

America's Tomorrow: Equity Is the Superior Growth Model



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Features

Pittsburgh's Path to Inclusive Innovation



For good reasons, the term "innovation economy" isn't usually associated with many entrepreneurship opportunities for women and people of color.

Enter Barbara Strothers. In August, after a 14-year career in security, she opened up her own company to connect the scores of tech start-ups sprouting around the city with trained security guards.

She is part of a wave of Pittsburgh neighborhood business owners who are capitalizing on the city's tech-based resurgence. They are proving that the right strategies can begin to bridge the longstanding gap between high-tech and low-income communities of color — a divide that is even more glaring as the economy simultaneously becomes more technology-based in a country ever more diverse.

The Pittsburgh Central Keystone Innovation Zone helped pave the way for Strothers to make the leap from employee to

In Brief

Growing New York City's Entrepreneurial Ecosystem for All

Cut red tape. Improve internet connectivity. Expand the public transit network. These are just a few of the main recommendations from a new [report](#) out of Manhattan Borough President Scott Stringer's office about how to bridge the gap between the city's vibrant high-tech sector and its diverse workforce.

The report describes how high-tech start-ups are leading New York City's job growth, but people of color, women, and less-skilled workers are largely shut out from these high-growth, high-wage sectors. Analyzing census data, the report finds that 54 percent of employed white residents work in the city's creative economy, compared to 29 percent of black workers and 20 percent of Latino workers. It goes on to present detailed strategies for creating a more inclusive tech-driven economy across five main areas:

1. Grow and keep a high-skilled workforce.
2. Cut red tape to make it easier to start tech

entrepreneur. The initiative is a consortium of universities, community organizations, businesses, foundations, and government agencies started by Duquesne University in 2007. It aims to transform a swath of the city's most disinvested neighborhoods by firmly linking them to the knowledge-based economy.

The zone includes the Hill District, the historic heart of the city's African American community. Back when steel powered the regional economy, the area thrived. Now it ranks among the city's poorest.

The zone helps foster the growth of technology-based businesses and jobs by offering incentives including tax credits, low-cost loans, and paid interns to businesses that locate in those areas.

The effort is seeing success. Forty-one start-ups have opened in the zone since 2008, including 20 in the Hill District, creating 225 new jobs. African Americans and women each own 20 percent of these firms. Across the region, African Americans own [less than 10 percent](#) of all firms.

The prosperity gap

Pittsburgh's regional economy is an emerging model for post-industrial innovation. Computer software, biotech, and other high-growth companies have blossomed. Its unemployment rate, at [7.3 percent](#) in October, has been lower than the national rate for [71 consecutive months](#).

But not all of Pittsburgh's communities are sharing in the prosperity. African Americans make up about [26 percent](#) of the city's population, yet black unemployment rates hover around [14 percent](#) in the region. And three-quarters of black workers earn [less than \\$50,000 per year](#), compared with about half of workers of other races/ethnicities.

"Everyone is saying we've done well at diversifying and strengthening the economy," says William Generett Jr., president and CEO of Urban Innovation21, the nonprofit that runs the Pittsburgh Central Keystone Innovation Zone. "But we haven't done well at connecting our communities of color to this prosperity. It's not just a racial issue. We need to make sure this transformation includes all of our communities or it will hamper our region's economic progress."

Re-thinking the innovation economy

businesses.

3. Improve internet connectivity citywide.
4. Expand the public transit network to connect "transit desert" neighborhoods to growing job corridors located outside Manhattan.
5. Increase and preserve the city's stock of affordable housing and office space.

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Reconnecting Youth to Opportunity

Nearly 6.5 million U.S. teens and young adults ages 16 to 24 are neither in school nor working, finds a new "Kids Count" [report](#) from the Annie E. Casey Foundation. Unemployment rates among America's youth are at a 50-year high, and rates are highest among black, Latino, male, and low-income youth.

The report presents recommendations for how national policymakers, communities, funders, employers, practitioners, and investors can create opportunities that ensure the success of the next generation and strengthen the workforce of tomorrow.

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Rainier Valley's Today = America's Tomorrow

Though Seattle is one of the nation's least diverse cities, its Rainier Valley community is one

The initiative is bringing more people of color and women into the tech workforce through a job training effort and a robust internship program. Last summer it placed 42 college student interns in the zone's new economy businesses. Twenty-three were youth of color, and most of them came through a partnership with the Community College of Allegheny County.

If entering the tech workforce is challenging for these groups, becoming a tech entrepreneur is a challenge of nearly Olympian proportions. Nationwide, tech companies are overwhelmingly begun by white men, and Pittsburgh's tech start-ups [are no exception](#).

