CHAPTER 6

Recommendations

The extraordinary expansion in New York's economy during the second half of the 1990s brought with it an extraordinary polarization. The good news is: from 1995 to the spring of 2000, the stock market soared, and the size of the economic pie grew. The bad news is: in the course of a decade of hard work, middle- and lower-income families did not even climb back to where they were in 1989, at the peak of the last expansion. But those at the top of the economic spectrum benefited hugely. And growth throughout the state was also uneven. Virtually all the gains during the expansion were captured by New York City and its suburbs, while the upstate economy remained relatively stagnant, suffering weak job and income growth along with high rates of out-migration even as the downstate and national economies were in expansion.

Throughout the U.S., the fruits of the economic expansion were unevenly shared, with top income groups receiving the lion's share of gains. But, in most of the U.S., people at the bottom and middle of the spectrum experienced at least modest growth. In New York, by contrast, those in the upper middle, middle and bottom all lost ground for most of the decade. In addition, the income losses fell disproportionately on upstate New Yorkers and people of color, so that New York now has an economy that is more racially divided, hollow in the middle, and far more polarized in bestowing the benefits of economic growth.

Toward the end of the expansion period, from 1997 to 2000, that picture began to change, with wages improving almost everywhere along the economic spectrum. Encouragingly, some of the biggest increases in wages occurred among the less well-off. New York's unemployment rate also finally receded, and closed in on the lowest national unemployment rate in three decades.

But despite the upturn at the end of the 1990s, a decade of record-setting economic expansion did little to help the majority of New York workers and their families. Taking stock of the last decade, it is clear that most New Yorkers' wages did not even keep up with the increases in the cost of living. Many families worked longer hours, took on greater debt, and found it increasingly difficult to save for retirement or college expenses. Most New Yorkers were only starting to climb back to the living standard they had at the peak of the last economic cycle when the recession began in the early part of 2001 and accelerated in the wake of the World Trade Center attack. Ten years of boom did not do much for 80 percent of New Yorkers, but years of bust certainly will not improve their prospects either.

The lesson to be learned from this experience is clear. Stimulating growth, alone, is not enough to ensure an economy that works for all New Yorkers. We also need to take account of the nature of that growth, and make sure it positively benefits workers and their families across the entire economic spectrum. A polarized society is a shaky foundation on which to build a strong future. New York can, and must, do better if it is to be a pace-setter for the nation.

The Empire State has a tradition of innovative leadership in developing public and social institutions. The State was a pioneer in making major investments in education and transportation, in developing affordable housing, and in establishing protective labor laws. To regain that status, New York's core institutions — in the public, private and non-profit sectors — must work together to make our economy stronger, fairer and more sustainable. Many businesses pay decent wages and provide health, retirement and other essential benefits, and invest in the skills of their workers. Increasingly, however, their ability to do that is undermined by businesses that have chosen to compete by driving down wages and cutting benefits. The playing field should be leveled up so that more New York companies compete on the basis of product quality, innovation and service — not by cutting corners at the expense of New York's workers and its responsible employers.

The low road or the high road?

In an era of globalization, there are at least two routes for local economies. There is a "low road" that seeks profitability through low-cost, low-quality products made possible by low wages for most workers, high turnover, few health and pension benefits and minimal environmental standards. And, more often than not, sustaining the low-road requires high-cost management and expensive union-busting lawyers.

On the other hand, there is a "high road" that pursues profit through higher-quality products that can command higher prices — supported by workers who earn living wages, investment in worker education, good mid-level career opportunities, high levels of environmental standards, and modest ratios between highest and lowest paid employees.

The low-road approach leads to polarization. A few people at the top get rich, while a large number of people get stuck in dead-end jobs at the bottom and others get stuck in the middle just about holding even. Low-road companies are more likely to pollute the environment, less likely to help out in their local schools, and are the kind of companies you wouldn't want in your backyard.

