

# Viewpoint: Creating a next generation economy for all

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What are the driving sectors and strengths of the Pittsburgh region's economy?

Advanced manufacturing? Autonomous vehicles? Natural gas? "Eds & meds?" Petrochemicals?

The answer: all of the above. And much more.

From Lawrence County to Lawrenceville, the Pittsburgh region's diverse economy has historically placed us in a position of strength and stability. Today, we must further evolve our portfolio both to ensure we remain competitive and propel the region into tomorrow.

Like a diverse financial portfolio, the diversity of our industry sectors has helped to neutralize risks and create consistency. After the decline of the steel industry more than three decades ago, our region's leadership deliberately invested in building up new pockets of economic activity to avoid another devastating economic setback in the future. They strategically focused on the promising sectors of advanced manufacturing, energy, financial and business services, health care and life sciences, and IT.

Eventually, this foundational economy helped the region through rough times, buoying Pittsburgh during the global recession. Our ability to weather the downturn better than other regions was among the reasons why Pittsburgh was chosen by the Obama administration to host the G-20 in 2009. At that time, even The Wall Street Journal referred to us as "the comeback kid." When the recession was over, the energy sector accelerated our recovery and exit from the economic downturn. We were fortunate to play to our strengths in energy and emerge from the recession faster than any other metro, according to The Brookings Institution.

Clearly, the region's commitment to bolster and secure our economy through strategic diversification worked. Today, our economy is fueled by activity in 20 sectors.

However, a diverse economy alone doesn't fuel growth. It is more of a safety net that can help absorb geographic or sector-specific downturns in economic productivity, as we saw during the recession.

When evaluating the region's current economy, jobs have grown less than 2 percent over the past five years. GDP has grown by only 11 percent in that same timeframe. When we look at the big picture of our progress — what we call our economic growth indicator — we rank 13th compared to the 17 benchmark regions we compare against, and we are below the national average for growth.

In order to protect the gains we've made in the past and continue to improve the 10-county region's vitality, we need intentional economic development strategies that propel forward all of our sectors, including the five key drivers and our emerging sectors like fintech, artificial intelligence, self-driving vehicles, petrochemical manufacturing and more. This includes improving our commonwealth's business tax climate; attracting and retaining skilled and diverse talent; implementing smart and effective marketing of the region to businesses; commercializing our R&D; and continuing to maximize our natural assets without compromising quality of place and livability.

This is the next step for our economy. We need to create conditions under which the region's diverse economy can grow into a next generation economy for all.

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