs, and ultimately, reduce costs in healthcare, education, construction, local governments and small businesses.

Workforce + Education – To create and train the current and future workforce, support business and industry growth, and provide opportunities for all New Yorkers to gain economic mobility.

- Provide for ongoing dialogue among business and economic development leaders and DOL/ESD/NYSED to ensure that education and training programs match current and expected workforce needs of employer and ensure more timely development and approval of new certification and degree programs that to help workers fill current job opportunities.
- Create an ecosystem map of all workforce development organizations and programs to identify opportunities to improve allocation of resources and streamline activities of interest to students, adults and employers.

- Support funding for the Office of Strategic Workforce Development (OSWD) and DOL to modernize and digitize its application process, tracking and reporting of workforce program grants and other key performance indicators (KPIs) to monitor outcomes.
- Work with the DOL to allow for more flexibility in workforce development formulas, providing more opportunities for educators and employers to interact and address education and training needs.
- Advocate for policy changes to allow for paid internships to increase the participation of young adults in professional on-the-job training and year-round experiences.

- To create more childcare options for working parents, explore new solutions for increasing the number of childcare facilities and trained providers including staff-to-child ratios, allowing IDAs to support facilities, streamlined permitting, in home daycare, and certification costs and requirements.

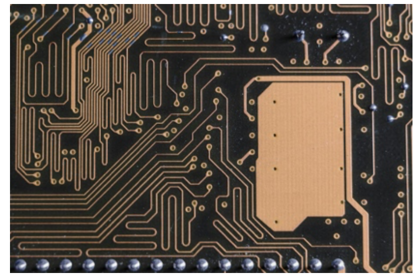
- Support statewide programs and organizations that engage individuals with disabilities, mental health challenges and those previously incarcerated as important parts of the overall workforce ecosystem.
- Advocate for the increase of apprenticeship ratios from a 1:1; 1:4 ratio to a 1:1; 1:3 ratio to increase the level of participation in these programs, maximizing the transfer of skills from the existing workforce to future generations.
- Identify opportunities to eliminate licensure barriers for candidates meeting established experience requirements, especially for the most in-demand open positions in New York (i.e. education, healthcare, construction trades, CPAs).
- Collaborate with education and economic development partners to develop a statewide talent attraction strategy and drive the narrative around education offerings, quality of life assets, and career opportunities in New York.

Infrastructure

- Convene energy providers, regulators, and developers to identify solutions to meeting the energy capacity and affordability needs for all New Yorkers and revisit the CLCPA goals and mandates based on these outcomes.
- Advocate for the consideration of all energy options to provide adequate and affordable energy to communities throughout the state.
- Encourage creative financing programs and new partnerships to support new ways to bring affordable housing online.
- Reduce regulatory barriers associated with the Brownfield Clean Up Program (BCP) and simplify project requirements to drive the redevelopment and activation of previously developed sites (flexibility in timelines, elimination of the $50,000 fee, focus on on-site remediation).
- Advocate for the elimination of unnecessary regulations deterring real estate investment and housing projects to meet market demand (i.e. Good Cause Eviction, public hearing requirements, etc.).
- Advocate for the expansion of the Pro Housing Community designation to allow more communities (cities, towns, villages, counties) to participate in the program.
- Collaborate with economic development organizations and DCHR to create a cohesive narrative around the importance of growth in site and housing development.
- Support the funding and expansion of rail, air, and other key transportation and infrastructure investments including the swift deployment of awarded funds.

Innovation

- Oppose new policies and regulations that would inhibit innovation and drive such activities and companies to other states.
- Focus on policies and programs to retain the strength of the entrepreneurial ecosystem (including SBDC, access to capital, grant programs, etc.).
- Create opportunities to invest and expand quantum networking infrastructure to connect quantum assets in the state.
- Continue to support transformational economic development projects like the NY SMART I-Corridor and related industry incentives (semiconductor R&D tax credit, supply chain tax credit).
- Work with NYSERDA to realign the structure of funding opportunities to better support climate tech and innovation.
- Promote ESD accelerator programs and funding competitions to help companies solve pressing industry challenges, while also fueling the state's innovation ecosystem.
- Support and grow the Coolest Thing Made in NY Competition and the Made in NY Manufacturing Bus Tour to showcase New York companies, innovations and opportunities to key audiences.
- Collaborate with ESD on its $620 million Life Science Initiative to expand the state's ability to commercialize research and spur the growth of a world-class life science research cluster.
- Advocate for changes in the state's lending and grant programs to accommodate small and medium sized businesses unable to provide upfront capital.



APPENDICES

APPENDIX A: Recommended Key Performance Indicators

Key Performance Indicators, or KPIs, owe their popularity to a well-known adage: "What gets measured gets done." Every organization can benefit from tracking a set of success metrics.
Creating a dashboard would complement the adoption of this new Competitiveness Strategy. KPI Dashboards can take many forms, but they typically follow four basic principles: they are visually easy to understand, they include a limited number of indicators, the indicators are specific, and all indicators are all measurable.

In high-performance organizations, everything that can be measured should be. Different parts of an organization—and different stakeholders—value different indicators, but the word **"key"** implies a limited number of the most important ones.

"Performance" refers to the activities carried out by the organization or those within the Policy Institute's direct control. More broadly, it can also reflect how New York's economy is performing based on economic indicators.

> ***Why do we recommend KPI's?***
>
> *Key performance indicators (KPIs) are quantifiable measures used to evaluate an organization's long-term performance. They help assess strategic, financial, and operational achievements over time – whether in comparison to competitors or against preestablished goals and expectations.*

KPIs are a specific subset of the data an organization collects. Most are numerical, though some may be binary (yes/no). For example, many governance boards aim to complete a clean annual audit. That goal can be measured simply by confirming whether or not it was achieved. An effective KPI Dashboard collects and translates data into charts and graphs that clearly communicate results to target audiences. It typically measures performance over time, against established goals, or in comparison to peer organizations.

A top priority for The Public Policy Institute is enhancing the competitiveness of the state. Competitiveness includes many components, and these elements provide a useful framework for identifying key indicators.

Suggested Key Performance Indicators to Track

Overall Economy

- GDP growth
- Job growth

- Labor force participation
- Median wage growth
- Ratio of business startups to closings
- Personal income growth

Business Climate

- State agency permitting review and response timeframes
- Overall business tax burden ranking
- State legal climate ranking
- Cost of doing business ranking

Workforce & Education

- Labor force growth
- Labor force participation rate
- Women's labor force participation rate
- Net in-migration vs. out-migration of taxpayers
- Number of internships, apprenticeships, and other high school work-based learning experiences
- CTE enrollment and number of CTE concentrators

Infrastructure

- Annual funds deployed in transportation investment
- Number/value of state projects completed
- Percentage change in energy costs
- Time and speed of permitting for critical infrastructure projects

Housing

- Annual new housing starts
- Breakdown of housing starts by type (single family detached, townhome, apartment, condominium, etc.)
- Percentage of households cost-burdened in housing

Childcare

- Total number of childcare slots available
- Staffing and wage levels for professionals
- Childcare training program participation

As with other indicators, **status** should be color-coded (red/yellow/green), and **trend** should use directional arrows (↑ improving, → stable, ↓ declining) for quick visual interpretation.

KPI	KPI Name	Definition	Goal	Actual	Status	Trend

Sample Dashboard

The table below provides an example of how the KPI Dashboard could be visually presented. Each indicator includes a clear definition, a target goal, and actual performance data. The **status** is color-coded (🟢 Good, 🟡 Caution, 🔴 Concern), and the **trend** uses arrows to show directional change over time (↗ Upward, ↔ Stable, ↓ Downward). This format enables board members and stakeholders to quickly assess progress at a glance.

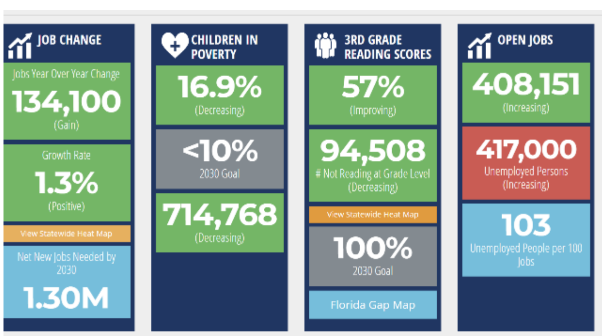
KPI Name	Definition	Goal	Actual	Status	Trend
New Jobs Created	Number of net new jobs in target sectors	500	425	🟡 Caution	↗ Upward
Capital Investment ($M)	Total investment attracted	$50M	$65M	🟢 Good	↗ Upward
Small Business Starts	Number of new business licenses issued	120	132	🟢 Good	↔ Stable

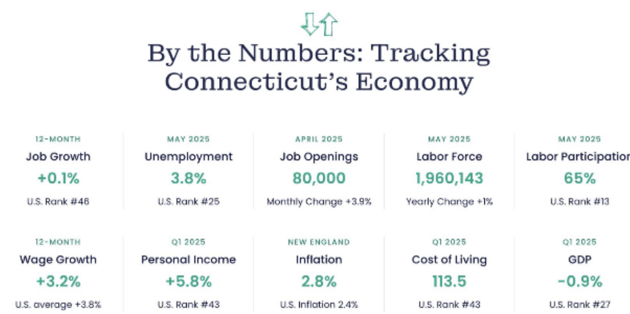
Scorecard Examples to Review

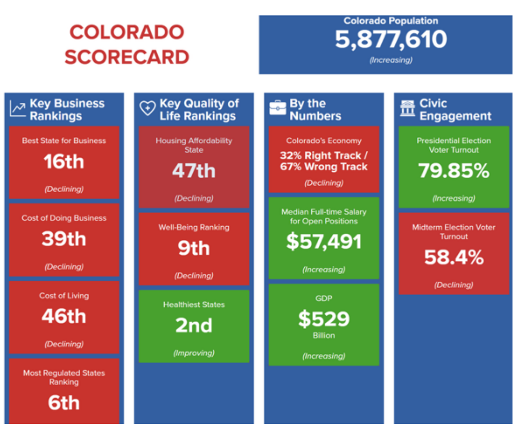
The Florida Scorecard: https://thefloridascorecard.org/

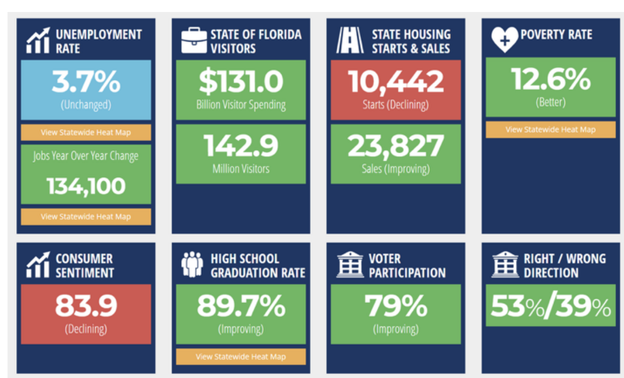
Connecticut Business & Industry Association: Quarterly Indicator Update

Colorado Chamber Scorecard: https://cochamber.com/scorecard/







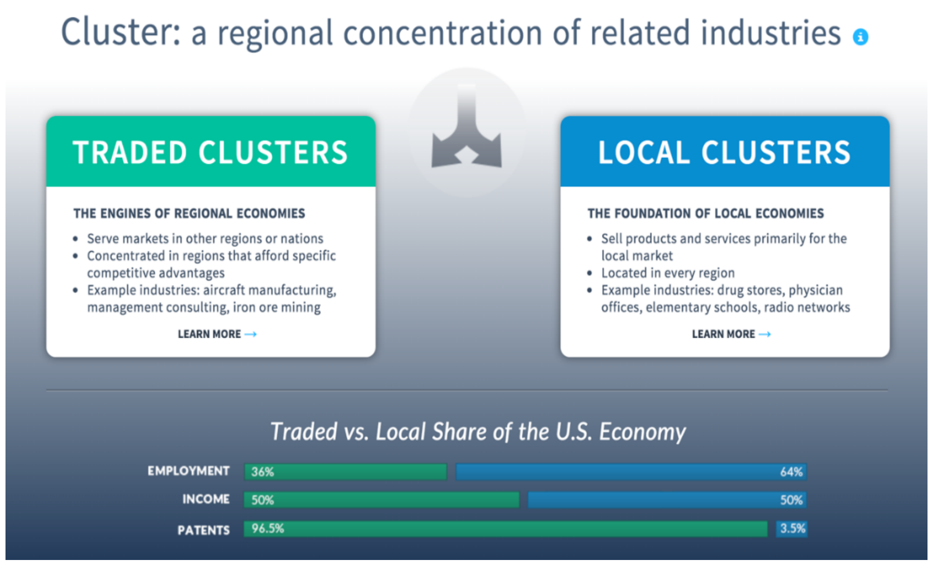


APPENDIX B: INDUSTRY CLUSTER ANALYSIS

Traded Clusters

Traded clusters are groupings of industries that serve markets outside of a specific geography, in this case the New York (internationally and/or domestically). Traded clusters typically generate the funds that ultimately support local clusters such as entertainment, retail, and personal services. Traded clusters usually contain a supply chain that supports the specific industry such as suppliers, infrastructure, specialized training, and machinery. Focusing on traded clusters in a state economic development strategy narrows efforts to those industries which are most likely to thrive in the state. This is particularly important as the competition for investment and jobs is intense. Studies have shown that assets that support clusters are more efficient and cost effective than shotgun marketing or providing subsidies and solutions to individual companies.