The high-road approach leads to shared prosperity. Entry-level jobs provide decent living wages, but they also are the first rung up on a career ladder. Those who stick with the job get training and advance up the career ladder. Pay scales are less extreme: wages start at a reasonable level and increase over time. Those at the top of the pay scale can make a healthy salary, but they don't take home the bank. High-road firms tend to be good neighbors, and to be much lower in negative environmental impact.

What kind of economy does New York have today? Among the 10 northern industrial states, New York has the highest proportion of workers earning poverty wages. In New York City, the problem is even more extreme: The gap between rich and poor in New York City is one of the starkest in the nation, and the concentration of poverty among people of color is striking. Upstate New York is hemorrhaging jobs in solid middle-class industries, and the rural economy is languishing.

Today, New York State is in a precarious situation. The good news is, the slowdown this time around is not likely to match the severity of the recession of the early 1990s. But the bad news is that for many New Yorkers all across the state, the past years of economic growth have not built up a solid foundation for the future. To turn this around, FPI recommends that New York's public, private and non-profit sector leaders focus on three broad strategies:

1. Building Family Economic Security. Many working families face a greater degree of economic insecurity than in the past. New York's leaders need to recognize the strains of work and family life and address the underlying problems that are amenable to improvement. For example, we can shorten commuting times by making the necessary investments in our mass transportation systems and by promoting smart growth. Employers can pursue policies that will reign in the expanding number of hours working parents spend on the job. Government and business can take steps that will increase the supply of quality affordable childcare. We need to broaden access to health-care coverage and retirement security. We need a government that provides high quality public services and a public infrastructure that families can rely on from good schools to safe and well-maintained parks.

2. Promoting Broadly-Shared Prosperity. Until the recession set in, New York had more jobs than ever, but the job structure had become more "hollow in the middle." Most new jobs are found at the bottom of the spectrum and many are at the top, but the number of jobs in between — jobs that can provide working families with a reasonable standard of living — is declining. New York should lift up the bottom by raising the minimum wage, eliminating sweatshops, and establishing "living wage" requirements for publicly funded and subsidized jobs. But New York also needs to expand the middle economic levels by building better job ladders and broader opportunities for career-long job training. Higher education should be more broadly accessible, but we also need more good jobs that require a college degree. And, in the "new economy" as in the old, unions need to ensure that workers throughout the economic spectrum, not just executives and sophisticated investors, share in the benefits of economic growth.

3. Encouraging Balanced and Sustainable Growth. New York remains extremely reliant on the financial services sector for economic growth and fiscal stimulus. A decade of growth has passed many New Yorkers by, both upstate and downstate. Rural areas need new economic opportunities, and sprawl must be contained. It makes no sense to be investing millions in new infrastructure in the suburbs to support the geographic redistribution of the stagnant population of our Upstate metropolitan areas. We need to revitalize Upstate's large central cities — Rochester, Buffalo, and Syracuse — and the smaller cities such as Utica and Schenectady that have been experiencing continuing population and economic declines. At the same time, New York City must address the challenges of continuing gentrification and rents that skyrocketed through the expansion and are only beginning to drop today. Manhattan below 96th Street needs an improved infrastructure and expanded public services to accommodate its continuing growth, but Queens, the Bronx, Brooklyn, Staten Island, and Manhattan above 96th Street need both infrastructure improvements and new plans for economic development.

What is happening in the New York economy is by and large part of a national trend. New York's public and private sector institutions did not create most of the state's strengths or most of its weaknesses. Larger forces are clearly at work. But New York's institutions have not responded especially well to the situation — regressive tax cuts increased inequality, welfare reform has been applied with harsh implications for already-vulnerable families, and business subsidies have not resulted in balanced and sustainable growth.

Yet , there is an important way in which, after September 11, 2001, New York took on a special mantle in the U.S. As New York recovers from the human and structural disaster, it faces a tremendous challenge. With help from the federal government, the city and the state need to rebuild a vision for the future of the city. The key to success will lie in focusing on a strong public infrastructure — transportation, schools, affordable housing — that will make the area viable and attractive to business while making public investments work toward equity and benefit for all New Yorkers.

