

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work in Progress. I'm Ramona Schindelheim editor-in-chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators, and decision makers, people with solutions to today's workforce challenges.

In March, as part of our partnership with SXSW EDU, WorkingNation pulled together a panel on Building Innovation Hubs Outside of Silicon Valley. Here's that conversation, moderated by Hari Sreenivasan and featuring Patrick McKenna, Nicholas Lalla, and Erick Gavin.

Hari Sreenivasan, PBS Newshour:

Good morning, everyone. My name's Hari Sreenivasan. I hope you guys are all doing well this morning. Thank you very much for joining us in person, which is something that I'm happy to be able to say. This conversation is something that I think is on a lot of people's minds, especially post-pandemic, which is how is America and how are American cities going to readjust and where are the hotbeds of innovation and potential beyond just Silicon Valley?

Hari Sreenivasan, PBS Newshour:

One bit of housekeeping, I just opened the South by Southwest app. If you're in the meeting page for this, there's a button called engage. If you press that, you can put questions in here, and that way I can see it, because we don't have microphones that you can walk up to or anything. I just tested it. I think it works. So go ahead and add stuff and you can upload questions as well as we go. I'm going to look at that as well as my own notes.

Hari Sreenivasan, PBS Newshour:

So let me do some very brief introductions. You can find out more about these folks in that same meeting guide. But over to my far right here is Nick Lalla. He's the co-founder and Managing Director of Tulsa Innovation Labs. Tulsa is in Oklahoma for you New Yorkers who are in the audience.

Hari Sreenivasan, PBS Newshour:

Patrick McKenna right next to me here, investor in dozens of companies through Comeback Capital and through Facet Wealth. He's also the founder of One America Works, which is a nonprofit that's trying to jumpstart work and investment in cities that we don't often hear about.

Hari Sreenivasan, PBS Newshour:

Over at the voice of God over my shoulder here, Erick Gavin, the Executive Director of a small town you might have heard of called Miami. That's in Florida, not in Ohio.

He's the Director of Venture Miami, which has been in the news quite a bit. We'll have a conversation about that.

Hari Sreenivasan, PBS Newshour:

So I know that there are probably some educators in the audience. This is a .edu conference. So the first question I have for these folks is what is a piece of advice that you got from a teacher at any point in your education that has stuck with you, that you still find beneficial? Nick, let me start with you.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Yeah, great question. I think of [John Fukes 00:02:02], my high school English teacher. Had him for all five years of high school and took Shakespeare together, and really leaned into thine own self be true. Find out who you are and lean into it and embrace yourself who you love, what you love, what you want to do with your life, and the impact that you want to make.

Hari Sreenivasan, PBS Newshour:

Did you say five years of high school?

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Eighth through twelfth. I wasn't held back.

Hari Sreenivasan, PBS Newshour:

Okay.

Male:

[crosstalk 00:02:25].

Hari Sreenivasan, PBS Newshour:

You guys were all wondering the same thing, right? Patrick?

Patrick McKenna, One America Works founder:

[inaudible 00:02:30]. I love this question. I actually don't know the first name of my teacher. I was thinking Mrs. [Guiller 00:02:38] my fresh ... I'm like, wow, I actually don't know her first name. She was so impactful for me in so many ways. After submitting a few assignments, this is an English teacher freshman year of high school, she asked me to stay after class. I walked up and she had my paper. It was handwritten. This was before we were typing for these high school exams.

Patrick McKenna, One America Works founder:

She asked me a couple of questions about the paper and she's like, "Oh, here's my advice. Stop trying to cursive write and just print." Once I started printing, she's like,

"I feel like there's some good ideas in here, but I can't interpret the code." And so, from there, my academic career definitely went on the positive trend.

Hari Sreenivasan, PBS Newshour:

All right, Erick?

Erick Gavin, Venture Miami director:

Yeah. So mine's probably the most recent. So I went to law school. In my first 1L year, we call the first year of law school 1L, I was in my torts class. My professor in my torts class said, "Erick, do you know the answer?" It was a basic torts question about negligence. I answered it, but I answered it very timidly. I said, "Well, I think the answer is causation."

Erick Gavin, Venture Miami director:

She said, "Erick, one thing you have to realize is it's not just simply about knowing the right answer, but confidently stating that answer, because it doesn't matter if people believe that you might be right, but if you're not showing that right, if you're not confident in your responses to things, people are going to not know if you actually know what you know."

Erick Gavin, Venture Miami director:

So that really turned ahead for me when I talk to people or when I started advocating for certain things that I believed in. Being able to confidently say this is the answer and this is right really changed a lot of things in my life. So I really appreciate that lesson.