As the chart to the right, from US Cluster Mapping, shows traded clusters often account for less than 40 percent of a state's employment, however, they are usually responsible for 50 percent or more of a state's income and innovation.

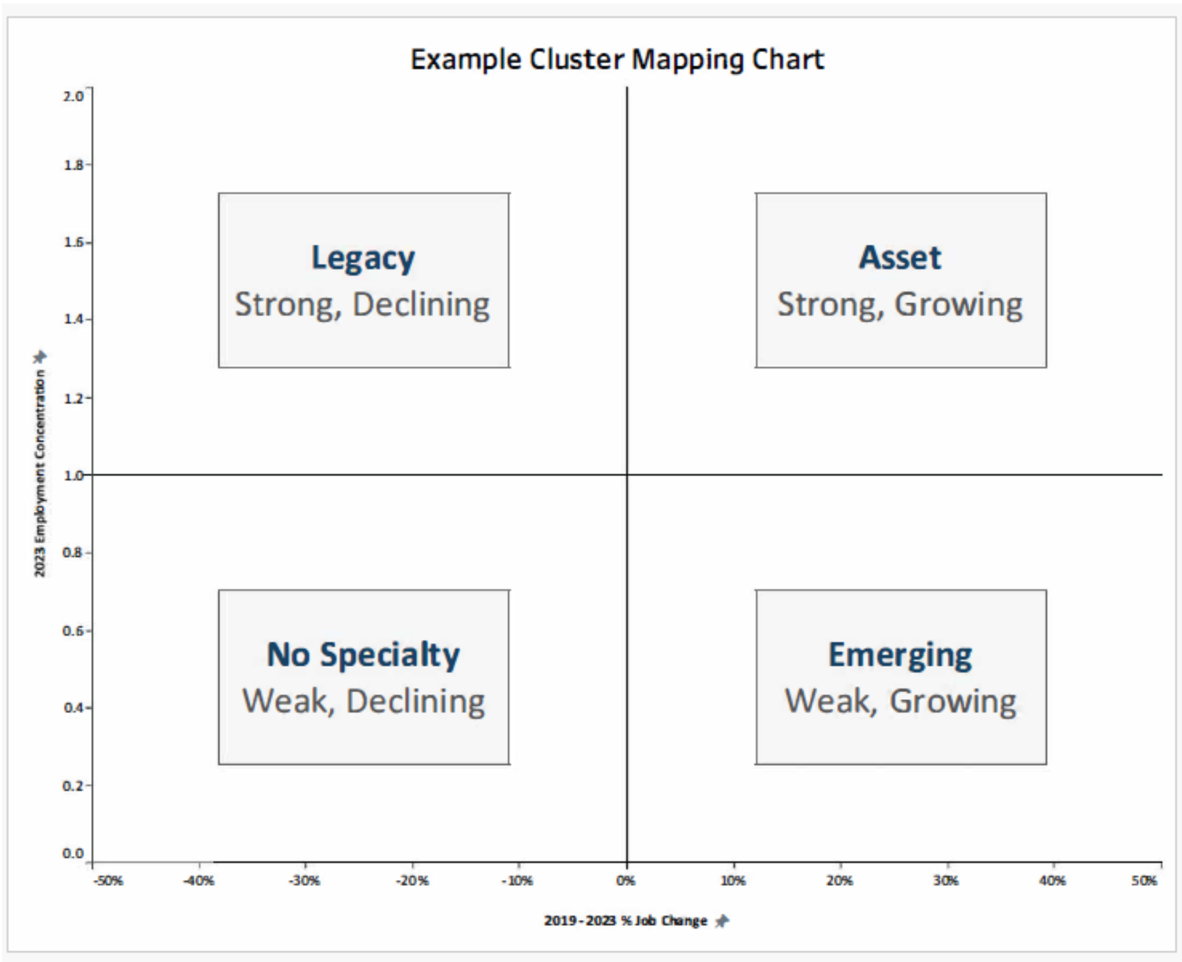


To determine the current state of traded clusters in New York, employment and wage data for over 680 6-digit NAICS code industries within the state was collected. These industries were then grouped into 53 traded clusters. The cluster groupings are very closely related to those provided by US Cluster Mapping, a project produced by the Harvard Business School. Those cluster groupings have not been updated to reflect the most recent iteration of NAICS codes. Therefore, data from Lightcast and their conversion of the Harvard clusters using 2022 NAICS codes was used. A few technology-related sectors were moved from the business services cluster to the technology cluster. These clusters were then evaluated on recent growth, location quotients, wages, and total employment.

> "What makes clusters unique is not just that companies with similar or complementary interests, competencies, and needs congregate around each other. It's that an entire value chain exists within a cluster: suppliers, manufacturers, distributors, academic institutions, researchers, and workforce training, as well as those who provide relevant support services."
>
> - *Bloomberg*

Employment concentration ratios offer an understanding of the concentration of an industry in an economy. Concentration values greater than 1.00 indicate that industry is more concentrated than the national average and a significant part of a region's economic base. Industries with high concentration often generate an economy's exports and wealth. This can reveal what clusters are unique to New York and which industries attract significant money from outside the state by exporting goods and services.

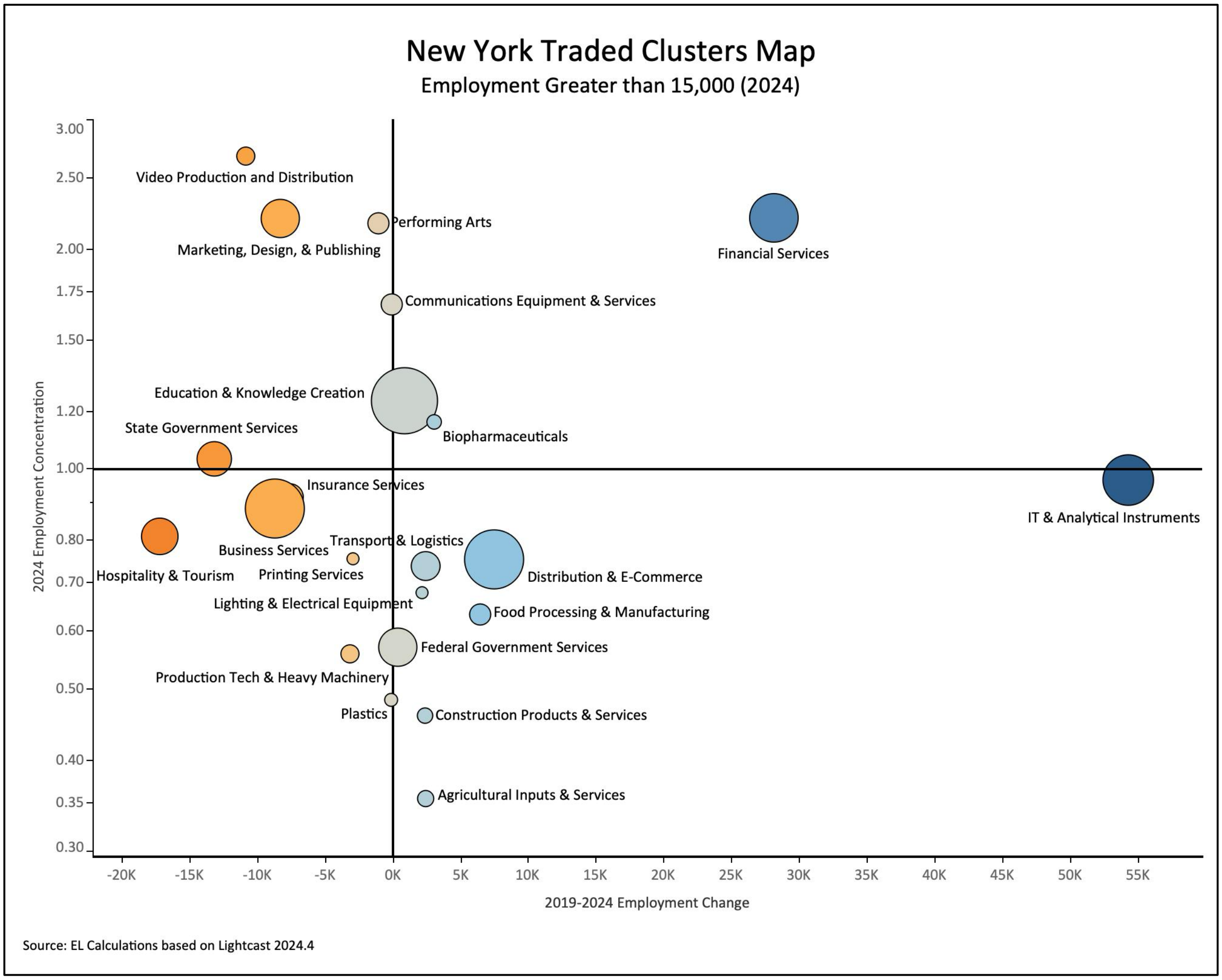
Concentration values when mapped alongside employment growth can show which clusters are thriving or declining. The chart below demonstrates where a cluster may fall on the map and how it corresponds to its strength and growth. Positioning on the map provides one piece of intelligence to support the choices that state's economic development organizations make to determine how to use marketing and personnel resources.

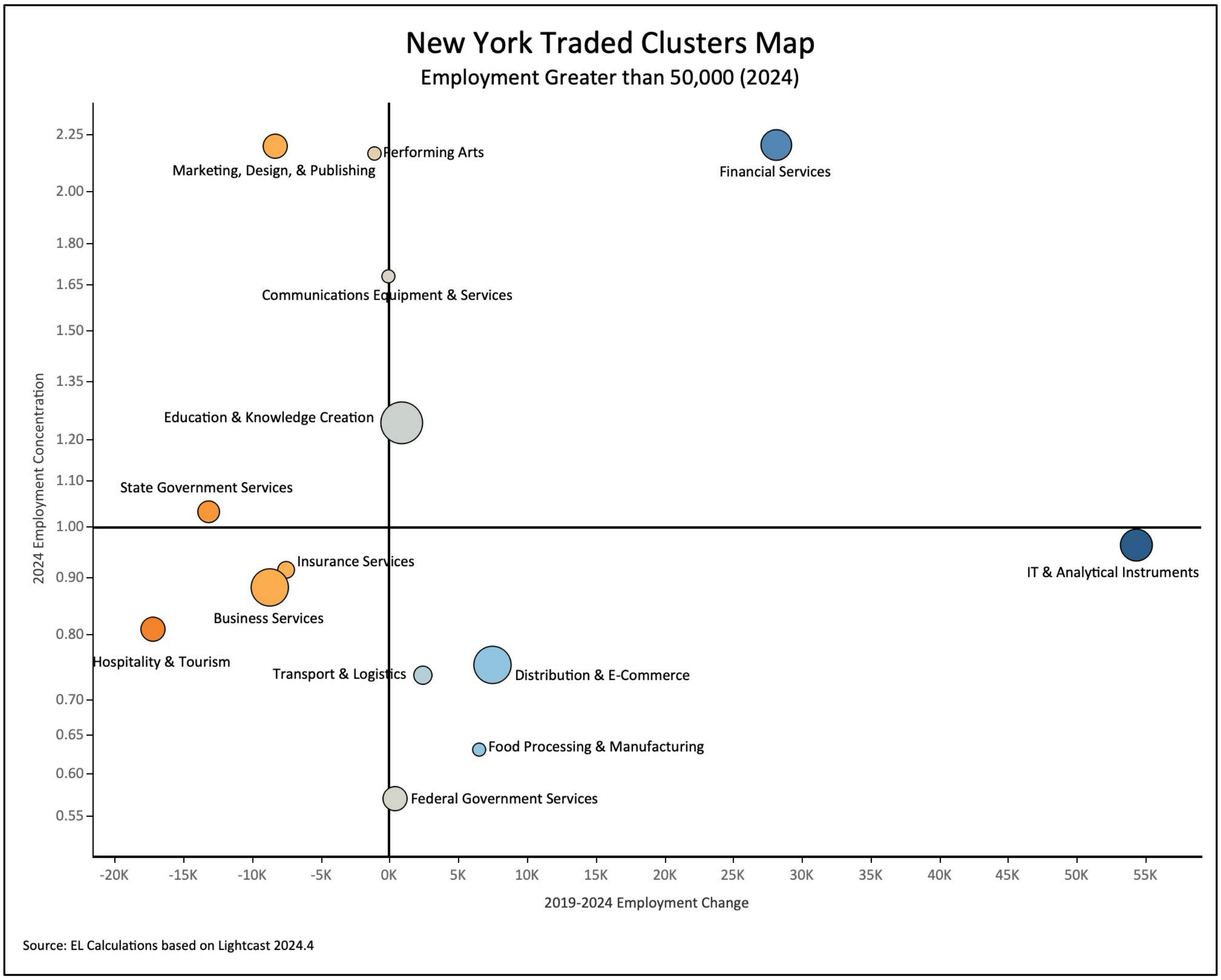


Mapping New York's clusters in this way reveals an economy with a variety of specialties. Some of these most concentrated clusters in the state have reduced their net jobs since 2019. These legacy clusters include marketing, music, and performing arts. One highly concentrated cluster, financial services, added a high level of net jobs in this timeframe. This growth was driven by the portfolio management and investment advice industry within the cluster which added over 19,100 net jobs. Biopharmaceuticals, also registered as an asset cluster. This cluster likely benefitted from large investment during the COVID-19 pandemic but is predicted to continue to grow nationally in the next ten years.