A few of the recommendations presented below can be undertaken only at the federal level. But the bulk of these suggestions are for actions that can be implemented by New York actors and institutions — from state, county, and municipal governments, in some cases, to businesses, labor unions and non-profit organizations, in others.

1. Building Family Economic Security

a. Balancing work and family

CHILD CARE. Over the past 30 years, as women entered the paid labor force in increasing numbers, New York — like the rest of the U.S. — did not develop a coherent way to think about how to make up for the lost childcare, household management, care for elders, and volunteer work in communities and schools that was traditionally women's work. All of these are important, but most pressing on the social agenda in New York is finding good, affordable, high-quality childcare solutions. On-site childcare at the workplace has proven a good solution, but is still on a small scale. Municipalities have sometimes provided public subsidies for childcare. Childcare co-ops have been a good model. For older children, after-school and summer programs of all sorts help bridge a child-care gap. This is an area in which a multiplicity of options is needed. It is not new models that are needed so much as a several-fold expansion of all kinds of childcare options. At the same time, to ensure high quality care, salaries and training for childcare providers also ought to be higher. Child care is one of the most important jobs in our society, and yet it is given a salary and status as if it were one of the least important.

BACK TO A 40-HOUR WORK WEEK. Generations ago, workers fought historic battles to win a 40-hour work-week and weekends off. Today, a significant percentage of people who work log more than that 40 hours, with many working late at night and into weekends. This is a trend that should be reversed by employer policies, by raising wages to make long hours less necessary, and by enforcing time-and-a-half overtime payments. But it is also a change that must come from workers themselves, who polls show on the one hand complaining about not having enough time with their children and on the other hand more or less voluntarily extending their working hours.

REDUCE COMMUTING TIME. This is a “win-win” solution for employers and employees. New Census data show that New Yorkers spend more time commuting, 31.2 minutes daily on average, than residents of any other state. What is needed is greater investment in public transportation to improve service, make it faster, more convenient, and to entice more people to take it (and get cars off the roads). Better city and suburban planning can help, too, by reducing traffic-clogging sprawl and overbuilding. And improvements in roads, reduced time at tolls, and other ways to improve traffic flow are all significant ways to increase the time families can spend together that an employer could eagerly support.

INCREASE VACATION TIME. European workers at all levels routinely have four, five, and even six weeks of vacation a year. There is no reason Americans could not do the same and maintain their competitive edge. At least six European countries have a legal mandate for 30 vacation days for all workers; in the U.S., there is no legal minimum, and the average number of vacation days is just 16, the lowest average number of vacation days in the developed world.

b. Stabilizing work and benefits

HEALTH INSURANCE. The large number of New Yorkers without insurance is not only bad for those families without insurance. It is also bad for public hospitals (which end up footing the bill for emergency care), bad for public health (spreading rather than curing disease), bad for high-road employers (since they operate at a competitive disadvantage compared to firms that do not pay health insurance) and even bad for economic efficiency (since people stay at jobs they would otherwise leave because they need the insurance). In the long run, New Yorkers need insurance that is available to all, regardless of employment. In the meantime, the state has already taken some steps in the right direction. Family Health Plus extends eligibility for government health insurance to families above poverty and not eligible for Medicaid. The state should also work toward portability of benefits, so that health insurance is not dependent on a particular job. Prescription drugs should be covered in health care plans — pharmaceuticals are the fastest-growing expense in health care. As the government extends benefits, however, it should be cautious to do so in a way that does not put high-road firms that do offer health insurance at a comparative disadvantage.

EMPLOYER-PROVIDED RETIREMENT AND PENSIONS. A generation ago, employees expected to work at a single firm for most of their working lives and to retire with a reasonable pension. The economy has changed, and today people change jobs frequently. But instead of adapting retirement benefits accordingly, many New York employers fail to provide any pension plan at all. Twenty years ago, New York was ahead of the country in employer-provide pensions. Today, New York trails the nation. The federal government provides a crucial base for retirees in the form of Social Security — which makes up roughly half of the country’s retirement income. But employees and self-employed people need better options for saving for retirement. Firms need to make retirement benefits a standard part of an employment package. Benefits need to be portable. And the time for becoming vested in a pension plan needs to reasonably reflect how long employees stay on the job.