But the people behind this Pittsburgh approach take a broader view of the innovation economy, and see opportunities for diverse entrepreneurs in the "ecosystem" of businesses that support, supply, and service technology firms.

"We look at the businesses that feed off the cluster of technology businesses. If we make sure a high percentage of them are owned by minorities and women, we can change the game in terms of the benefits of the innovation economy," Generett says.

Strothers is a shining example. A four-decade long Hill District resident, she's seen exciting signs of the area's rebirth — a \$9 million renovation of the YMCA, construction of the first supermarket in more than three decades (a project of the innovation zone initiative), and the proliferation of start-ups.

"I woke up one morning and I said, I can do that, too," she recalls.

She took a seven-week course on business management and regulation and spent four Saturdays in classes learning how to fine-tune and sell her business plan.

"It all gave me the tools and the structure and the people to teach me what it meant to be an entrepreneur, how to get out there and do this," she says. "It opened so many doors for me."

Last July, four months after waking up with an idea and fierce determination, she and a partner opened Grace Security LLC. She continues to work as a security guard at the Hill House Association, and her employer contracted with Grace Security for special events and other properties. The Pittsburgh Central Keystone Innovation Zone is working to help her secure

of the most diverse areas in the nation. Residents within its six square miles speak 59 different languages, and 69 percent are people of color — roughly what the nation as a whole will be in 2060. A new [report](#), *Life in 98118*, profiles this racially and economically diverse community and suggests strategies that can help other places buck the trend of economic segregation and achieve stable diversity.

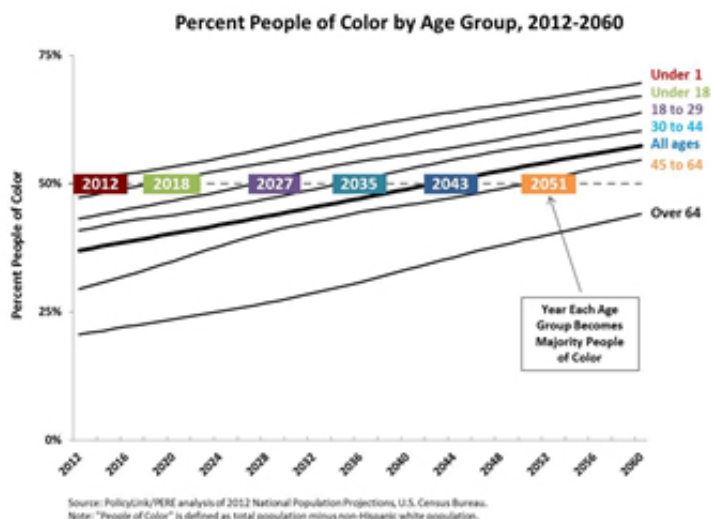
contracts with a film company that located in the designated area and with a large-scale development slated to occur in the lower Hill District.

Strothers has hired her first two guards and is taking applications for two more. "We've done stuff it takes people years to accomplish," she says.

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New Census Projections Underscore Urgency of Equity and Inclusion



America is rapidly becoming a plurality nation, according to new [U.S. Census data](#) projecting demographic trends through 2060. Despite slowed immigration and lower birth rates, the nation continues to become more multiracial, revealing how the country is diversifying from within. The forecasts give fresh urgency to the case for equitable and inclusive policies that allow all racial and ethnic groups to thrive now and in the future.

If current trends continue:

- By 2018 — several years earlier than previously predicted — youth of color will make up the majority of the under-18 population.
- Half of the nation's population will be people of color by 2043; 57 percent will be people of color by 2060.
- Seniors will become more diverse, but the large racial

generation gap between old and young will persist. In 2060, 44 percent of seniors will be people of color, up from 21 percent today. Among youth, 67 percent will be people of color, up from 46 percent today.

- The Latino population will more than double by 2060, from 53 now to 129 million. In 2060, one of every three people in the United States will be Latino.
- The black population will increase by more than half, from 41 to 62 million.
- The Asian population will more than double by 2060, and the Native Hawaiian and Pacific Islander population will nearly double.
- The Native American population will also increase by more than half.
- The number of people who identify as mixed-race will triple.

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America's Tomorrow highlights campaigns, leaders, policies, reports, and local models that are advancing equity as an economic imperative. It is produced by Chris Schildt, Sarah Treuhaft, Fran Smith, and Ana Louie. To learn more, visit the *America's Tomorrow* [webpage](#).

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