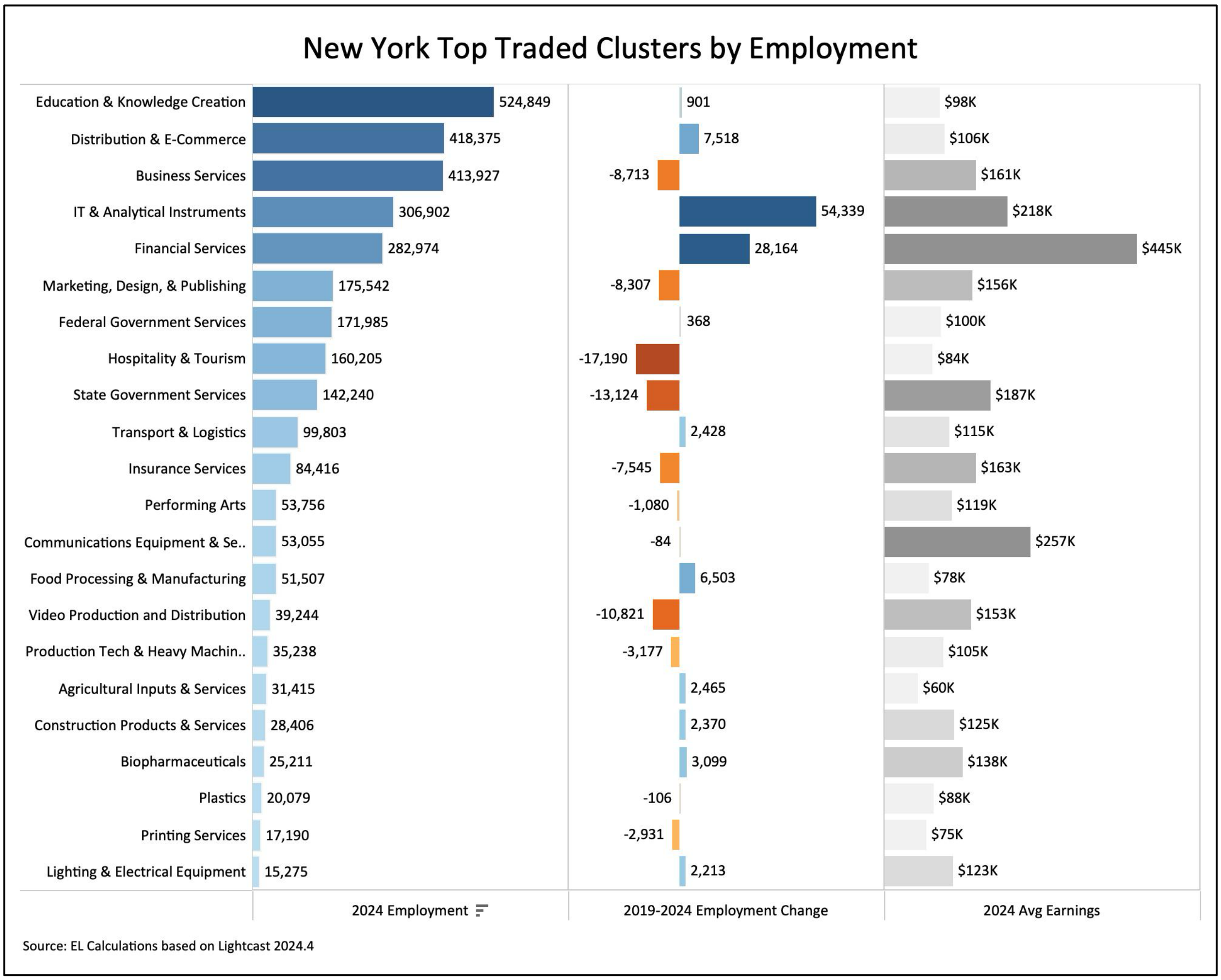
The tech cluster is about as concentrated in the state as the national average and added the highest number of jobs since 2019. The biggest contributors to this growth were the custom computer programming services and software publishing industries. There was also strong job growth in semiconductor and electrical components manufacturers within this cluster.

There is also a group of emerging clusters (lower LQs but growing) that includes distribution and e-commerce, food processing, agricultural inputs, and construction products. Food processing growth has been driven by breweries, distilleries, confectionary products, and milk manufacturing.

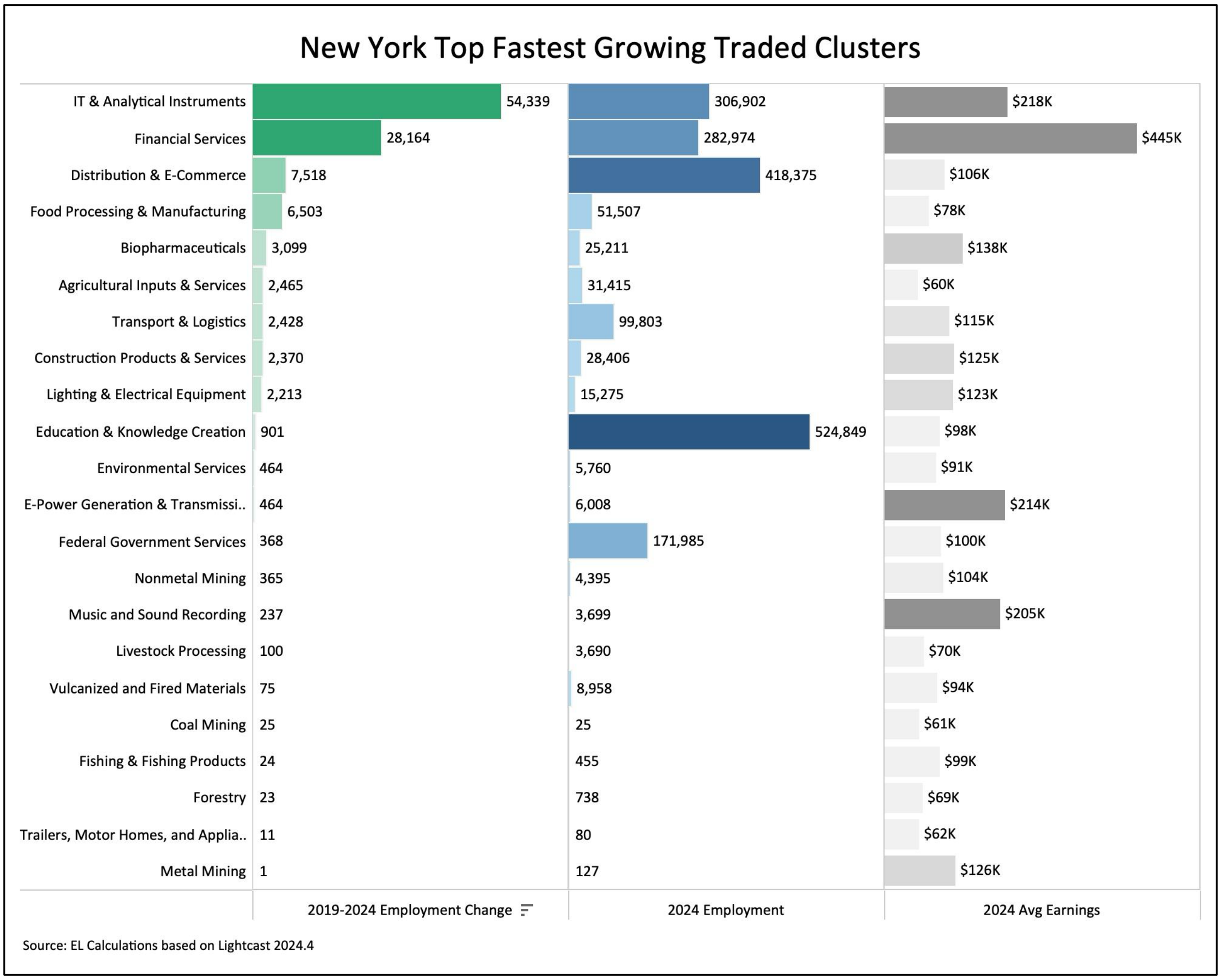



New York Traded Clusters Map
Employment Greater than 50,000 (2024)
2024 Employment Concentration
2.25
2.00
1.80
1.65
1.50
1.35
1.20
1.10
1.00
0.90
0.80
0.70
0.65
0.60
0.55
Marketing, Design, & Publishing
Performing Arts
Financial Services
Communications Equipment & Services
Education & Knowledge Creation
State Government Services
Insurance Services
IT & Analytical Instruments
Business Services
Hospitality & Tourism
Transport & Logistics
Distribution & E-Commerce
Food Processing & Manufacturing
Federal Government Services
-20K
-15K
-10K
-5K
0K
5K
10K
15K
20K
25K
30K
35K
40K
45K
50K
55K
2019-2024 Employment Change
Source: EL Calculations based on Lightcast 2024.4

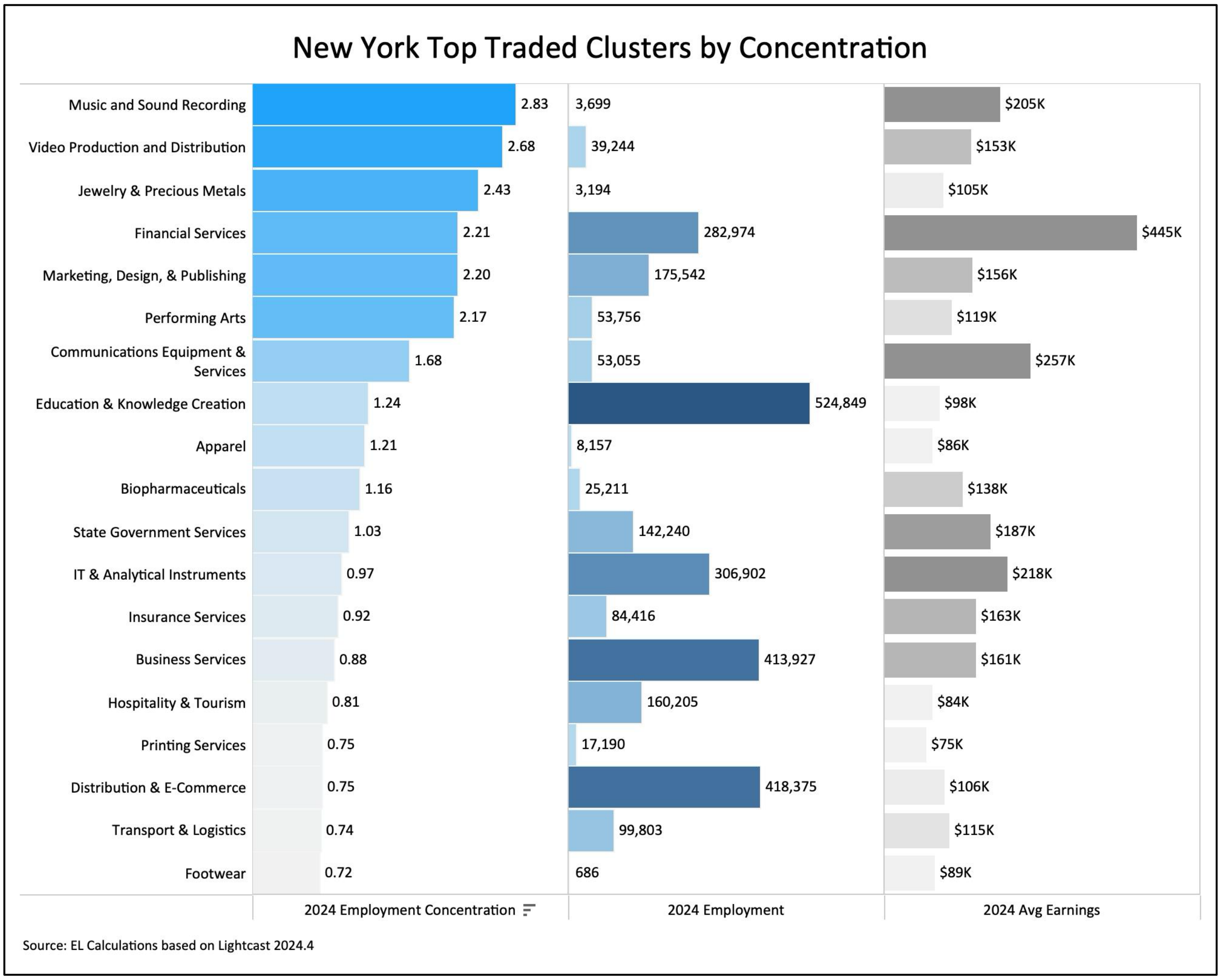
Education and knowledge creation, distribution and e-commerce, tech, business services, and financial services are the largest employing clusters in the state. Four of the top five employing clusters also experienced net job gains from 2019 to 2024. Business services lost jobs during this timeframe. A large portion of this loss was significant drop in the professional employer organizations industry from 2019 to 2020. The losses in the hospitality cluster were likely impacted by the COVID-19 pandemic. Several of the industries within the tourism cluster have recovered from the pandemic, but the hotel industry, however, is still more than 13,180 jobs below its pre-pandemic levels.