LESS CONTINGENT WORK. There are legitimate reasons for firms to use contingent work: to gain flexibility, or to employ people who may not want to work full time. But using contingent work as a way to avoid paying benefits is a practice that must be halted.

EXPAND UNEMPLOYMENT BENEFITS. Unemployment insurance benefits play an increasingly important role in an economy in which people change jobs much more frequently than in the past. It is time to recognize the receipt of such benefits as an inherent and respectable part of living and working in such an economy, not a demoralizing process that discourages many from collecting the benefits to which they are entitled and for which they have paid. The types of jobs that make workers eligible for unemployment benefits should also be expanded to include part-time, temporary, and contract work. Eligibility for benefits should be changed from an earnings level to an hours threshold, and the amount workers collect should be set at a level that allows their families to live at a reasonable level while they look for new jobs. And in addition, there should be an allowance for dependent children in determining the benefit level. In periods of extended economic weakness such as the present, extending benefits not only helps people in need, it also provides a much-needed consumer-based economic stimulus.

c. Communities that support families

ADEQUATE PUBLIC SERVICES AND MORE AFFORDABLE HOUSING. The quality of life in a community is heavily determined by the quality and quantity of public services: schools, universities, hospitals, parks, public safety, public health, libraries, and cultural activities. Continued polarization of income erodes the sense of shared community and the support for adequately-funded public services. Most of the tax cuts enacted by New York State and New York City over the past decade have jeopardized government's ability to afford quality public services and, because they have disproportionately benefited the rich, further undercuts broad support for public services. In addition to improving public services, we must improve housing affordability. Over the last 50 years, New York has pioneered many effective approaches to increasing the supply of affordable housing. We must build on those experiences, rather than forgetting them, and learn from the approaches that are now working well in other parts of the country.

2. Promoting Broadly-Shared Prosperity

a. Raising the floor of the labor market

The most direct way to improve wages for the average worker is by raising the bottom of the labor market. This helps increase living standards for those working at the lowest wages. And it also provides a steady upward pressure on wages just above the bottom, and even on wages in the middle.

RAISE THE MINIMUM WAGE. New York State government should raise the minimum wage to a level that rewards hard-working employees with compensation that brings them up to at least the three-person poverty threshold. In 2001 dollars, that means a minimum wage of $6.75 an hour. To prevent the steady erosion in its minimum wage, the state should also index the minimum to changes in the overall price level. Eleven states already have a higher minimum wage than the federal level. Among them are several neighboring states: Massachusetts ($6.75), Connecticut ($6.70), and Vermont ($6.25). Washington State's minimum wage is now $6.90 an hour, and it rises annually in tandem with consumer price inflation. California's minimum wage is now $6.75.

SUPPORT A LIVING WAGE. State and municipal governments — and private or nonprofit institutions such as apparel makers, universities, or hospitals — can establish a set of rules that requires any contractors or subcontractors they use to pay a wage that comes closer to supporting a family. Living wage initiatives have been used effectively around the country, and have been established by the City of Buffalo and Suffolk County. A proposed New York City living wage bill would raise the wages of homecare workers in steps, and apply living-wage standards for employees of companies receiving economic development subsidies. New York employers should avoid forays into outsourcing (or privatization, in the case of government) that generate nominal savings but only by reducing workers' wages and benefits. The indirect and long-term costs of such strategies clearly outweigh the short-term benefits.

USE PROCUREMENT POLICY TO CUT OFF LOW-ROAD BUSINESSES AND SUPPORT HIGH-ROAD BUSINESSES. Governments — and large private businesses and nonprofit institutions — buy a large amount of goods, from police and firefighters' uniforms to printing paper to food for school lunches. Procurement policy can be used strategically to support high-road industries that pay decent wages, achieving many goals at once: pushing up low wages, curbing sweatshop conditions, promoting a cleaner environment, and acquiring better quality products.

