



## Talking Points

### Fixing the \$7 Billion Economic Development System

**New York spends approximately \$7 billion taxpayer dollars each year on economic development.**

Dozens of disconnected agencies and job creation programs, such as the Empire State Development Corporation, Industrial Development Agencies, Regional Economic Development Councils, and Local Development Agencies, are gambling with public dollars.

**The public and policymakers often have too little information to determine if our investments are paying off.** A recent report from the *Getting Our Money's Worth* coalition shows that only 3 out of the top 15 programs have good reporting that includes project-specific information and benchmarks such as job creation numbers.

**Too much taxpayer money is wasted on companies that fail to deliver.**

When the information is available, it shows that economic development programs are giving public money to companies that too often fail to create jobs, improve environmental sustainability, or deliver other benefits to our communities. Taxpayers and communities have very little recourse to hold these companies accountable.

**New Yorkers need a better return on their investment in these expensive public subsidies.**

With high unemployment, depressed wages, and an economy struggling to recover New York should make smart investments that revitalize the economy, create good local jobs, advance environmental sustainability, and meet the needs of communities as a whole.

**Recent efforts to reform New York's economic development system have not gone far enough.**

The Public Authorities Reform Act of 2009 increased transparency in public authorities, but reporting is still poor or nonexistent from many authorities and economic development programs. The New York City IDA recently adopted more detailed reporting and expanded accountability measures, like clawbacks, but there are still dozens of IDAs with limited reporting and accountability. Earlier this year, Governor Cuomo restricted state funding for some IDA projects and instituted clawbacks for state money, but these changes only impact a tiny fraction of economic development spending.

**Governor Cuomo and our state legislators need to deliver bigger and bolder solutions to create the good jobs New York needs without breaking the bank.**

New Yorkers deserve to know how our money is being spent, and we deserve to get our money's worth from subsidies. With limited resources, all economic development agencies should prioritize incentivizing companies that have a positive impact on our communities and create good local jobs. We need solutions that:

- **Prioritize performance:** We need accurate cost/ benefit analyses and clear benchmarks for job creation, targeted and local hiring, and environmental sustainability to ensure we're making smart investments.
- **Increase accountability:** We need greater accountability, including more diverse board representation and clawback policies to give taxpayers a money-back guarantee.
- **Show us the jobs:** We need to shine a light on backdoor, off-budget spending to see how our investment in corporate subsidies is paying off.

**Legislation was recently introduced in the Assembly that takes aim at our \$7 billion problem.** Sean Ryan recently introduced the Just and Open Business Subsidies (JOBS) Act, A8203, and Diane Savino has committed to introduce same-as legislation at the beginning of 2014. We ask that you please consider becoming a sponsor of the JOBS act, to ensure New Yorkers get their money's worth from economic development dollars.