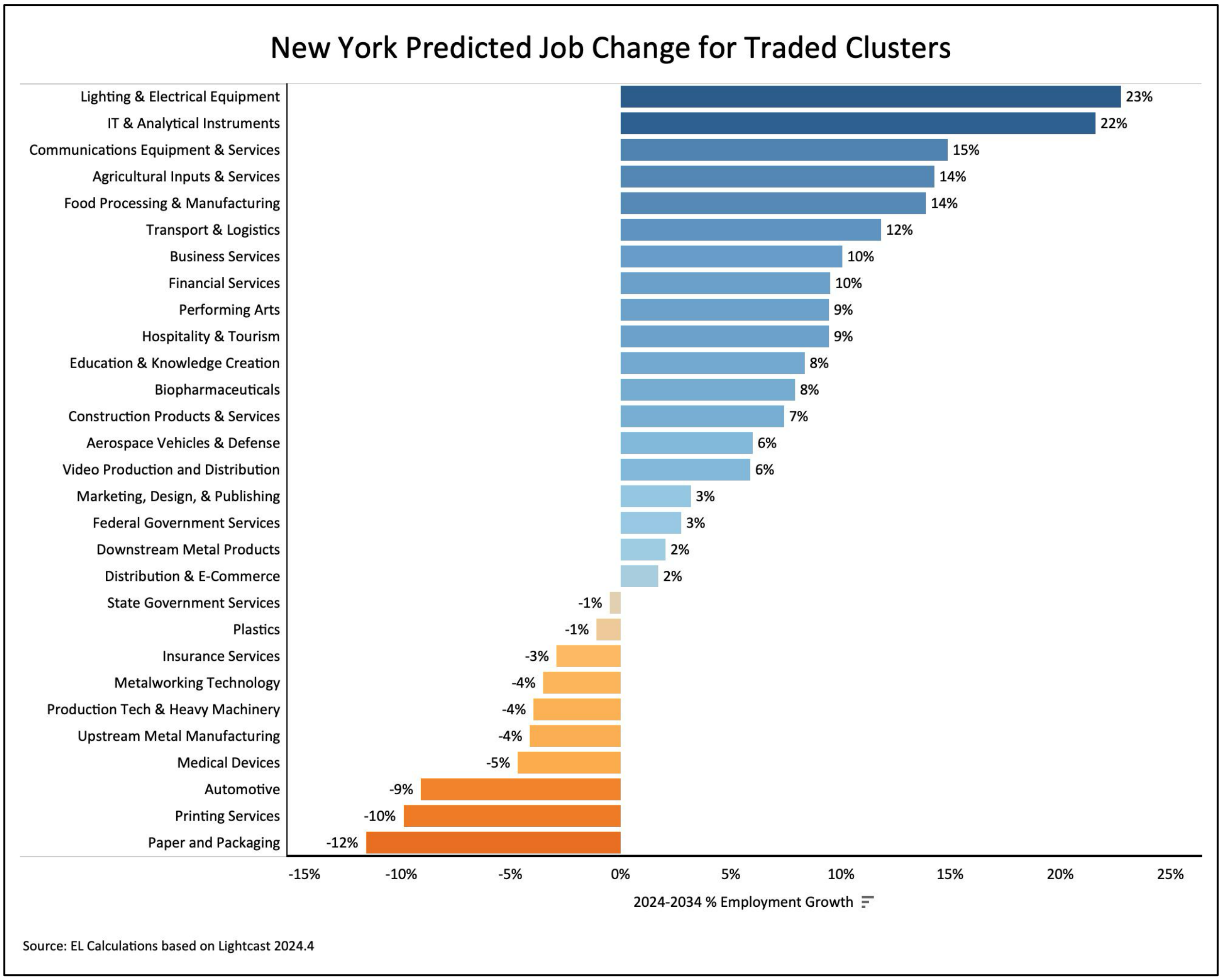
For many of New York's clusters job growth was moderate in this 5-year time frame. This is because it took several years for these clusters to recover their jobs from the pandemic lows. Some of the largest gains have come in the highest earning clusters like tech, biopharma, and finance. While most of the gains were in these knowledge-based clusters, there were agricultural and manufacturing clusters that also experienced job growth in the last five years in New York.



Eleven clusters in the state had higher employment concentration than the national average. High concentration values indicate a cluster unique to the state. There are six clusters where employment is twice the national concentration. Fortunately, New York has several unique clusters and is not overly reliant on one industry to drive its economy. For instance, jobs have been down in marketing in the last five years, but these losses were more than offset by gains in finance and tech.



Predictive models generated by Lightcast review the 5-, 10- and 15-year historical job trends to make estimations for future growth. Based on these models, the next ten years there should be several clusters expanding their workforce. One of the clusters predicted to grow the fastest in the next decade is lighting and electrical equipment. This cluster will be driven by fiber optic cable, switchboard, and battery manufacturing. Some other manufacturing-based clusters in the state, including automotive, medical devices, and heavy machinery, are not predicted to add jobs in the next ten years.



For traded clusters some of the economic development opportunities are grounded in industries with long histories in the state. With continued support these clusters will continue to generate jobs and contribute significantly to the state's economy.

- Tech
- Financial Services
- Biopharmaceuticals
- Marketing, Design, and Publishing

- Video Production and Distribution
- Communications Equipment & Services

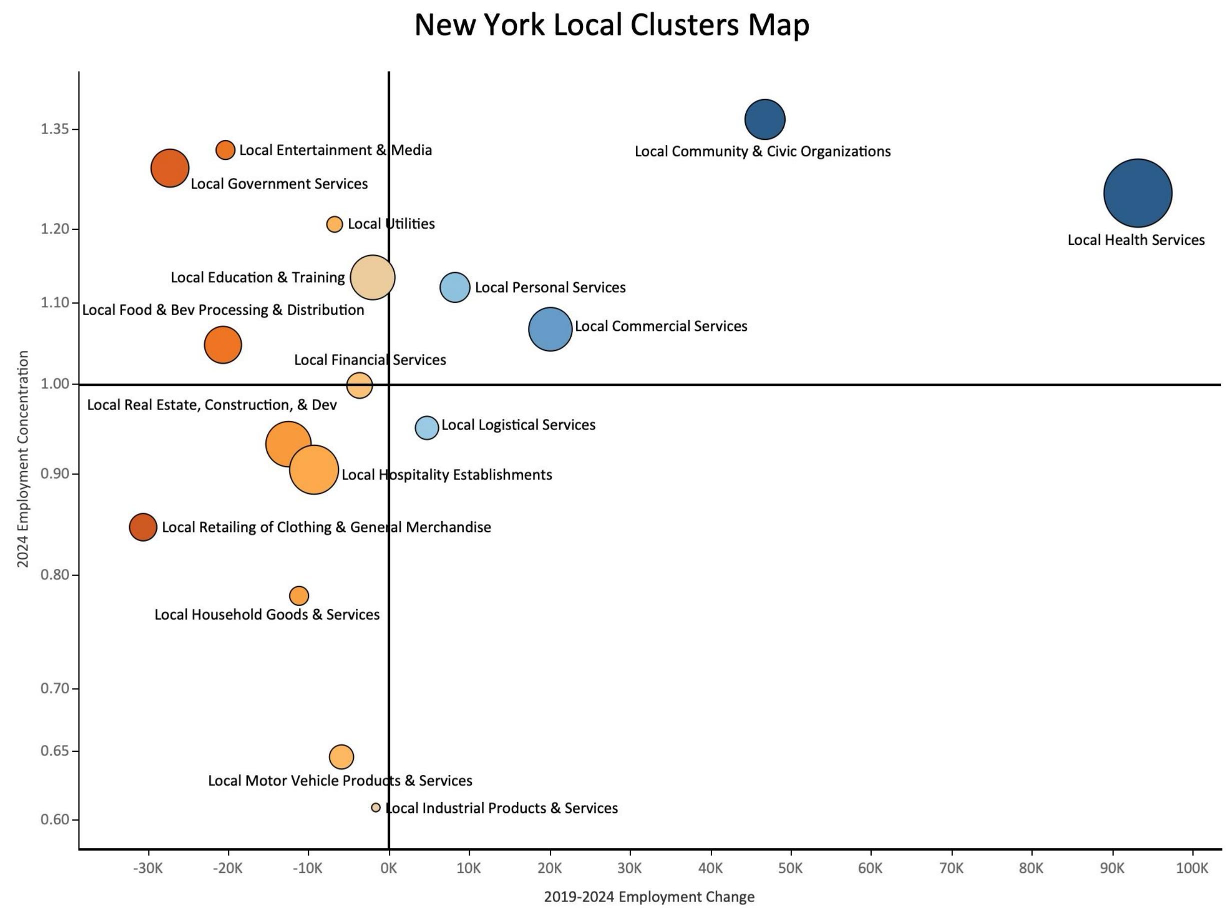
In addition to these industries, the state's future can be enhanced by focusing on and devoting resources to the following emerging industries.

- Lighting and Electrical Equipment
- Food Processing and Manufacturing
- Construction Products and Services
- Transportation and Logistics
- Agricultural Inputs & Services

Local Clusters

While economies are driven by traded clusters, local clusters account for a large portion of the workforce and are also experiencing workforce challenges. Often without well-functioning local clusters it can be difficult to recruit traded clusters to a region. Local clusters were in general more impacted by the pandemic lockdowns. While consumers still needed and spent money on goods that kept traded clusters operating, local event venues and restaurants and other non-essential operations suffered. Local retail has been down particularly in urban districts that used to rely on tourism and/or office worker traffic. The population losses during this time also likely drove down demand for local services.

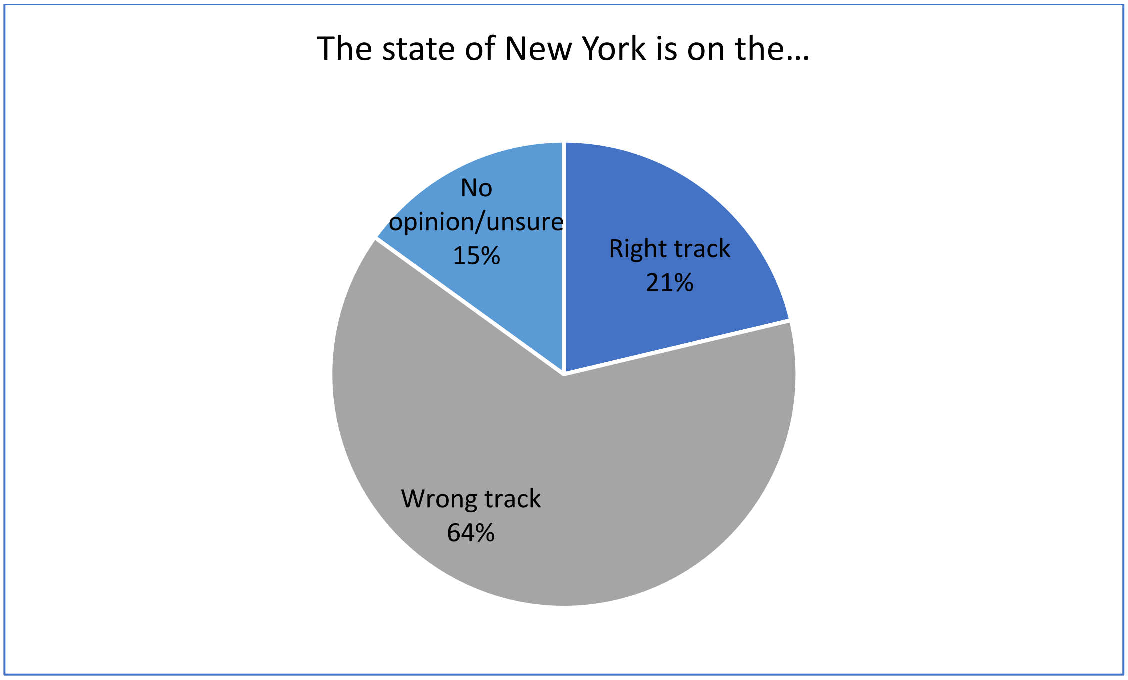
Only five of the local clusters in New York have higher levels of employment in 2024 compared to 2019. Local health services is the top local cluster in terms of employment. Employment in this cluster remained stable during this time. The average wages for most local clusters are lower than most of the traded clusters, this can make finding and keeping workers difficult.



