



**THE NELSON A.  
ROCKEFELLER INSTITUTE OF GOVERNMENT**  
UNIVERSITY AT ALBANY State University of New York



Center *for an*  
**Urban  
Future**

**New York  
in the World**



**The Impact of  
the Global Economy  
on New York State  
and City**



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**Urban  
Future**

**Initiative Launch  
October 26<sup>th</sup> 2011**



**New York  
in the World**

# About the Initiative



- Its mission is to create a data and fact driven foundation for a broad public discussion and sound decision-making in New York State and City about *New York's future in the global economy*.
- **RESEARCH:** *first comprehensive assessment of globalization's impact on New York State and City* and helps to identify opportunities to shape and support appropriate actions and policies.
- **PUBLIC ENGAGEMENT:** staff will meet with business, labor, community and academic leaders across the state to develop an action plan to best address New York's economic needs in this era of globalization.

# Why this Report?

- **No other state has benefitted more and suffered worse than New York**
- The impact of the global economy on New York State has forever changed the way we live and do business.
- New York is a microcosm of the challenges facing the nation as a whole.
- *New York in the World* is about our state, our community, and our future.

# Overall Findings

- Between 1970 and 2000, NY State lost 50 % of its manufacturing jobs—a larger decline than Pennsylvania, Ohio, Michigan, Massachusetts, New Jersey and every other Northeastern and Midwestern state we examined.
- Between 2000 and 2010, manufacturing jobs in NY declined by another 39 %, greater than all of these other states except Michigan, which had a 47 % drop.
- NY's population growth from 1970 to 2010 (6.3 %) was also below every one of these competitor states.

# Overall Findings

- In 1975, manufacturing comprised at least 40% of private industry employment in 3 of the 6 major upstate metro areas: 47% in Binghamton, 45% in Rochester and 40% in Utica-Rome.
- By 2008, manufacturing had shrunk to only 20% of employment in Binghamton, 17% in Rochester and 13% in Utica-Rome.

# Overall Findings

- Few places in the world have benefited more from globalization than NYC and the downstate region.
- Why?
  - Unmatched pool of highly educated workers.
  - Globally competitive industries: finance, legal service, architecture & design, fashion, media
  - Convenience to global markets
  - Immigrants

# Overall Findings

- The 5 largest investment banks are based in NYC.
- In 2010, firms based in New York managed 41 percent of global hedge fund assets.
- Five of the world's 10 largest private equity firms are headquartered in New York.
- NYC's 12 largest law firms currently have a total of 122 foreign offices.
- NYC architectural firms are designing in the globe's fastest-growing cities, from Shanghai and Hong Kong to Dubai and Abu Dhabi.

# Overall Findings

- NYC leads the nation in the number of international students in its colleges and universities.
- NYC hospitals attract wealthy patients from around the globe for surgeries, treatments, procedures.
- Art investors fly to Manhattan from all over the world to attend auctions at Sotheby's, Christie's and Phillips De Pury. Sotheby's alone has 500 employees in NYC.
- From 1991 to 2009, the number of shipping containers passing through the Port of NY and NJ grew 144%.
- NYC is the world's fashion capital.

# Findings – Global Revenues

	2001	2009
Avon Products	62%	80%
Coach	13%	28%
Liz Claiborne	17%	33%
Goldman Sachs	35%	44%
Pfizer	41%	56%
Kodak	51%	61%

# Major Findings

- The transformation to a global economy has not merely benefited downstate and hurt upstate.
- Growing numbers of upstate companies are taking advantage of globalization to export their products.
- Two upstate regions—Albany and Rochester—have fared much better in the new global landscape than other areas.

# Major Findings

- The NYC region has suffered from globalization, too.
- NYC has a smaller share of manufacturing jobs than any other major U.S. city.
- Nearly 300,000 apparel manufacturing jobs have moved overseas or were cut due to foreign competition.
- Globalization has contributed to a barbell economy in NYC.
- From 1970 to 2008, the share of U.S. personal income went down considerably in the Bronx (from 93% of the U.S. to 72%), Brooklyn (from 100% to 86%) and Queens (from 134% to 95%)

# Major Findings

- Regions with the greatest intellectual capital and capacity for innovation and that are most closely linked to the global economy have a clear competitive advantage in the global era.
- Immigration has provided a critical spark for the downstate region over the past few decades. Similar benefits have been elusive upstate.
- Too few NY companies are finding a way to benefit from globalization, through exporting and reaching new markets.

## **TALENT for the 21<sup>st</sup> Century World**

- **Invest in Education and Skills Development**
- **Develop Strategies to Retain and Attract Talent**
- **Embrace Community Colleges as Mechanisms to Retrain Displaced Workers**
- **Create Immigration-Friendly Policies to Attract and Retain Immigrants**

## **GROWTH STRATEGIES for the New Global Economy**

- **Promote and Support Entrepreneurship**
- **Build Upon the State's R&D Assets to Expand the Innovation Economy**
- **Help More New York Businesses Export and Compete Globally**
- **View Colleges and Universities as Economic Drivers for Regional Growth**
- **Improve Connections Between Upstate Cities and New York City**

## **ASSETS for a Competitive New York**

- **Maintain New York's Key Competitive Advantages**
- **Upgrade the State's Physical Infrastructure**
- **Lower the Cost of Doing Business in New York**



# New York in the World

**Nancy Zimpher, Chancellor,  
The State University of New York**

*“New York in the World”* represents the continuation of an essential conversation about what we in New York can do to revitalize our economy and reposition our state to create new jobs, spur innovation and global trade, retain talent in our state, and ensure a better tomorrow for future generations.”

## Connect with us



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