

# An Entrepreneurial Economy

An Interview with Kathryn S. Wylde,  
President and Chief Executive Officer, Partnership for New York City

**EDITORS' NOTE** Prior to assuming her current post in 2000, Kathryn Wylde served as the founding President and Chief Executive Officer of two Partnership affiliates, the Housing Partnership and the Partnership Fund for New York City. She is a board member of the New York City Economic Development Corporation, the Manhattan Institute, NYC & Company, Lutheran Medical Center, and the Fund for Public Education.



Kathryn S. Wylde

**ORGANIZATION BRIEF** Focused on maintaining the city's position as the center of global commerce, the Partnership for New York City (*pnyc.org*) is composed of the top 200 CEOs from the city's corporate, investment, and entrepreneurial sectors and works in partnership with government to advance the interests of the city. The organization's priorities include maintaining the city's competitive position in the attraction and growth of its business sector; improving public education, and fostering public/private partnerships to address the challenges facing the city. The Partnership Fund is its economic development arm that invests in projects that contribute to strategic industry growth, support for distressed communities, and job creation.

## Has New York become as well-known for innovation as several other areas?

New York City became the center of global finance because Wall Street has led the world in creating the innovative financial products and attracting the industry's top talent. So being a center of innovation is not new to New York. In fact, this fall, the New York Historical Society will open an exhibit documenting New York as the center of tech innovation since the 19th century when IBM was founded.

What's new is that the nature of our economy is changing from top down to more bottom up. We remain a corporate headquarters city, but increasingly we also have a growing entrepreneurial sector, with many hundreds of high-tech start-ups and creative sector companies launching here. Among millennials, New York City is widely known as the center of innovation and economic opportunity, which is why we are thriving.

## Are members of the Partnership describing their companies as tech or innovation companies?

Every industry is going through the technology revolution – all describe themselves today as tech companies or big data companies, and have adjusted their models. This includes companies like Macy's and Citibank, as well as Nielsen, Xerox, and MasterCard. Unlike in the past, when corporate IT divisions were set up in Silicon Valley, today, those operations are growing in New York.

## Do you worry about what needs to be done in the job market to prepare people for future jobs and is the Partnership a catalyst for that?

The increase in productivity means machines are doing the work of people, so the elimination of jobs due to technology is a huge global issue. This is why it's important to be at the front-end of designing the next generation of products and activities, because that requires people.

Those people tend to be well-educated and well-prepared for the world of discovery. That is something we're focusing on in New York City, both in working with the public school system on enhancing career and technical education, and lining up academics with what is happening in our economy. The only connection many young people in New York have with the new economy is owning a cell phone. Employers in the Partnership are working to make sure students are exposed to the kind of jobs and the type of opportunities available in the innovation economy.

## The Partnership recently issued a report on the risk of New York maintaining its position as the world financial capital. Are you concerned about this?

Since the financial crisis, New York has reestablished its position as the number-one financial center in the world, having recovered from that crisis more quickly than other places. However, we are experiencing a loss of mid-level financial jobs that are being moved to lower cost regions. A tough regulatory and legal environment is placing particular pressure on the big banks that have been employers for tens of thousands of middle class New Yorkers. Our survey found that New York will remain the global capital of finance, but the contributions the industry makes to the city's tax rolls and payrolls are at risk, and competition from other cities that want to attract financial industry jobs is growing.

Seventy percent of the people who work in the city's financial industry live in the five boroughs, and more than half of them make a decent living but are not part of the 1 percent – they earn less than \$100,000 per year. Also, the financial industry generates more than one million jobs in other sectors of our local economy, including professional services, technology, health, hospitality, and retail.

## Where does the public/private partnership in New York City stand today?

The de Blasio administration has focused on priorities that are more the province of leadership from government than the private sector.

Some elements of the mayor's agenda – upgrading our infrastructure, building affordable housing, or preparing young people for jobs – all require that government works with the private sector, particularly with employers.

Many business executives of previous generations grew up in poor neighborhoods of New York City and got a public education that enabled them to work their way to the top. It is important that young people today have that same opportunity, which comes largely as a result of a good education. This is why education is the top civic priority for most business leaders and why they heavily invest charitable dollars in mentoring programs, charter schools, and public education initiatives.

While the past two years have not featured many strong public/private partnerships with the municipal government, they are going to resurface as important mechanisms for getting things done in the coming years.

## How important has it been to bring younger companies into the mix?

As the entrepreneurial sector of the city has taken off, we've made an effort to identify companies and entrepreneurial leaders who can make a contribution to the Partnership and join our network of business leaders who are working not just in their own self-interests but in the interests of the city.

We have identified entrepreneurs who are building successful new tech companies in New York and invited them to be part of our network – people like Kevin Ryan, Heidi Messer, Jon Oringer, and Chad Dickerson.

New York City's experience is proving that the tech revolution isn't a battle between established companies and disruptive start-ups but is increasingly characterized by smart partnerships between the corporate and entrepreneurial players that help accelerate job growth and position American companies for more effective global growth. ●