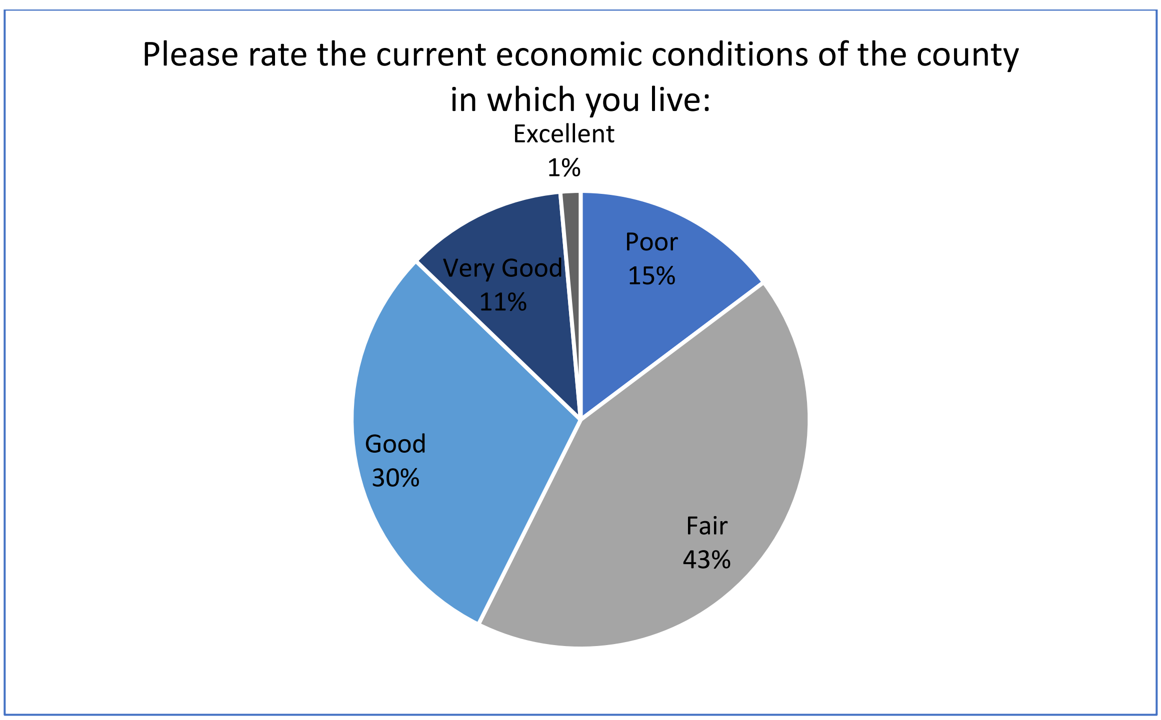
Source: EL Calculations based on Lightcast 2024.4

APPENDIX C: SURVEY RESPONSES

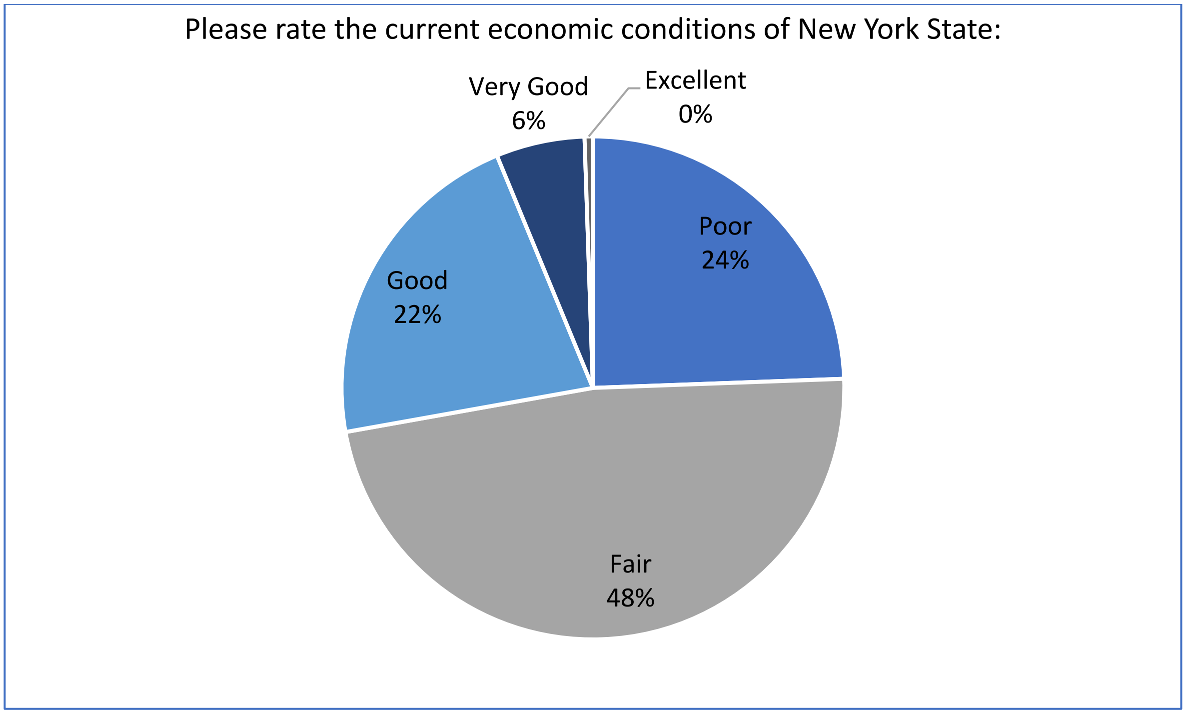
Question 1: Do you believe the state of New York is on the right track/wrong track/unsure?



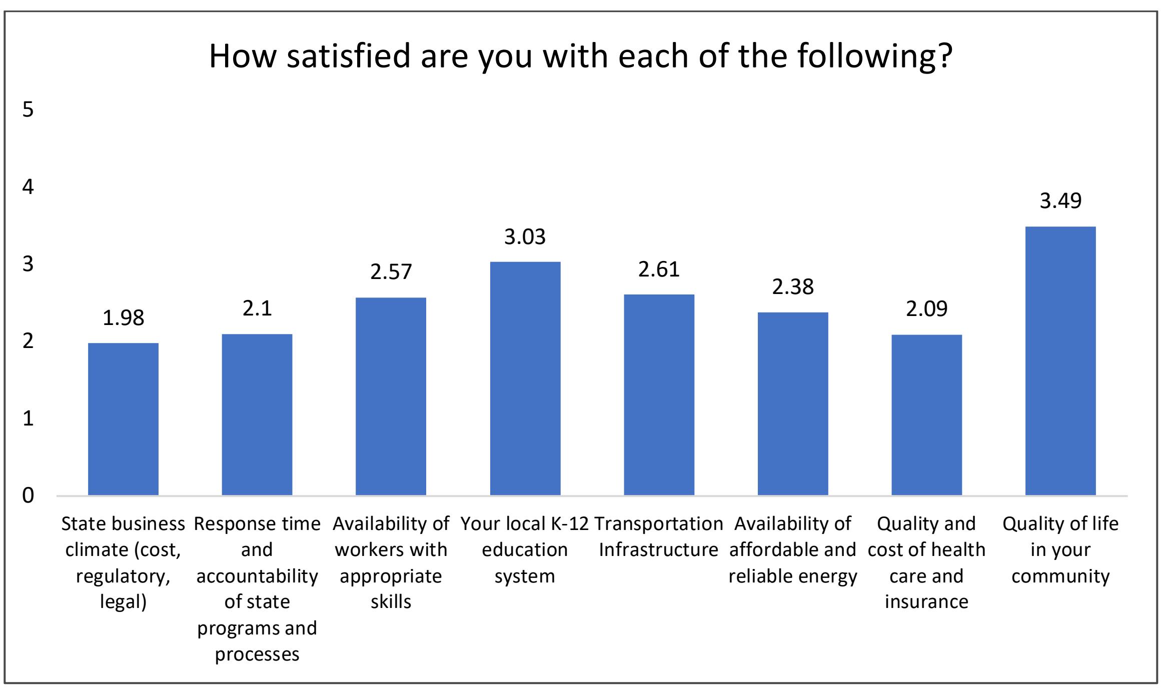
Question 2: Please rate the current economic conditions of the county in which you live...



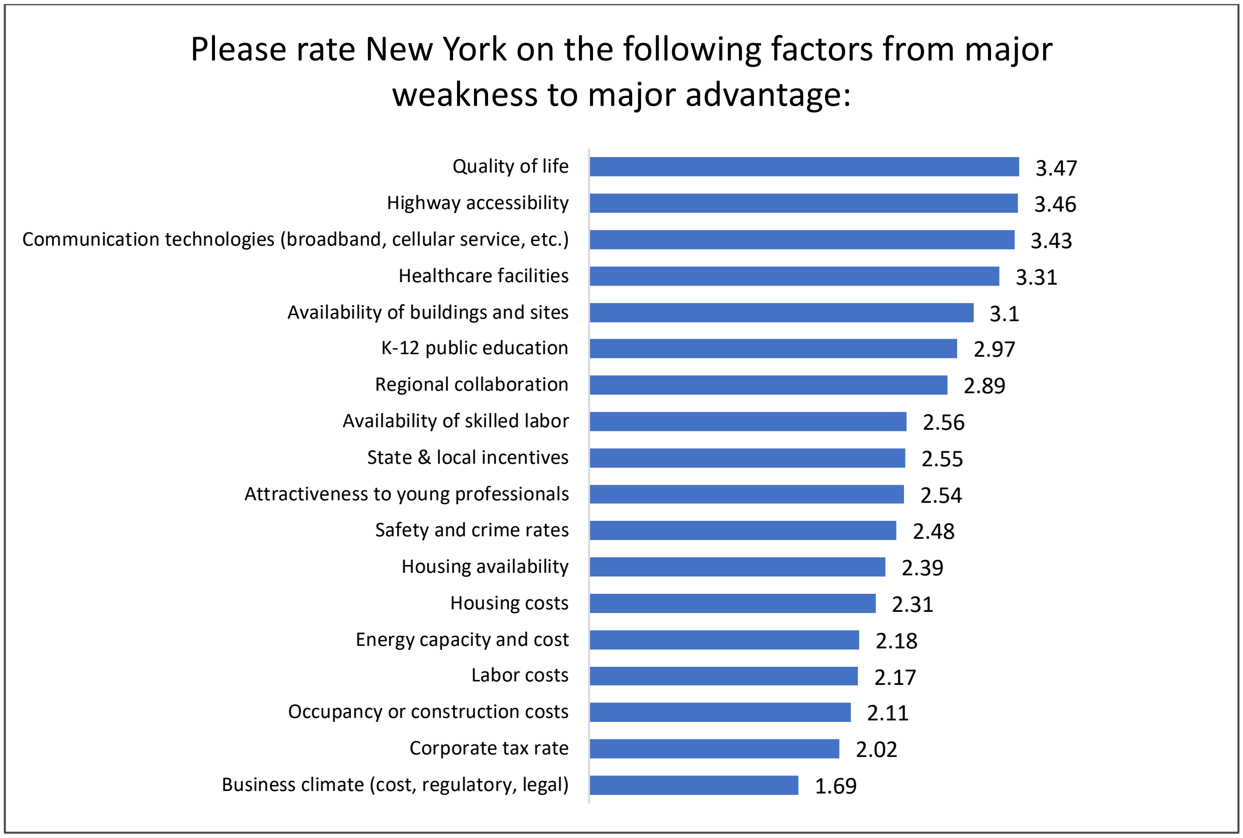
Question 3: Please rate the current economic conditions of New York State…