IMPROVE ON WELFARE-TO-WORK PROGRAMS. The conversion of the federal government's role in the provision of a safety net for needy families to a block grant, called the Temporary Assistance to Needy Families block grant, or TANF, combined with the substantial decline in welfare caseloads, is providing New York State with hundreds of millions of dollars that it can use each year to help needy families move from welfare to self-sufficiency. Much of this so-called "welfare windfall" or "TANF surplus" has been used for "fiscal relief" by paying for child welfare and other services that were previously funded with state and local revenues. But much of it has also been used for the expansion of the kind of supportive services that can make welfare reform a much more effective program in the long run. In the future, New York should use more of its TANF surplus for the latter types of investments and restore its own traditional levels of support for the former category of programs. Substantively, more of the TANF surplus should be used to fund transitional employment programs that will give families without a real track record of paid work experience with the skills and training that they need to move into the unsubsidized and less-subsidized workforces. A good example is New York City's Transitional Employment Program, which is designed to create 7,500 such job opportunities. TANF should support education for welfare recipients — the best guarantee that they will get and keep a living-wage job. And TANF should make sure good quality childcare is available to anyone with children who is required to work. The TANF surplus could also be used to raise benefit levels, which have not been increased for over a decade. These measures are all the more pressing today, since in the current recession and weaker job market, the transition from welfare to work has become more difficult.

PROVIDE ENTRY-LEVEL JOB TRAINING. Both for people coming off welfare programs and for others who may need it, the state should make sure there is a wide array of opportunities for job training. Federal money is available to support this under the Workforce Investment Act.

b. Expanding the middle of the labor market

To create an economy that is not hollow in the middle, New York should concentrate on ways to create a more continuous ladder between the bottom and the top — enhancing the career paths of individuals, increasing the number of mid-level jobs available, and improving the quality and salary of existing jobs.

ACCESS TO GOOD PUBLIC SCHOOLS. Educational achievement is the single best predictor of economic success. New York's public schools must be improved and made more equitable, for economic as well as for social reasons. Kids who grow up in areas with poor schools — often low-income kids, people of color, or people in disfavored political districts — stand far less chance of getting mid-level jobs than kids who go to schools in good neighborhoods. Improving teacher pay, reducing class size, and a greater focus on continuing education for teachers are some key elements of improvement.

WORKFORCE DEVELOPMENT. Lifelong education, skills upgrading, and ongoing worker education are widely recognized as keys to success in today's economy — enhancing worker productivity in ways that correspond to higher salary levels. New York is rich in institutions that can provide this ongoing educational work, from colleges and universities to union-based training programs to community/business/labor partnerships. And there is a good range of models that work, both in New York State — such as the Consortium for Worker Education, the Garment Industry Development Corporation — and elsewhere in the United States. Expanding the number, size, range, and availability of these programs is one of the best ways to build a workforce that can continue to climb the job ladder rather than getting stuck on the first rung.

WORKPLACE REPRESENTATION. For previous generations of workers, unions were the prime force that lifted workers from poverty into the middle class. Whether through factory work (once low-paid, now often solidly middle class), government employment, or new-economy technology work, unions are a central way to make sure the profits of a productive company are shared fairly by all employees, and do not go as disproportionately as they have in this past decade to executives and investors.

Unions can be more active in their attempts to organize workers, and more democratic in their advocacy for including people of color and women in the mid- and upper ranks of employment. Legal barriers could also be lowered to enhance the position of unions. In Canada, unions are recognized when a majority of workers perform a simple card-check. Revising federal labor law to include a similar provision would be sensible reform, while in the interim private employers and local and state governments can make sure card-check recognition is permitted for their employees and contractors — as Verizon agreed to in its recent contract with the Communication Workers of America.

