

Optimism Despite Frustration

Despite overwhelming frustration with state government and a difficult economic climate, employers who responded to a Business Council survey were optimistic about economic recovery.

"Although they have dealt with a difficult recession and a hostile business environment in New York, our members believe their businesses will grow and their bottom lines will improve over the next 18 months," said Kenneth Adams, president and CEO of The Business Council of New York State, Inc.

The electronic survey conducted in June and July asked approximately 3,000 Business Council members about the economic climate and their outlook over the next six months and the next 12 to 18 months.

In the next 6 months 41 percent said they expected their revenues to increase, and 27 percent plan to increase their workforce. In the next 12 to 18 months 59 percent said they expect their revenues to increase, and 40 percent plan to increase their workforce.

Despite these optimistic findings, respondents show an enormous frustration with state government. Asked if they are satisfied with the way state government is operating: 87 percent said no; 13 percent were somewhat dissatisfied; zero percent were satisfied.

A troubling finding is that 79 percent said they have seen an increase state regulatory activities costing their company more in fees, fines or penalties.

Respondents were broadly representative of the Council's membership in terms of size, type of business and location. Cross-tabulations found that the issue rankings were broadly consistent regardless of the size or type of company represented in responses. More information on the survey is available at www.bcnys.org.

Business Council Calls on Assembly to Act on Property Tax Cap

The New York State Senate recently voted to establish a property tax cap. The concept of setting a cap to limit the annual growth of property taxes in New York has extensive support – 76% of all respondents including 83% of homeowners in a recent Siena poll expressed their support for a property tax cap. Upstate and suburban middle-class homeowners make up the largest group of supporters.

"Governor Paterson deserves credit for advancing this proposal. Now that the State Senate has joined him, the fate of this vital reform is left to the Assembly majority," said Kenneth Adams, president and CEO, The Business Council of New York State, Inc. "The Assembly majority should respond to the pleas of homeowners across the state and support this proposal."

New York ranks among the top three states in the US for highest property taxes. Property taxes in New York are 59 percent above the national average. When property taxes are measured as a percentage of home value, 15 of the 25 highest taxed counties in the US are in New York State.

Governor Paterson's proposal would cap annual increases in local property taxes at 4% or 120% of the rate of inflation, whichever is lower. Attorney General Andrew Cuomo has proposed setting a 2% cap. Rick Lazio has also proposed a tax cap.

To read more about enacting a property tax cap in New York visit www.taxcapnow.org.

A Hostile State To Do Business

The following is an expert of an article by Kenneth Adams, president and CEO, The Business Council of New York State, Inc. published in the Albany Times Union on July 30, 2010.

The nation may be creeping out of the recession. Second quarter corporate earnings reports are encouraging. Manufacturing is doing well. The banking sector is on solid ground again. Exports are up.

Still, employment numbers remain grim, and if there is one state likely to suffer a "jobless recovery," it's New York.

Just when the rest of the state recognizes that the only thing that matters is private sector job growth, Albany has come up with a new strategy to deter investment and discourage companies from hiring: uncertainty.

New York business owners have had to cope with high taxes and burdensome regulations for decades. Now there's more. It has become increasingly hard to predict what's next in the state's business environment. The uncertainty created by state government is stripping away something business owners depend on in tough economic times: predictability.

The full article is available at www.bcnys.org.

"Unique New York" Tracks State's Economic Performance

New York is a leader in high taxes and spending but lags the nation in most economic growth categories. That is the finding of "Unique New York," a new service of the Public Policy Institute of New York State (PPI), the research affiliate of The Business Council of New York State, Inc.

"Unique New York" tracks 21 standard indicators of economic performance. Unfortunately, in most metrics New York State's performance is dismal.

"The message is clear: New York must reduce spending and lower taxes to become competitive and allow the economy to create jobs," said Kenneth Adams, president and CEO of The Business Council of New York State.

In virtually every measure of taxing and spending, New York is among the highest. For example: State and Local Personal Income Tax Per-Capita (US Rank: 1); Cost of Electricity (US Rank: 2); State and Local Spending Per-Capita (US Rank: 4).

The full report is available at www.ppiny.org.

Material from The Business Council of New York State, Inc. For more information, contact chambers@bcnys.org.