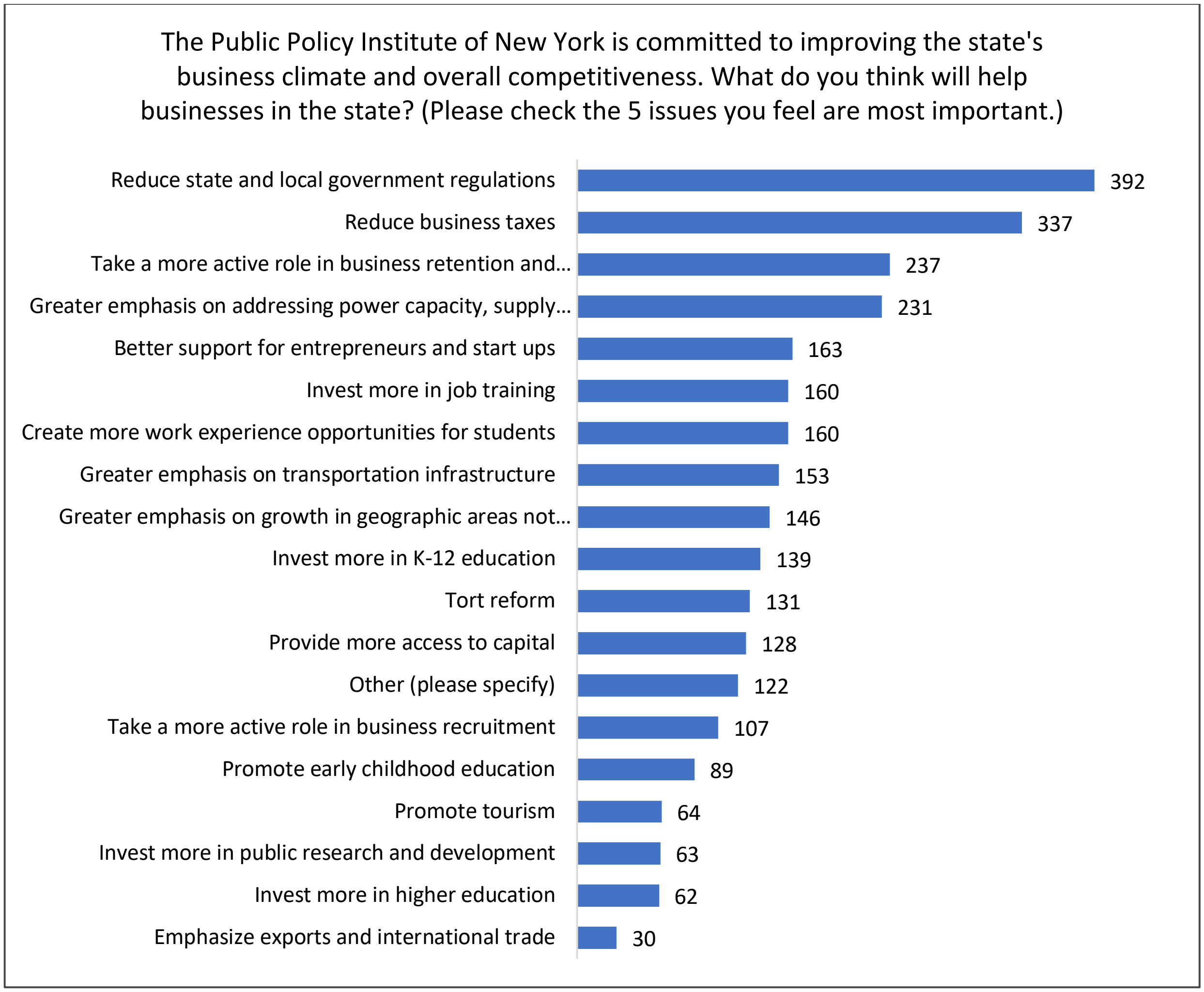
Question 4: How satisfied are you with each of the following?
Answer choices: Very Dissatisfied (weighted 1), Dissatisfied (weighted 2), Neutral (weighted 3), Satisfied (weighted 4), Very Satisfied (weighted 5)



Question 5: Please rate New York on the following factors from major weakness to major advantage…
Answer Choices: Major Weakness (weighted 1), Somewhat Weakness (weighted 2), Neutral (weighted 3), Somewhat Advantage (weighted 4), Major Advantage (weighted 5)



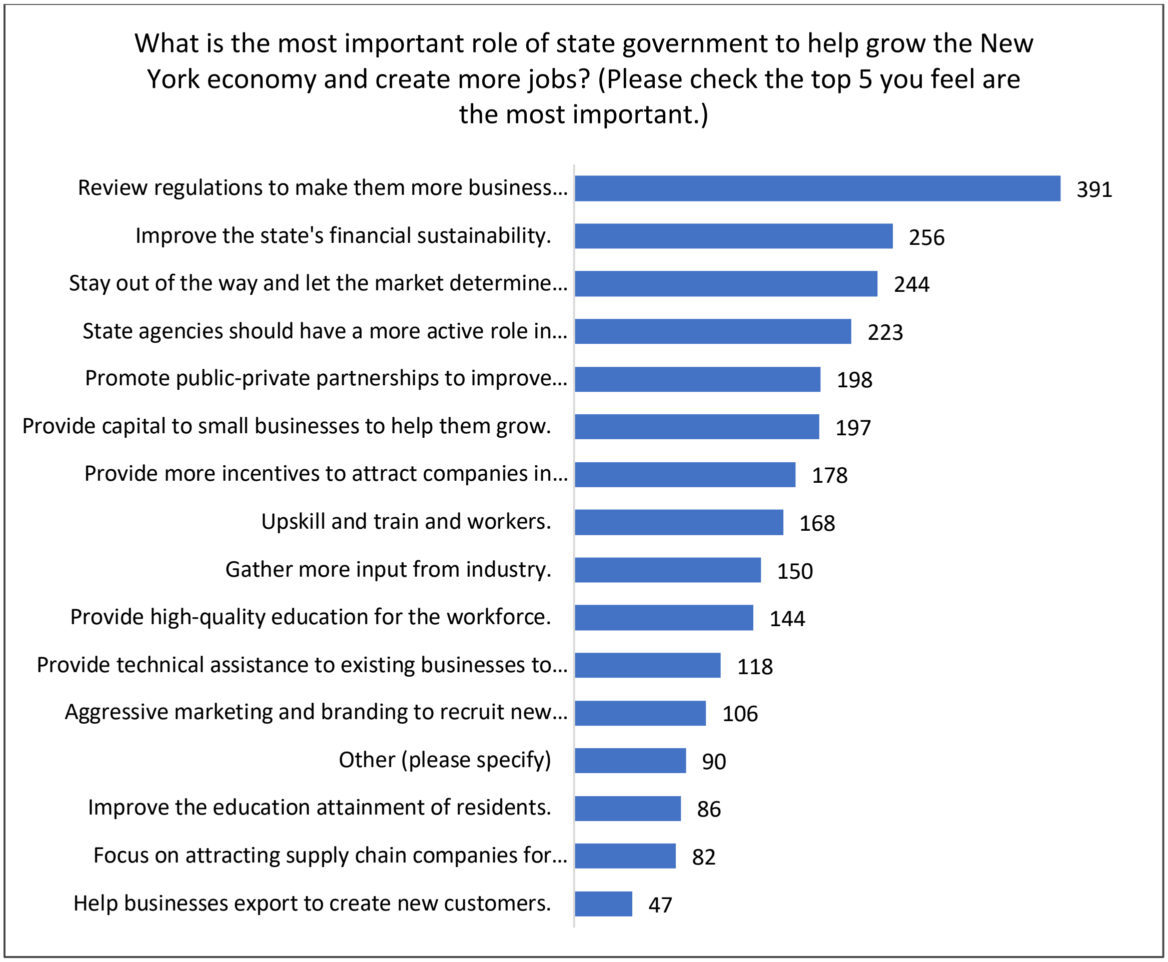
Question 6: The Public Policy Institute of New York is committed to improving the state's business climate and overall competitiveness. What do you think will help businesses in the state? (Please check the 5 issues you feel are most important.)



Top 5 most mentioned issues in “other” category:

1. Taxes and Regulation – Calls to reduce income, property, and corporate taxes, along with cutting excessive business regulations.
2. Crime and Public Safety – Concerns over rising crime, ineffective policies, and the impact on residents and businesses.
3. Affordable Housing and Cost of Living – High housing prices and overall affordability challenges, particularly in urban areas.
4. Labor Laws and Workforce Development – Need for reduced mandates, investment in STEM and trade education, and incentives for hiring and retaining workers.
5. Government Bureaucracy and Efficiency – Calls to streamline state agencies, improve responsiveness, and eliminate excessive red tape.

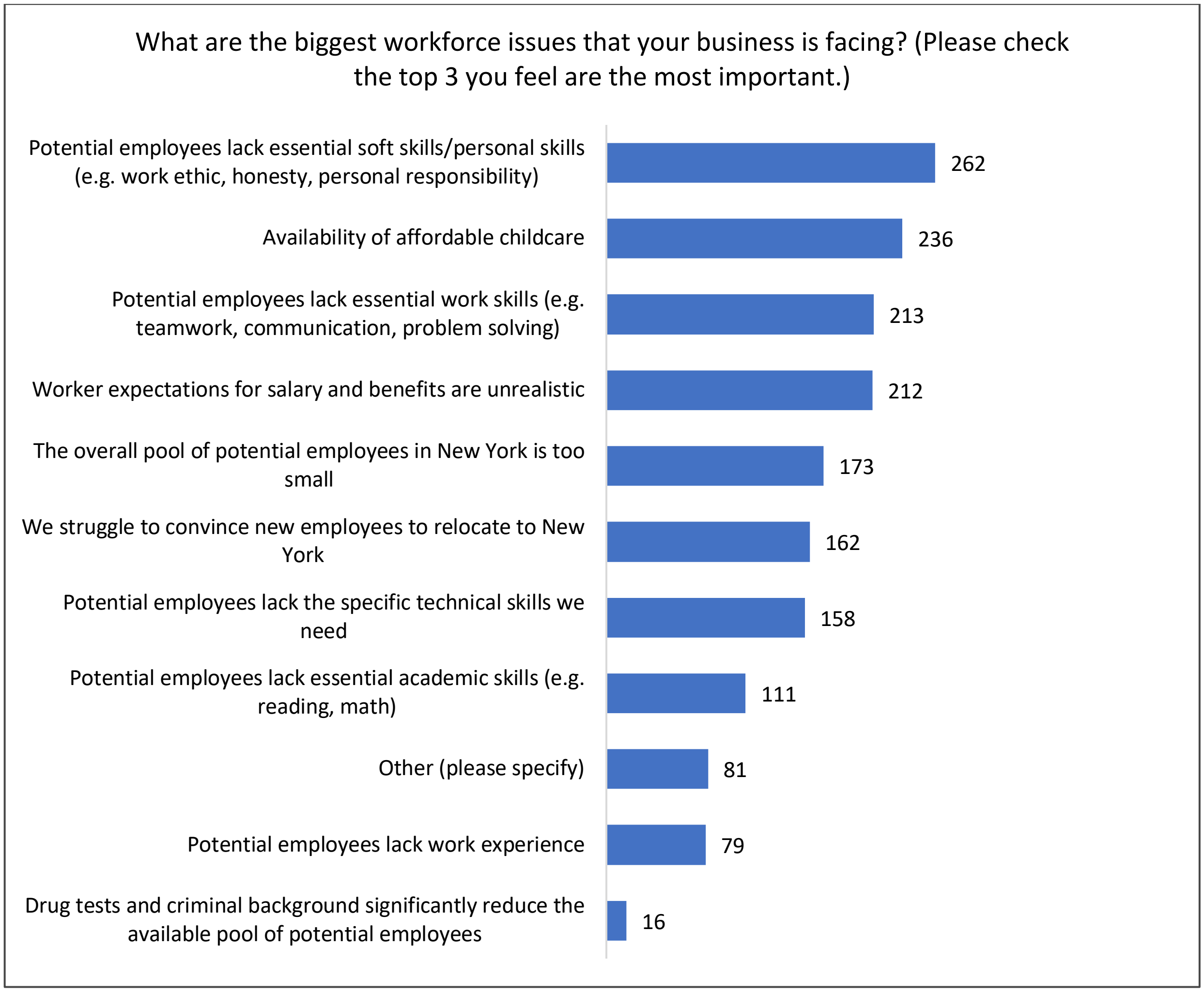
Question 7: What is the most important role of state government to help grow the New York economy and create more jobs? (Please check the top 5 you feel are the most important.)



Many of the responses in the "other" category emphasize reducing taxes, regulations, and government intervention to make New York more business friendly. The top 5 most mentioned issues in "other" category:

1. Taxes and Cost of Doing Business – Calls to reduce income, corporate, property, and sales taxes to attract businesses and retain workers.
2. Regulatory Burden and Bureaucracy – Concerns over excessive business regulations, construction laws, and state agency inefficiencies.
3. Workforce Development and Retention – Need for skilled trade education, workforce incentives, and college graduate retention programs.
4. Crime and Public Safety – Calls to address crime, bail reform, and public safety concerns affecting businesses and residents.
5. Affordable Housing and Infrastructure – Suggestions to invest in affordable housing, improve infrastructure, and reduce energy costs.