3. Encouraging Balanced and Sustainable Growth

Development throughout the state has been uneven in the past decade in several respects. In addition to the benefits of growth not being broadly shared, the upstate regions have been relatively stagnant and have not shared in the growth that has taken place in the downstate region or in many regions throughout the nation. The limited growth upstate that has taken place has too often taken the form of suburban sprawl at the expense of center cities and in a manner wasteful of public investments in infrastructure. The state's economy and fiscal situation (as well as that of New York City) have been heavily dependent on the fortunes of a single industry, Wall Street investment banks and stockbrokers. In the period ahead, New York should look for "smarter," more balanced and more sustainable growth.

a. Close the low road

STOP SUBSIDIES TO LOW-ROAD DEVELOPMENT. New Yorkers should under no circumstances be asked to subsidize low-wage employers. Businesses that maintain artificially low wages force the government, and therefore other taxpayers, to subsidize their real costs of doing business through public expenditures that supplement the earnings of their employees. It is important that we have safety net programs like the Earned Income Tax Credit and food stamps, but we should not subsidize employers who generate increased use of these programs by keeping down the wages of their employees.

ENFORCE EXISTING LABOR LAW. Currently, occupational safety violations — even those resulting in worker fatalities — are frequently not investigated by an understaffed OSHA. Companies illegally fire workers for trying to organize a union and are given a modest slap on the wrist. Give real teeth to laws regarding corporate violations of existing labor rights.

DO NOT ALLOW SWEATSHOPS. Minimum wage regulations, fire codes, public exposure, and other means should be used to put an end to the existence of sweatshops in the 21st century.

b. Build the high road

REDIRECT AND BROADEN SUBSIDIES. New York should stop the practice of low-road smokestack-chasing on the one hand, and expensive retention deals to a small number of big corporations (in the finance, insurance and media industries) on the other. Instead, the state should pursue a positive approach that uses subsidies for public-minded purposes such as aiding clusters of small and mid-sized high-road companies or fostering the redevelopment of areas such as brownfields and depressed areas that would not otherwise attract private sector investment. When government provides subsidies to firms on less rational bases, it puts itself on a very slippery slope that ultimately requires it to provide similar subsidies to other firms in the same industry simply on the grounds that their competitors received subsidies. Government must establish accountable procedures to verify that subsidies are absolutely essential. Government economic development assistance should be made responsive to the needs of small- and medium-sized businesses in a range of economic sectors important to building a diversified, export-oriented economy.

Enforceable conditions should be attached to subsidies: an agreed-upon number of jobs created, a reasonable ratio of the cost to the government versus the number of jobs created, requirements that these jobs will pay a living wage, stricter environmental standards, and jobs designed to provide employment to local populations who need a step up the ladder.

BUILD A COMPREHENSIVE REVITALIZATION PLAN FOR UPSTATE CITIES. Upstate's inferior economic performance in the 1990s is troubling on several accounts. It is depressing incomes and living standards, and fueling the out-migration of a skilled working-age population. This out-migration, in turn, will only lead to further disinvestment and the continued erosion of the job base.

If a comprehensive revitalization plan is not soon developed and implemented, the upstate region could be headed for a protracted period of weak growth. The national recession will further complicate upstate's predicament, risking a continued brain and skill drain. A comprehensive revitalization plan for the upstate economy must foster effective business-government-labor-community collaborations that fully exploit each region's technological and entrepreneurial potential and enhance the quality of life for area residents. Such a plan must also recognize that the upstate economy cannot be revitalized unless the cities of upstate New York are revitalized.

A necessary step in this direction is for the State to restore its commitment to Revenue Sharing, a program that Governor Nelson Rockefeller originally referred to as Urbanaid, because of its recognition of the mismatch that exists between the cities' tax bases and their service responsibilities. During the 1990s, no major state program was cut more than Revenue Sharing during bad times and restored as little in good times. These cuts have placed the cities in the untenable position of having to both cut services and increase property taxes to balance their budgets. New York should gradually restore its traditional commitment to sharing eight percent of state tax revenues with local governments on a formula basis that recognizes need, tax effort and ability to pay, as well as the overburden faced by the cities.

