

The Partnership's Purpose

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, the Governor's NYC Regional Economic Development Council and the Fund for Public Education.



Kathryn S. Wylde

ORGANIZATION BRIEF Focused on maintaining the city's position as the center of global commerce and innovation, the Partnership for New York City (pfnyc.org) is composed of top CEOs from the city's corporate, investment and entrepreneurial sectors. It 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.

What are the current priorities that the Partnership for New York City is focused on for the business community in New York City?

The Partnership focuses on areas where the business community has special expertise and resources, primarily in the areas of economic growth and job creation, public infrastructure and education of a skilled workforce. This is where we can make the biggest contribution to creating public policy, programs and projects that advance the city's interests. Under those very broad categories, our agenda year to year is determined by what's happening in the city and state and where the needs for business engagement are greatest.

For example, the subway crisis of 2017 precipitated a major, focused commitment to helping the region's transportation agency – the MTA – in order to tap private sector knowledge to help the agency improve services and embrace

innovation. Together with the MTA, we established the Transit Innovation Partnership to work on some of the key technical and management challenges that the system was facing. We are responsive to the major issues facing the city.

How critical is public/private partnership in driving change in the city?

It is vital. An example would be when the Partnership worked for more than a decade to analyze the reasons why New York City did not have a robust life science industry. We worked with the major medical research institutions and the academic medical centers in the city to understand what their challenges were

and why we were not seeing more local commercialization of the research going on in our institutions.

Science from New York City institutions was turning into business startups in Boston and California, rather than in New York. We identified a number of obstacles to building an industry cluster: the absence of appropriate real estate, particularly wet lab space; the lack of public incentives for business development here; a culture within the academic institutions that did not really support their scientists becoming entrepreneurs; and the lack of early stage venture capital. This was work that the private sector was able to undertake to better define what the challenges were.

We brought in the person who had led the ten-year transformation in Massachusetts to create a robust life science cluster there. That consultant prepared a report that we used to persuade the state and the city to launch a \$1.2 billion commitment from public funds in 2017 and to make public policy changes to encourage the development of a life science industry.

We continue to partner with the city and state on getting actual projects done and identifying very promising startup ventures that merit investment and support from the public sector. The private sector can also attract new venture capital firms. New York City is now beginning to have a much more robust infrastructure of incubators and accelerators in the life science industry. We worked on the development of JLABS, Johnson & Johnson's incubator facility, which is thriving here with support from the state and currently housing 40 start-up life sciences companies.

Generating new economic activity requires a public/private collaboration. After you get an industry cluster started, it will take off and have the ability to survive on its own, but upfront, when you're starting in a new area, you really need both the public and private sectors to make significant, strategic investments in this area.

In addition to life sciences, there has also been a major focus on creating fintech innovation in New York. Has the Partnership played a role in this area?

Nine years ago, our Partnership Fund worked with Accenture to establish the fintech innovation lab, which invited startup companies from around the world to come to New York to establish a presence here. It gives these

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startups the opportunity to work directly with the technology leadership of major financial institutions so that they could refine their products. The purpose of this was to establish New York as the center of global fintech.

Today, New York's fintech cluster is thriving. Two years ago, we also added insurtech to attract insurance startups to the cluster of activity. The new generation of the financial services industry is a technology play and developing this cluster was critical in terms of maintaining New York as the global capital of finance. The innovation lab, with the support of 40 major financial services institutions, has been the primary generator of new economic activity in this sector.

Many institutions now have their own incubators and are focused on working with technology companies. This is a major shift in the industry. A decade ago bank IT departments were largely developing their own technology solutions inside the institution. The access and presence of so many strong startups has reversed that. Now, they are partnering with smaller firms that are bringing new ideas and new talent to the city's financial industry.

What needs to be done to transform K-12 education in New York City?

In New York City, the public education system has in fact improved significantly over the past decade: more young people are graduating and moving on to college, and attendance rates and test scores are much better. We are headed in the right direction, but we have to continue to strive to close the skills gap between the city's student population and what is happening in a rapidly changing economy.

Everybody has a cell phone, but not everybody is plugged into the opportunities for careers in technology, and that has to start early. The Partnership supports programs like Fred Wilson's Computer Science for All, a partnership between the city and the private sector that is training teachers so that every school in every grade will have computer science classes that give students an early introduction to the world of technology.

We also worked with the Department of Education and two Partnership members, MasterCard and K2, to establish a high school in the South Bronx that is preparing students for careers in cyber security. Going forward, we plan to work with the City University of New

York to create other programs that give their graduates both professional skills and direct access to the city's major employers.

It is these direct connections between business, particularly business in the innovation and technology sectors, that provide students with a window into what is going on in today's economy and the job opportunities that will be open to them in the future. Most of the graduates of New York City public schools who go on to college become students at the City University of New York. So making direct connections with employers, whether it's Wall Street, the media industry, or the tech sector, is a practical way to combat income inequality and ensure that students from low income families can realize upward mobility and maximize their contributions to the city.

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The Partnership places a major emphasis on research and thought leadership. Will you discuss the investment the Partnership makes on data and information?

New York City is a large and complicated place. It's also fast-changing. To make smart business decisions, as well as smart public policy decisions, you need real time data about what's happening in the city. The Partnership provides accurate information so that trends can be anticipated in order to help business and government make informed investment and policy decisions. We look at what is happening in the global economy that will impact local industry and local employers. We evaluate what kind of public policies are needed in terms of state and city legislation in order for New York to take maximum advantage of the opportunities for the growth and improvement of city services.

With the blue-chip list of companies the Partnership has as members, how important has it been for the Partnership to engage emerging companies and the leaders of tomorrow?

The most important dynamic in the city economy over the last 20 years has been a dramatic change from being a top-down, corporate and Wall Street economy to becoming more conducive to entrepreneurial ventures. In New York, innovators have direct access to market leaders and are able to partner with established players, rather than simply disrupt them. At the Partnership, we have been at the forefront of connecting global corporations and investors with early stage companies, which has put New York in a great position as a world class technology hub.

We try to make sure that the established, corporate and investment community is in touch with those folks who are percolating the newest ideas, who are looking at the world in a different way, who are developing new ways to reach the consumer, and who represent a big portion of the marketplace that is attractive to the millennial population. In New York City, established companies are uniquely able to be in touch with the younger generation that is driving change, both in terms of their employees and their customers. The result has been that the country's oldest and largest urban center is growing at an unprecedented pace. ●