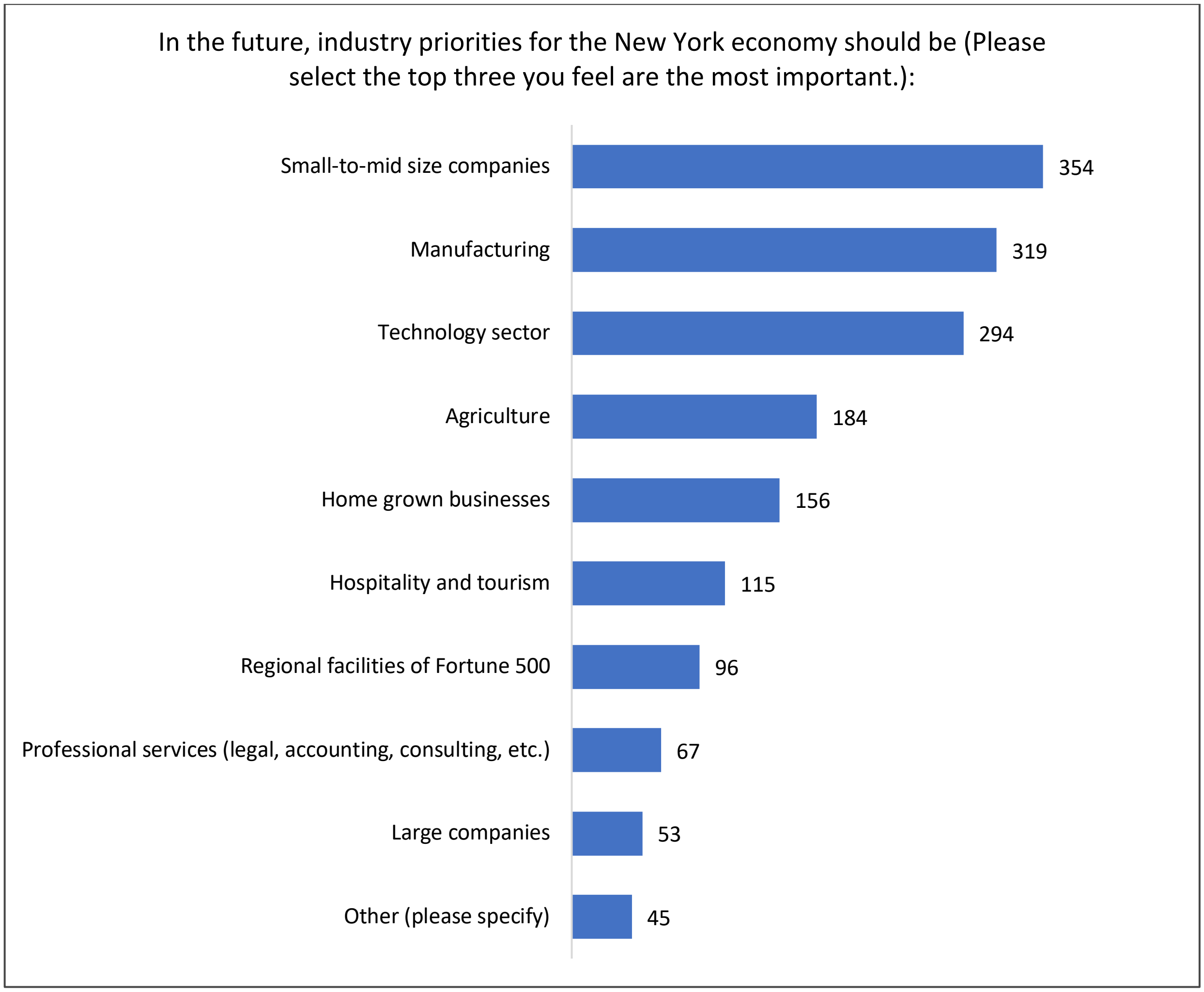
Question 8: What are the biggest workforce issues that your business is facing? (Please check the top 3 you feel are the most important.)



Top 5 most mentioned issues in "other" category:

1. Housing Affordability & Availability – High housing costs limit workforce retention, making it difficult for workers to live near jobs.
2. Workforce Readiness & Work Ethic – Concerns about a disengaged workforce, reluctance to work long hours, and reliance on government benefits.
3. High Cost of Living & Taxes – Excessive taxes, energy costs, and living expenses drive workers and businesses out of the state.
4. Labor Laws & Regulations – Burdensome mandates on wages, sick time, and compliance costs hurt small businesses.
5. Transportation Barriers – Limited public transit and long commutes make it difficult for workers to reach job sites, especially in rural areas.

Question 9: In the future, industry priorities for the New York economy should be (Please select the top three you feel are the most important.):



The list emphasizes a broad and balanced economic development strategy for New York, prioritizing industries such as healthcare, manufacturing, trades, life sciences, and clean energy while reducing government interference in business. The top 5 most mentioned issues in "other" category are:

1. Healthcare & Life Sciences – Strong support for expanding biotech, health services, and mental health care.
2. Trades & Skilled Labor – HVAC, plumbing, construction, and electrical trades are essential for economic sustainability.
3. Manufacturing & Agriculture – Seen as fundamental industries that drive other economic growth.
4. Affordable Housing & Childcare – Necessary to retain workers and attract businesses.
5. Energy & Infrastructure – Calls for reliable, affordable energy and investment in transportation to support business expansion.

Question 10: What barriers are preventing your business growth in New York?

Key Issues Identified:

1. Taxes & Cost of Doing Business
   - Excessive state and local taxes (income, property, corporate, and sales taxes).
   - High energy, insurance, and labor costs make New York uncompetitive.
   - Overregulation drives businesses out of state to locations with more business-friendly policies.

2. Regulatory Burden & Government Inefficiency
   - Too many business regulations and mandates (e.g., paid leave, scaffold laws, environmental rules).
   - Slow approval processes and red tape make it difficult to start and expand businesses.
   - State agencies (e.g., ESD, DEC) are slow, unresponsive, and overly bureaucratic.
   - Lack of transparency on how tax dollars are used to benefit businesses.

3. Workforce Availability & Labor Costs
   - Lack of a qualified workforce, especially in skilled trades, tech, and manufacturing.
   - Declining work ethic and high salary expectations, particularly among younger workers.
   - Government programs discourage work participation by making it easier to stay on assistance.
   - High cost of labor due to minimum wage increases and union influence.

4. Housing & Infrastructure Issues
   - Severe shortage of affordable workforce housing, making it hard to attract and retain employees.
   - Aging infrastructure and lack of investment in roads, transportation, and utilities.
   - High real estate and rental costs further drive up business expenses.

5. Crime, Public Safety, and Population Decline
   - Concerns over crime, bail reform, and homelessness affecting business environments.
   - Businesses and individuals are leaving NY due to affordability issues and better opportunities elsewhere.
   - Declining population and workforce shortages make it difficult to sustain economic growth.

6. Energy Costs & Environmental Regulations

- High energy costs impact competitiveness in manufacturing and other industries.
- Green energy mandates and climate policies increase costs without providing viable alternatives.
- Regulatory hurdles delay infrastructure and development projects.

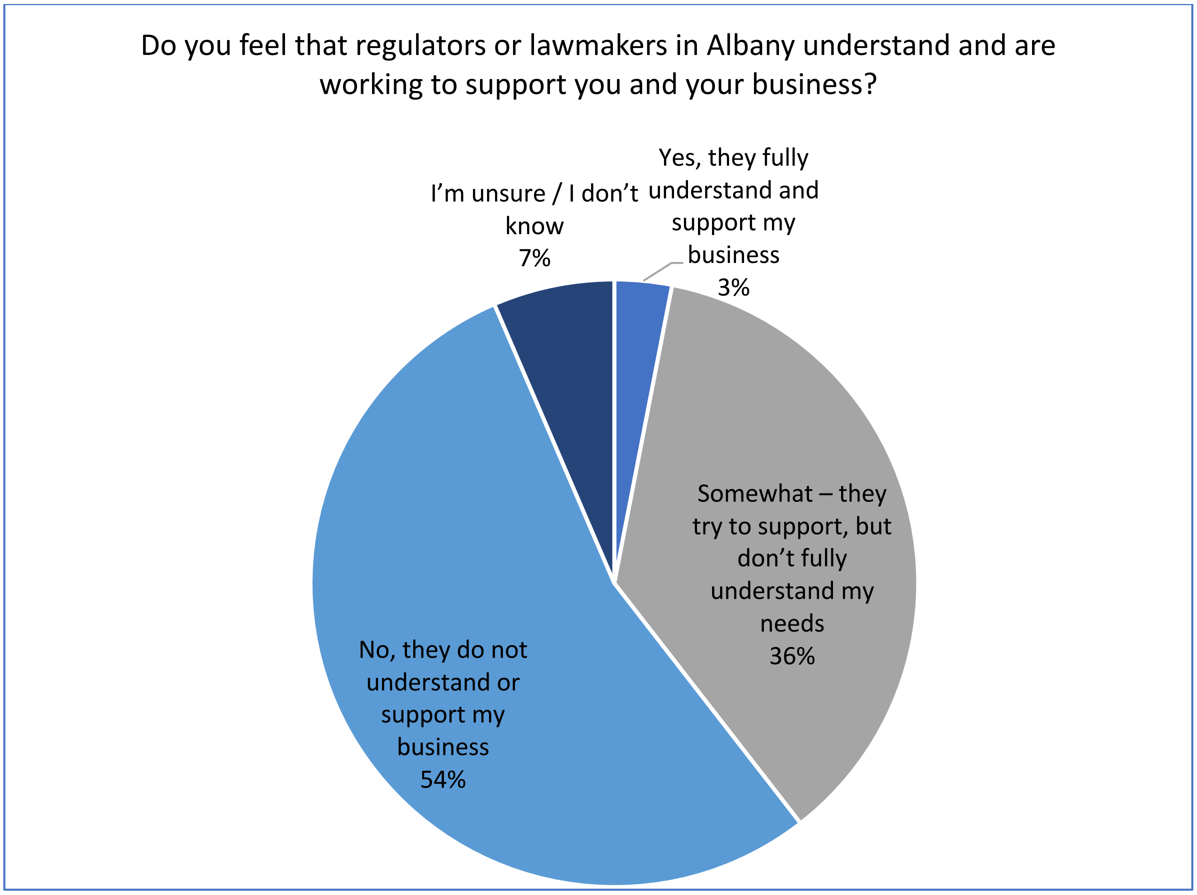
7. Access to Capital & Economic Incentives

- Difficulty securing capital and funding, especially for small businesses and start-ups.
- State grants and economic incentives are slow and difficult to access.
- Need for better business retention programs to prevent companies from leaving the state.

8. Industry-Specific Challenges

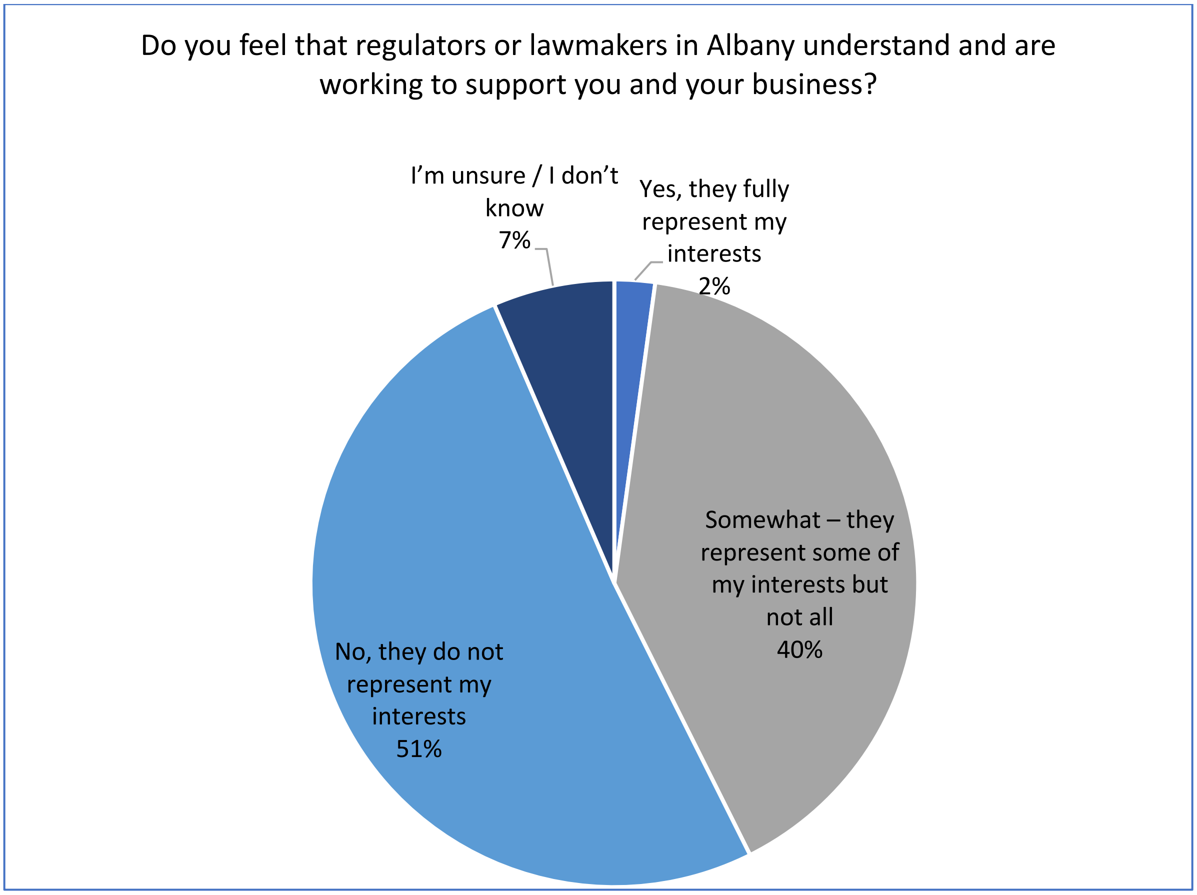
- Nonprofits struggle with funding and reimbursement delays for government contracts.
- Healthcare providers face poor reimbursement rates and labor shortages.
- Manufacturing and construction industries are hurt by high material and insurance costs.
- Small businesses feel neglected in favor of large corporations receiving tax breaks.

Question 11: Do you feel that regulators or lawmakers in Albany understand and are working to support you and your business?

