



The Center for an Urban Future  
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## New York New Jobs

### The Sector Solution Building a Broader Base for the New Economy

**"Is New York Anti-Business?"** On the surface, it seems like a crazy question. After all, New York City has committed more than \$2 billion in tax abatements over the last six years to keep some of its largest job generators in town. On its face, the strategy has been a great success. New York is without a doubt one of the world's great global business centers and home to many of the country's largest financial and entertainment conglomerates.

But New York City also has one of the highest urban unemployment rates in the country, an economic foundation that most everyone agrees leans too heavily on Wall Street, and no blueprint for helping other kinds of local businesses grow. Meanwhile, public officials from California to Connecticut have spent the last decade actively diversifying their economies, building promising new industries and creating the kind of environment that smaller businesses need to take root and thrive. These strategies have cut government costs and are expected to ward off the worst effects of future recessions. Here's why New York needs to follow their lead.

The current boom won't last forever. Large tax abatements are often wasteful and don't guarantee a company will maintain its jobs—or even stay. It has been more than seven years since the city conducted a survey focused on business growth, and New York has no plan for developing promising sectors that, given meaningful attention, would be likely to grow in coming years. This report is a call for a new sector-oriented economic development approach premised on the idea that, working closely with industry leaders, a city can design smart policy that helps dozens of businesses at once. It is policy based on meeting the needs of a rapidly evolving economy. And it is policy that has been

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by Neil Kleiman

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