

STRENGTHENING THE INDUSTRIAL ECONOMY

Support a strong industrial sector for an equitable, sustainable, and thriving post-pandemic economy.

New York City is at a pivotal moment. As we rebuild our local economy following the COVID-19 pandemic and combat climate change, we need effective strategies to transform our city's infrastructure and economy.

Policies aimed at protecting and growing industrial jobs can improve not only our citywide economy, but the lives of nearby residents and workers, who are disproportionately low-income and people of color. These jobs are a lifeline for the people most impacted by COVID, situated in the neighborhoods most impacted by COVID.

Industrial businesses pay higher wages and offer more career opportunities to a workforce that is 80% people of color & 50% immigrant.

Industrial jobs pay two times the average wage of other sectors that don't require formal accreditation (see Fig. 1). Many industrial subsectors also provide growth, skill acquisition, and wage mobility on the job that other sectors do not. As a result, the industrial sectors are uniquely important pathways to the middle class.

At more than 500k jobs before the pandemic, compared with 300k in tech and 450k in finance, the industrial sector has employed more New Yorkers than some of the city's supposedly iconic industries. Furthermore, while the city and state saw a net job loss in December 2020, industrial sectors added the most jobs of any sectors (see Fig. 2).

NYC INDUSTRIAL BUSINESS ZONES



INDUSTRIAL BUSINESS ZONES IN NEW YORK CITY

After decades of disinvestment and a pivot away from New York's industrial economy, in 2005, the city created the Industrial Business Zone designation to support and incentivize manufacturing and industrial firms; there are currently 21 IBZs throughout the city. Not all of the city's manufacturing land exists within these areas, but the IBZ designation helps to mitigate the impact of speculation and prevent industrial business from being pushed out of the city in favor of other, more lucrative uses.

The City has committed not to support residential rezonings in IBZs and firms within the IBZs are eligible for a variety of city and state tax incentives to support their growth.

The 40,000 industrial firms in the city's IBZs are supported by non-profit Industrial Business Service Providers (IBSPs). The IBSPs help retain and grow industrial businesses by providing training and technical assistance, workforce development services, support in accessing government programs, financing services, and business planning.



THE INDUSTRIAL SECTOR KEEPS NYC ALIVE

The industrial sector is essential to the functioning of New York City's services and infrastructure. Industrial Business Zones contain vital infrastructure, such as road, bridge, pipe, and water main repair and maintenance; car, subway and bus storage, repair and servicing; electricity distribution; waste treatment facilities; and cold storage. All are managed by companies that need to be in industrial zones and need to be located within the city, in order to be rapidly responsive to the city's needs.

The pandemic has shown that local production and distribution capacity is a matter of basic economic security.

In addition to making consumer goods, industrial businesses produce and distribute food, medicine and other basic needs. They played a critical role in manufacturing and distributing PPE, sanitizer and ventilators during the pandemic, in addition to keeping the food supply chain resilient and people fed, ensuring the feasibility of home delivery and managing increased household waste,

Many industrial firms occupy large, low-scale buildings, with the most intensive activity on the ground floor. They rely on access to road, train, and water transportation to distribute products, as well as access to public transportation for workers. The need for appropriate zoning and transportation infrastructure means that industrial firms rely on IBZs as a base of operation.

To realize visionary plans like the Green New Deal, NYC must rely on its industrial sector to innovate, design, manufacture, supply, install, and maintain green technologies (both for carbon mitigation and resiliency), integrate them into existing infrastructure, and reduce the emissions of services like transportation and energy supply.

Figure 1

2019 NYC AVERAGE ANNUAL WAGE BY SECTOR



Figure 2

NYS JOBS ADDED - DECEMBER 2020

Trade, Transportation & Utilities	Construction	Manufacturing
+11,700	+8,500	+5,100

NYS JOBS LOST - DECEMBER 2020

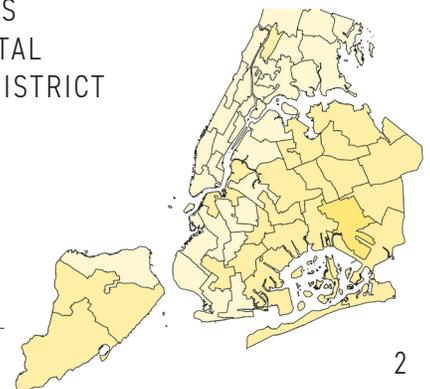
Leisure & Hospitality	Government	Educational & Health Services
(-33,900)	(-15,100)	(-11,000)

From NYS Dept. of Labor, December 2020

Figure 3

INDUSTRIAL JOBS AS PERCENTAGE OF TOTAL JOBS BY COUNCIL DISTRICT

- Less than 4%
- 4%–8%
- 8%–12%
- Greater than 12%



Source: Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics Residence Area Characteristics (2018)

A PLATFORM TO STRENGTHEN THE INDUSTRIAL ECONOMY

New York City's industrial sector should play a key role in the city's recovery from the pandemic leading to increased economic and climate resiliency that benefits communities of color.

In order to build an equitable, sustainable, and thriving economy, the next administration should implement the following:

CREATE CENTRALIZED CITY-LEVEL ENTITY 1

Industrial policy requires coordination between many agencies. A centralized entity must be created at the city level to lead industrial policy development, design, and implementation and help to create IBZ strategic action plans in collaboration with IBSPs, businesses and other stakeholders.

USE ZONING TO SUPPORT INDUSTRIAL JOB GROWTH 2

The city's outdated zoning framework, created in the 1960s, allows speculative developments to compete with industrial businesses for a dwindling supply of industrial land. The city should implement a core industrial zoning designation that strengthens IBZ protections; enables new industrial development and expansion of existing businesses; restricts incompatible land uses; and prioritizes job-generating industrial uses that support the city's economic resiliency.

REFORM BUSINESS INCENTIVES PROGRAMS 3

Current economic development incentives at the city and state level do not adequately address the struggles of industrial businesses seeking to remain in place and offer good jobs to working-class New Yorkers in the face of speculation. In order to ensure

these businesses can survive and grow, city officials must work with the state and with local entities to transform the outdated eligibility criteria, application processes and metrics of incentives so that they are accessible, transparent and flexible.

IMPROVE INDUSTRIAL-USE TRANSPORTATION NETWORK 4

The infrastructure that our industrial businesses rely on is outdated and underfunded, leading to traffic jams, pollution, supply chain disruptions, and fatal accidents. The city must invest in infrastructure: road improvements to support and rationalize truck traffic; alternative transportation modes for workers, such as safe bike lanes and reliable buses; maritime and rail freight to relieve pressure on city roads; and improved sewer and stormwater infrastructure.

PRIORITIZE FUNDING FOR INDUSTRIAL BUSINESS SUPPORT 5

IBSPs sustain invaluable support networks for industrial businesses and city agencies, and leverage their deep knowledge of community needs to inform city policy and disseminate vital information to local businesses. The city must ensure baseline IBSP funding and provide targeted funding to non-profit industrial developers to support the equitable growth of the sector.

ABOUT THE INDUSTRIAL JOBS COALITION

The Industrial Jobs Coalition is a citywide alliance of community groups, policy advocates, and service providers fighting to protect and expand the industrial sector in New York. It includes most of the designated Industrial Business Service Providers, who are responsible for overseeing and supporting the city's Industrial Business Zones.

INDUSTRIAL JOBS COALITION MEMBERS