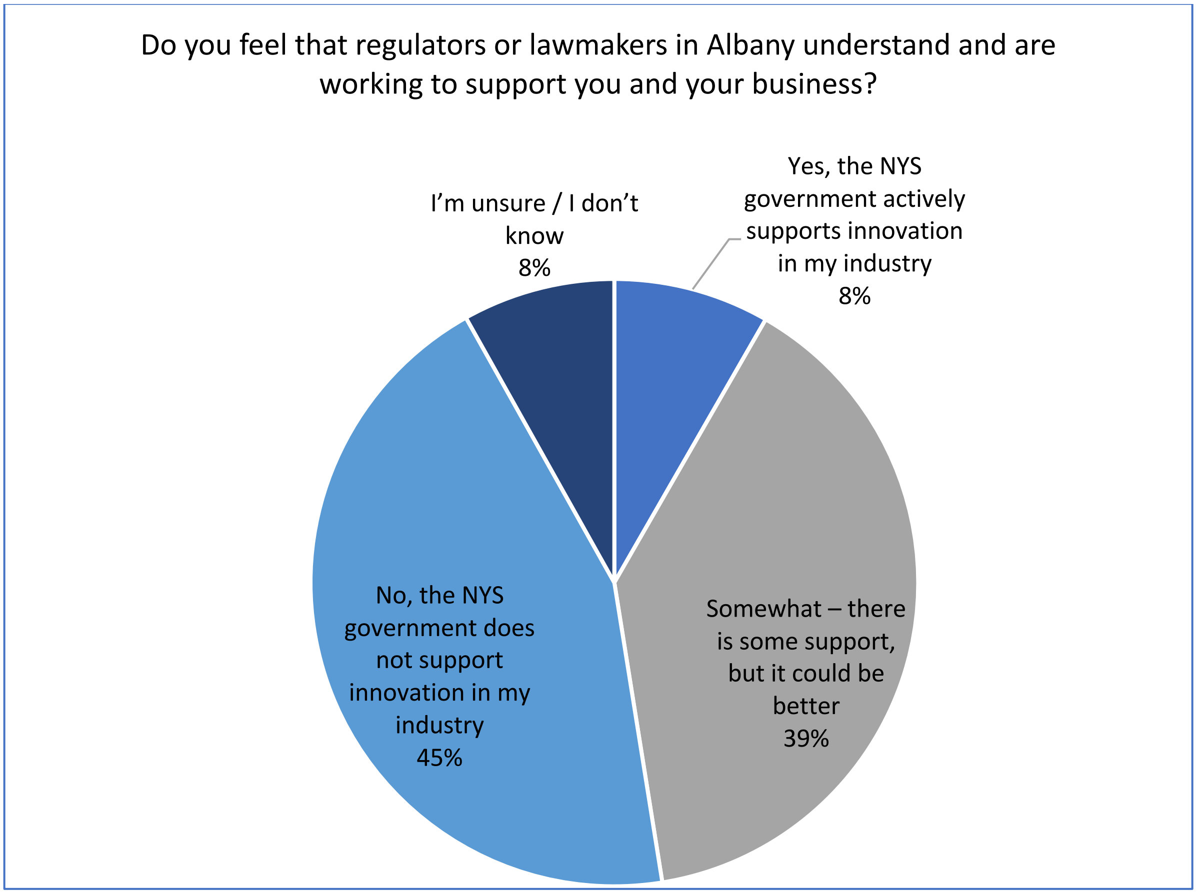


PPI

Question 12: As a business owner or businessperson, do you feel that lawmakers represent your interests in Albany?



Question 13: Do you think that NYS government supports innovation in your industry?



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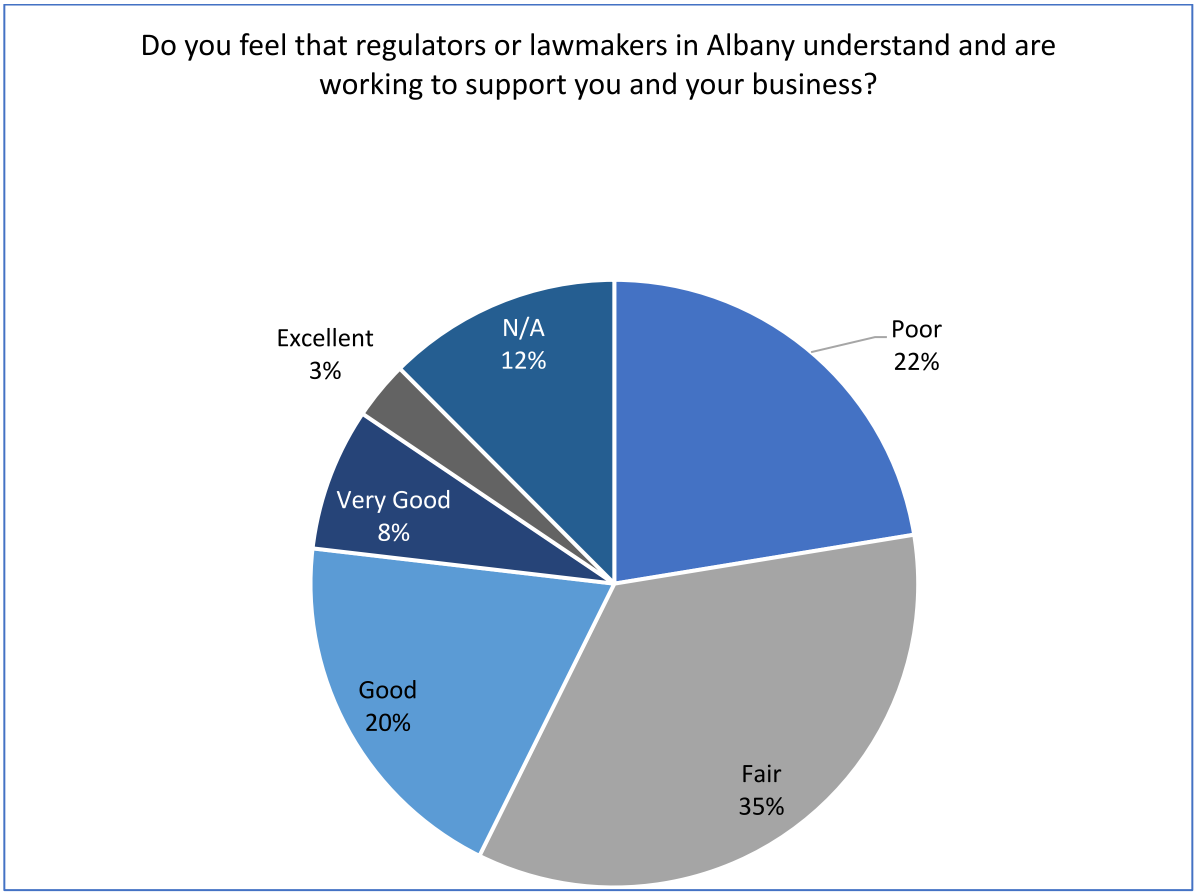
Question 14: Rank your experience interacting with NYS agencies to help your business access resources/grants/etc.

Answer choices: Poor (weighted 1), Fair (weighted 2), Good (weighted 3), Very Good (weighted 4), Excellent (weighted 5), N/A (not weighted)

Overall Rating: 2.25



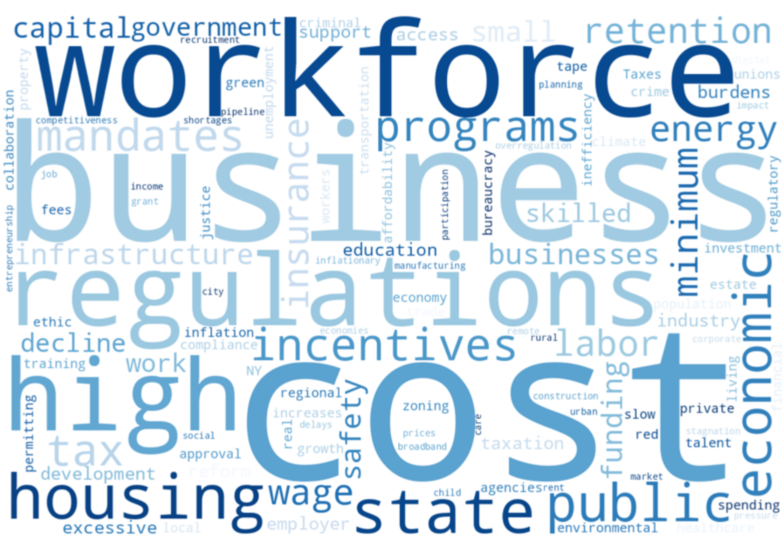
Question 15: As Economic Leadership develops the recommendations for this new competitiveness plan, what advice would you give us?

Summary of Key Issues Identified:

1. High Cost of Doing Business
   - Excessive taxes (income, corporate, property, and sales taxes).
   - High labor costs due to minimum wage increases and mandated employee benefits.
   - Expensive energy costs driven by aggressive green mandates.
   - Unfunded mandates that shift financial burdens onto businesses.

2. Overregulation & Bureaucratic Inefficiencies
   - Slow state agency response times (e.g., DOL, DEC, ESD).
   - Complicated regulatory environment that discourages business growth.
   - Lengthy approval and permitting processes delay projects and drive up costs.
   - MWBE certification and compliance burdens making it difficult for businesses to compete.
   - Redundant government agencies that add inefficiencies without delivering results.

3. Workforce & Labor Challenges
   - Lack of skilled workers in key industries like manufacturing, trades, and technology.
   - Workforce shortages exacerbated by high living costs and lack of affordable housing.
   - Declining work ethic and labor force participation due to excessive social programs.
   - Need for better workforce training programs to align with employer needs.
   - Overly generous paid leave and unemployment benefits discouraging workforce participation.



4. Housing Affordability & Infrastructure Deficiencies
   - Severe lack of affordable workforce housing driving employees out of the state.
   - Aging infrastructure and slow investment in transportation and utilities.
   - Zoning and regulatory restrictions preventing new housing development.
   - Need for regional infrastructure investments to attract and retain businesses.

5. Business Retention & Economic Competitiveness

- State losing businesses to tax-friendly states like Florida, Texas, and Tennessee.
- Lack of incentives for small and mid-sized businesses while large corporations get subsidies.
- Government policies that discourage investment and limit industry growth.
- Failure to support rural and upstate economies with tailored development strategies.

6. Government Spending & Tax Policy

- State spending is unsustainable, leading to increased taxes on businesses and residents.
- Lack of transparency on how tax dollars are used and their economic impact.
- Over-reliance on business taxation to fund public programs, driving companies away.
- Calls to benchmark New York against more business-friendly states to improve efficiency.

> "We need common sense policy."
>
> - *Industry representative at a regional focus group*

7. Need for Public-Private Collaboration & Business-Friendly Policies

- Government needs to engage more with business owners before implementing policies.
- State agencies must modernize and improve customer service for businesses.
- Shift focus from large corporate recruitment to fostering small business growth.
- Streamline grant programs with timely disbursement for small businesses and nonprofits.

8. Crime & Public Safety Concerns

- Crime rates, bail reform, and public safety issues discourage business investment.
- Lack of enforcement against retail theft hurting local businesses.
- Need for a more balanced approach to criminal justice reform that supports economic stability.

9. Education & Workforce Development

- Educational system must better prepare students for high-demand jobs.
- Expand vocational training and trade programs to build a skilled workforce.
- Improve connections between businesses and education institutions for workforce pipelines.

10. Energy Policy & Environmental Regulations

- Green energy mandates increasing costs without necessary infrastructure in place.
- Call for diversified energy solutions, including nuclear and natural gas.
- Overly strict environmental regulations slowing development and deterring businesses.

APPENDIX D – ORGANIZATION LIST

The following organizations dedicated their time, resources and efforts to ensuring that Economic Leadership heard from a wide range of business owners and leaders to provide the needed qualitative data to enhance the report's findings and highlight New York's opportunities, challenges and successes.

The Agency, Broome County
The Bronx Chamber of Commerce
Town of Brookhaven IDA
The Brooklyn Chamber of Commerce
The Buffalo Niagara Partnership
The Builders Exchange of Rochester
Capital Region Chamber of Commerce
Center for Economic Growth (CEG)
Centerstate CEO
The Chautauqua County IDA
The Clinton County IDA
Columbia Economic Development Corporation, Choose Columbia
The Construction Industry Association of Rochester
The County of Oswego IDA
The Food Industry Alliance of New York State
The Fulton Center for Regional Growth
The Genesee County EDC
The Greater Binghamton Chamber of Commerce
The Greater Rochester Chamber of Commerce
Greater Rochester Enterprise (GRE)
The Griffiss Institute
The Long Island Association (LIA)
The Manhattan Chamber of Commerce
Mohawk Valley EDD
Mohawk Valley Edge
Monroe County Economic Development
The Nassau County IDA
The National Federation of Independent Business (NFIB)
The New York City Economic Development Corporation
The New York City Hospitality Alliance
The New York Bankers Association
The New York Construction Materials Association
The New York Insurance Association
The North Country Chamber of Commerce
The North County Alliance
The Onondaga County IDA

The Orange County IDA
The Queens Chamber of Commerce
The Real Estate Board of New York (REBNY)
The Staten Island Chamber of Commerce
The Steuben County IDA
The Suffolk County IDA
Think Dutchess
The Westchester Business Council
Westchester County Economic Development

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