PURSUE A "CLUSTER" APPROACH TO ECONOMIC DEVELOPMENT. A proven way to improve a regional economy is to identify an existing cluster of businesses in a given industry and to pave an "on ramp" to the high road by designing programs to upgrade their production capacity and enhance worker training. Tripartite cooperative industry development efforts are often essential in providing the institutional infrastructure needed for firms to thrive and pay decent wages with good benefits. A number of models of such partnerships already exist, in and out of state. In state, the Garment Industry Development Corporation is a non-profit union-industry-government partnership that provides a range of training, marketing and technology assistance to small and medium-size apparel firms in New York City. The SEIU 1199 New York Hospital and Health Care Training and Upgrading Fund is another example of a joint labor-management commitment to develop new skills, in this case for workers affected by restructuring in the health care industry.

Out of state, the Wisconsin Regional Training Partnership (WRTP) is a model labor-management-community effort that provides training and technology services to durable-goods producing companies in the Milwaukee area. WRTP also coordinates school-to-work youth programs, dislocated worker retraining for higher-skilled occupations, and programs that enable employers to hire central city residents.

RESPONDING ACTIVELY TO DOWNSIZING. When plants close or downsize, the state should make sure to proactively assist workers in making the transition to new employment to other jobs at a similar economic level. When a plant closes, the local area has an interest in making sure the human resources collected in the area are not dispersed when jobs are lost. Where possible, government or nonprofit agencies should assist in assessing and linking workers' skills and market needs. Governments and others can provide access to capital for new ventures, retraining for workers, and other forms of assistance to help make plant closings a time when communities draw together and creatively address the problems and opportunities.

CLEAN UP AND MAKE SMART USE OF BROWNFIELDS. Too many of New York's communities have land that is contaminated by toxic chemicals and cannot be used. This is a double burden that falls disproportionately on poor communities and communities of color. First, the contamination is a danger to neighbors. And second, the fact that the land cannot be productively used prevents economic development nearby. A major effort must be made to clean up brownfields, and then to put them to productive use. In every instance there will be arguments about exactly how clean is clean enough. There is no simple answer, but there is one standard that is clear: the community most directly affected has to play a leading role in determining the costs and benefits of cleanup and development plans.

SUPPORT GREEN MARKETS. Green markets have proved an effective tool for connecting urban and suburban consumers with rural producers, while helping in a very significant way to build up a farming sector that includes small family farms. This is good for sustaining the character and economy of rural economies, good for revitalizing city market locations, and good for consumers around the state.

DEVELOP LAND TRUSTS. In communities where the public makes an investment in creating value — by adding public transportation, subsidizing business, building housing — land trusts are a way to make sure that added value is broadly shared in the community.

MAKE STRATEGIC USE OF PENSION FUNDS. Huge amounts of investment capital are managed by public and private pension funds. Strategically targeted economic development can be a way for employee's pensions to benefit them twice: once in the return on investment, once in improvements in their community. Pension funds have been used very successfully to support low- and moderate-income housing development. Some states, such as California, have also used pension funds as a source of capital for investment in neighborhoods and regions where under-investment is a cause of decay. Drawing on its extensive public and private pension funds, New York is in an excellent position to pursue a similar strategy.

THIS REPORT has documented several major trends over the past decade: weak growth in wages and incomes for most workers and their families, the intensification of economic polarization, adverse changes in the structure of employment, the underperformance of the upstate economy, and over-reliance on the Wall Street securities sector. In some of these areas there was improvement in the last two or three years of the decade, but in most cases this improvement was inadequate to offset the decline experienced earlier in the 1990s. In some cases, the current recession has already brought to a halt short-lived positive trends. The recommendations advanced above in three broad areas — Build Family Economic Security, Sharing Prosperity Broadly, and Balanced and Sustainable Growth — provide some guidelines for changes in public policy and private action that could shift the state's economy so that it truly benefits all New Yorkers.