Press Release

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START-Up NY Program: Long on Ads – Short on Jobs
New Yorkers from Left and Right Call for Start-Up to Shut Down

(Albany, N.Y.) Leading New Yorkers from the left and the right have joined together to say it’s time to shut down Start-Up NY subsidies to businesses. The unlikely allies say enough is enough and point to the recently released preliminary Start-Up NY review, which shows very poor results: 76 jobs were created compared to $53 million in tax dollars spent on advertising costs --- $697,000 per job. The report was released four months late (on Good Friday in the afternoon) and just after legislators approved spending $50 million for the program in the state budget. This spending might not have been approved had Legislators seen the program’s dismal initial results.

The Working Families Party, the NYS Conservative Party, Fiscal Policy Institute, National Federation of Independent Businesses/NY, Reinvent Albany and Citizen Action of New York have joined forces to let elected officials know that Start-Up NY is a bad deal for New Yorkers.

As a first step, the groups are calling for an immediate freeze on adding new businesses to the program pending a vigorous audit by the State Comptroller. The groups are looking to Comptroller DiNapoli to meet his responsibilities as the state’s chief fiscal watchdog to thoroughly evaluate the Start-Up NY program to determine whether the public is getting its moneys worth.

The groups are concerned that Start-Up NY is a rehash of previously dismantled “zone” programs, and is failing on every level: it is a wasteful subsidy that costs an enormous amount for each job it creates; it creates an uneven playing field for existing businesses; its selection process is opaque and at risk for favoritism and corruption; and sufficiently overseeing the fairness and effectiveness of the program requires expensive auditing and oversight far beyond what is in place. The groups are also concerned that Start-Up NY subsidies were recently expanded to Stewart and Republic Airport without any analysis or justification.

State Conservative Party Chairman, Michael R. Long stated that, “Start-Up NY adds to an already unfair tax structure in New York State which has created the loss of jobs and population by picking winners and losers.”

Fifty-three million dollars for 76 jobs? That’s not economic development; that’s lunacy. It’s time to end the handouts and do what we know works: invest in rebuilding our infrastructure, hiring more teachers and nurses, and building the green economy. That’s an economic development plan that puts working families first,” said Bill Lipton, Executive Director of the Working Families Party.

“The START-UP New York program is a perfect example of Albany’s propensity to throw sizable amounts of money in hopes of an economic solution,” said Mike Durant, NFIB/NY State Director. “The initial reports show limited job creation amid major taxpayer cost. Albany should refocus their economic
development investments and broadly reduce the sizable tax burden on small employers to create jobs and for New Yorker’s that need it most.”

"There’s thirty years of evidence to prove that big business tax breaks won’t help the economy," said Karen Scharff, Executive Director of Citizen Action of New York. "The first priority for getting our economy back on track needs to be guaranteeing that all workers can earn a living wage, not spending more public money on a political advertising campaign."

“History should be our guide when it comes to economic development programs. We have decades of experience with failed “designated tax free zone programs” and Start Up NY seems to be on track to be the next one. It is eerily reminiscent of the Empire Zone program that was constantly being manipulated for political purposes, which we are beginning to see now with Start-Up NY and its expansion to Stewart and Republic airports. These are not good signs of things to come,” said Ron Deutsch, Executive Director, Fiscal Policy Institute.

According to John Kaehny of Reinvent Albany, “Start-Up NY raises many concerns about transparency, corruption risk, and fiscal honesty. Economic development subsidies have a terrible track record in New York. At best they have been terribly wasteful, and at worst they have been corrupt. It makes no sense that such an expensive and unproven program should be expanding so quickly, with so little oversight and meager public discussion.”