Cross-sector support needed to further Pittsburgh’s innovation economy

Brookings report offers recommendations for global competitiveness and local inclusion for the Oakland innovation district

Washington, D.C. – Pittsburgh’s innovation economy is strong and growing, but city leaders can do more with its existing assets to compete globally and capitalize on the region’s growing innovation clusters, according to a new report from the Anne T. and Robert M. Bass Initiative on Innovation and Placemaking at the Brookings Institution.

The culmination of an 18-month study, “Capturing the Next Economy: Pittsburgh’s rise as a global innovation city” examines Pittsburgh’s unique opportunity to become a top global destination for technology-based economic activity and as a key part of Pittsburgh’s efforts to become a world-class innovation city. The report will be released at an open-to-the-press event Wednesday, September 13 from 12:00 Noon – 1:30 p.m. ET at the Energy Innovation Center in Pittsburgh.

Today, the competitive advantage of the Pittsburgh region is no longer its rivers and raw materials but its high-skilled workers, world-class research institutions, and technology-intense advanced manufacturing. In 2016, the region’s per capita university research and development (R&D) spending was nearly two and a half times the national average. While these assets are considerable, they also place Pittsburgh in competition with a number of other innovation cities that are rapidly investing billions in a suite of new technologies and industries poised to reshape the global economy.

Brookings recommends launching a new initiative—the InnovatePGH partnership— to adopt and advocate a new narrative for Pittsburgh’s economic future and to issue a call to action. Comprising public, private, and civic leaders, the partnership would rally new and existing resources to support the recommendations in the report.

Pittsburgh’s economy is increasingly driven by innovation, yet existing initiatives and investment levels are not meeting the demands of this new economy. To address the challenges identified in the report, greater investment and activity is needed in four broad areas: innovation clusters, the Oakland innovation district, high-growth entrepreneurs, and workforce development. These recommendations include:

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Build and support Pittsburgh’s innovation clusters in advanced manufacturing, life sciences, and autonomous systems: To increase the linkages between the city’s research capacity and the regional economy, city leaders need to adopt a focused technology cluster approach. While there are many candidates (including financial technology (“fintech”), corporate services, and energy), three are clear first priorities given Pittsburgh’s technical strengths—robotics and advanced manufacturing, life sciences, and autonomous systems.

Define, grow, and connect the Oakland Innovation District: To reach its full economic potential for the city and region, the Oakland Innovation District needs to be defined, marketed, and better connected to the regional economy. In particular, a comprehensive, district-wide strategy is needed to leverage the ongoing investments at Carnegie Mellon University, the University of Pittsburgh, and UPMC to grow and attract firms in advanced industries. At the same time, strategies are needed to integrate Oakland with innovative nodes throughout the city, especially toward downtown.

Improve the pipeline of high-growth entrepreneurs: Pittsburgh needs greater investment in its high-growth startups. Young companies need greater access to larger firms through a First Customer Program, stronger support mechanisms around research entrepreneurs, and a global accelerator to grow and attract world-class startups in the health care sector.

Create a talent alliance within the Oakland Innovation District: Leveraging existing organizations, a coalition of employers, workforce development organizations, and educational institutions should identify critical occupational gaps within anchor employers, and develop and administer occupation-specific training for underskilled workers in neighborhoods adjacent to the innovation district and throughout the broader region. While a number of workforce programs already exist, the purpose would be to aggregate employment demand in hard-to-fill occupations in health care, research, and education.

Pittsburgh’s broader economy will flourish when the lines between academic research and industry innovation are indistinguishable as major employers in health care, finance, corporate services, and manufacturing collaborate, adopt, and nimbly deploy technology to stay ahead of global competitors. As such, high-value exports of both goods and services expand, creating a reliable tax base and pool of high-wage jobs. Well-resourced and coordinated education and workforce programs identify and attack unemployment in high poverty neighborhoods. In this scenario, the innovation economy is Pittsburgh’s economy and all benefit.

About The Anne T. and Robert M. Bass Initiative on Innovation and Placemaking
The Anne T. and Robert M. Bass Initiative on Innovation and Placemaking is a collaboration between the Brookings Institution and Project for Public Spaces. It aims to catalyze a new cross-disciplinary approach to city building that integrates the reinforcing benefits of vibrant public spaces, innovative urban economies, and inclusive growth.

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