

Pittsburgh's Prosperity Depends on Diversity

By Richard Florida

Published Sunday, October 15, 2000

www.post-gazette.com/forum/20001015edflorida8.asp

Openness to enterprising people from around the world has always been a pillar of the Pittsburgh spirit. The region was built by immigrants - the hard-working Italians, Irish, East Europeans, Jews, African Americans and other groups that powered this region's path to greatness as a center for heavy industry. Building a thriving new economy in the region today will require a similar commitment to openness and diversity across all segments of the population.

Take a look at the nation's leading high-tech centers: They are places where people from virtually any background can settle and make it happen. The growth and development of great cities comes from their ability to harness diversity, welcome newcomers and turn their energy and ideas into innovations and wealth. In Silicon Valley, the world's leading high-tech center, nearly a quarter of the population is foreign-born. Not to mention, almost one-third of the Valley's high-tech scientists and engineers hail from foreign countries.

The Milken Institute, an economic think tank, identifies immigration as one of the two most powerful demographic trends reshaping the nation's cities and regions. Its list of "Melting Pot Metros" ranks the most diverse regions in the country. Sure enough, highly ranked regions in California and Texas, as well as Chicago, New York City and the Washington, D.C., area are also hot spots of economic growth. Once a haven for immigrants, Pittsburgh did not make the top 21 "Melting Pot Metros" list.

From Andrew Carnegie in steel to Andy Grove in semiconductors, immigrants have been a powerful source of innovation and entrepreneurship. Roughly one-quarter of new Silicon Valley businesses established since 1980 had a Chinese or Indian-born founder, according to a study by Annalee Saxenian of the University of

California at Berkeley. That figure has increased to more than 30 percent since 1995.

Pittsburgh's own high-tech community also draws heavily from foreign-born entrepreneurs and technologists. Companies like iGate, Mediasite, Online Choice, iVenturelabs, Fore Systems (now Marconi) and many others boast foreign-born founders.

High Tech Requires Diversity. My own analysis of regions with more than 700,000 people highlights the striking connection between diversity and high-tech industry.

High-tech industry and talent are drawn to places where people can easily plug in regardless of race, ethnicity, gender, sexual orientation or appearance. The ability to develop high-tech industry is closely related to openness to newcomers - specifically the percentage of the workforce that is foreign-born and that of foreign-born scientists and engineers.

High-tech industry is also drawn to places that are tolerant. Working with Gary Gates, a former Carnegie Mellon graduate student now at the Urban Institute, we examined the relationship between high-tech industry and a group that has traditionally been subject to considerable discrimination and ostracism - the gay population. Six of the top 10 high-tech cities also number among the top 10 gay cities: Seattle, Boston, Washington, D.C., Atlanta, San Francisco and Los Angeles. This "gay concentration index" predicts the location of high-tech firms and workers better than any other factor.

This close relationship between tolerance and high-tech industry is not because gay people in and of themselves attract technology companies. Rather, a place that is a comfortable home to the gay community is likely to be open to all types of people. The key to growth in the new economy is to be open and have low entry barriers for human capital.

To improve the region's position in the race to attract high-tech industry will require improving our performance on diversity. Pittsburgh ranks 25th out of the 50 largest regions in high-tech industry. But, it does not do nearly so well on measures of diversity, ranking 37th on the percent of population that is foreign-born, 42nd on foreign-born in the labor force, and 39th on the gay index. This will have to improve if the region wants to move into the ranks of the nation's true high-tech leaders.

Talent and Tolerance Diversity is a powerful force in the value systems and choices of the new work force, whose members want to work for companies and live in communities that reflect their openness and tolerance. The No. 1 factor in choosing a place to live and work, these people say, is diversity. Talented people simply will not locate in place that ostracizes segments of the population.

While the perception may be worse than the reality, the people in focus groups I have conducted feel that Pittsburgh is not open to minority groups, new immigrants and gay people. Young women also say that there are substantial barriers in the way of their advancement. Talented members of racial and ethnic minorities express their desire to leave the city at a rate far greater than their white male counterparts.

Diversity must become a cornerstone of our economic development efforts. Let's open our arms to immigrants from around the world. Others are already doing it.

Minneapolis has made immigration a priority, while the state of Iowa seeks to become the Ellis Island of the Midwest. To succeed, we must embrace Indian and Asian students, professionals and workers; encourage the development of a vibrant Hispanic community; and become an open, tolerant and gay-friendly community.

Let's help these groups feel Pittsburgh is their town - that they are welcome and accepted without question. And, let's redouble our efforts to connect the disadvantaged African-American neighborhoods to the new economy so they can contribute and reap its benefits as well. It is essential that we build a solid bridge to all of our current citizens as we reach out to others.

The Pittsburgh region has many resources from which to draw. World-class universities, cutting-edge research and development and a burgeoning corps of high-tech companies position this region for a prosperous future. The region is working hard to attract young, talented people. And most important, we possess a proud legacy of driven, hard-working immigrants building industries, neighborhoods and the American Dream.

To ensure success, Pittsburgh must build on the diverse heritage of its past to engender an even more prosperous future.