

News from the Fiscal Policy Institute

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Group Proposes Economic Agenda for One New York Calls for Policies to Promote Shared Prosperity

The Fiscal Policy Institute (FPI) today released *One New York: An Agenda for Shared Prosperity*, (www.fiscalpolicy.org/OneNewYork~FPI.pdf), a package of economic and fiscal policy recommendations for strengthening the economy in each region of the state and strengthening the middle class.

“*One New York* is the Fiscal Policy Institute’s contribution to what we see as a much needed reevaluation of New York State’s economic policies,” said FPI’s executive director, Frank Mauro, describing the package as a comprehensive economic policy agenda for the state. “*One New York* discusses the challenges facing New York State, but really focuses on the state’s opportunities.” FPI is a nonpartisan research and education organization that studies tax, budget, economic and public policy issues that affect New York State residents.

According to James Parrott, FPI’s deputy director and chief economist, the relative stagnation of most of the upstate economy is one of the most serious challenges facing the state. “The principle behind the cure for upstate’s ailments is simple—take a comprehensive view and look at how all the pieces work together,” he said, referring to workforce development, economic development and business costs. “These all get better together,” said Parrott. “Businesses can thrive in an environment where government is accountable, the economic rules are clear and the skills of the entire workforce are unsurpassed.” Parrott urged state leaders to “re-think all existing economic programs, get rid of the favoritism and abuses, and put those resources to work to advance what should be an over-arching goal: good-paying jobs for highly productive workers.”

David Dyssegaard Kallick, a senior fellow at FPI, also stressed that carefully chosen solutions can address several problems at once. He said, “Our upstate cities can be vibrant again at the same time we preserve suburban quality of life and maintain New York’s farms and open space. Here, the key is changing state policies that have fostered sprawl and that put undue fiscal pressure on the central cities.”

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Mauro said that New York State relies far too heavily on local property taxes, which are not consistently related to the ability to pay. “The governor and legislature should shift the balance, so we rely more on the fairest of taxes, the state income tax, and less on local taxes,” he said.

One New York lays out a multi-pronged approach to reducing pressure on property taxes: adopt a statewide solution to the Campaign for Fiscal Equity lawsuit, restore the state’s commitment to revenue sharing, base each county’s share of Medicaid costs on its ability to pay and reform the STAR program.

FPI senior economist Trudi Renwick pointed out that the economy is increasingly polarized between rich and poor, with a shrinking middle class. She said, “For decades we’ve thought of ourselves as a middle-class economy, but that’s less and less true, particularly in New York State.” The *One New York* agenda suggests policies to narrow the widening income gap and relieve the pressures on the middle class that have been created as the cost of living outpaces wage increases. “Quality education for all New Yorkers is the single most important tonic for a stronger middle class and broadly shared prosperity,” Renwick said, emphasizing not only a sound basic education for all the state’s schoolchildren but also higher education and lifelong learning opportunities.

Parrott concluded, “We’re calling this agenda ‘One New York’ because our state can achieve so much more if upstate and downstate work together toward a common vision. It won’t be completed in 100 days or even 1,000 days, but the possibilities resonate with people from Buffalo to Bushwick who want to see what one New York together can do.”

The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on tax, budget, and economic issues that affect the quality of life and the economic well being of New York State residents. FPI publishes The State of Working New York, an annual compendium of analysis of the city and state economies, available on the Internet at www.fiscalpolicy.org.

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