Hari Sreenivasan, PBS Newshour:

Okay, great. With that, let's just start with a little bit of an elevator pitch and what the regions that these guys are from are doing to try to lure talent and businesses. So let's start with Nick in Tulsa.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Yeah. Look, I think there's a number of trends converging at this point in time that have really opened the door for a city like Tulsa to take advantage of. Certainly, we're in the midst of a generational shift to the knowledge economy, and the risk of automation is quite real. Increasingly, we're seeing innovation occur outside of Silicon Valley, and COVID has accelerated remote work.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

The result, I think, is that legacy tech hubs like New York and San Francisco have lost a little bit of their luster. Talent is moving to cities like Tulsa with a higher quality of life and a lower cost of living.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I think the key message is that a lot of these trends are working in mid-size cities' favor. I think it represents a golden opportunity for a city like Tulsa to reset its economy and to think about and to practice economic and workforce development far more comprehensively and inclusively than legacy tech hubs ever did.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

That's what we're doing in Tulsa. We've learned some hard lessons from Tulsa's economic history and in the history of Silicon Valley. We've experienced a decade of stagnant growth. We continue to suffer from the brain drain problem, and we're overly reliant on the energy industry for jobs.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

So we're doing four things differently in Tulsa. First, we're not throwing spaghetti on the wall to see what sticks. We're taking a data-driven and targeted approach to economic development, really zeroing in on Tulsa's right to win opportunities, virtual health, energy tech, advanced area mobility, and cyber.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Second, we're not deploying siloed investments. We're taking a systems approach that links investments across the domains that I mentioned, programmatic investments in startups, talent, and universities, so that we activate all facets of the flywheel in coordination with one another.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Third, TIL isn't out there chasing corporate headquarters. We focus on investing in Tulsans, on building local capacity at our key institutions so that we grow from the inside out. Fourth, we're not blinding ourselves to the ill effects of an innovation economy. We are prioritizing inclusive growth. Inclusion is core to our strategy. A third of the jobs that TIL is projected to catalyze can be attained without a bachelor's degree. We've partnered with the Aspen Institute and Heartland Forward on a new system to monitor and track the progress of mid-size cities so that we make sure that Tulsa's innovation economy is growing in an inclusive way.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

A final thing I'll say, and I know we'll get to COVID in a bit, I think COVID ... TIL launched two months before COVID, and I think it showed us the importance and the urgency to diversify our economy and to expand opportunities for Tulsans. That's why we've been deploying hundreds of millions of dollars over the past couple of years and for the foreseeable future to reset our economy and to grow in more inclusive ways.

Hari Sreenivasan, PBS Newshour:

Erick, why don't you head up what Venture Miami's doing right now and what your focus is on?

Erick Gavin, Venture Miami director:

Of course. So Mayor Francis Suarez started last year with an initiative in order to bring together, as part of academics, founders of VCs and other leaders within the community in order to create Venture Miami. I was brought onto Venture Miami two months ago in order to turn it from this initiative that the mayor started into an office within the city of Miami to help continue to grow the tech innovation ecosystem.

Erick Gavin, Venture Miami director:

That's a very broad way of saying there's a lot of different components to what's happening in Miami. There's a lot of excitement, a lot of really good energy, but how do we start taking that really good energy of all those things that happened last year, that \$4.6 billion that VC funding came into to Miami, how do we start turning that into more foundational economic growth strategy that are going to be long lasting and substantive as the city continues to grow over time?

Erick Gavin, Venture Miami director:

We have a very, very big reliance on blockchain technology and Web3 technology. A lot of our companies down here get funding for that. That contributed a lot to the funding that happened last year. How do we start to make a more robust ecosystem?

Erick Gavin, Venture Miami director:

The right to wins were really good word that was just used. We're looking at what our right to wins are. We're right on the coast. How do we start taking in more clean tech environment with tech companies that are serious about dealing with climate change. As the city moved into having a resilience office in order to start dealing with some of these issues, how do we start bringing tech more fully into the things when we start dealing with those things?

Erick Gavin, Venture Miami director:

In addition, we have a huge health system, a lot of different, really strong hospital systems that exists within South Florida more generally. How do we start taking advantage of those?

Erick Gavin, Venture Miami director:

So what Venture Miami typically set out to do is four specific things in order to help grow both those industries and as well as the people that still exist within the community that are looking to dive into technology and innovate [inaudible 00:09:26] more strongly.

Erick Gavin, Venture Miami director:

So we have our concierge service that helps people relocate into Miami. So people that are looking to come to Miami, we want you to have Miami feel like it's home. If you really want to come here as a company, as a technologist, as an entrepreneur, just trying to see if Miami is the place that works for you, we welcome you. We want to know how can we help you make a home for Miami where you might not have been able to find a home in other cities.

Erick Gavin, Venture Miami director:

Then we have three other main initiatives that we have been focusing on: tech, talent, and education. Through our education, more specifically, we work with all the universities that exist down here. One of the strongest partnerships that we have recently has been with the Miami Dade College, which is a community college, the biggest community college in the nation actually. We have been creating both charter schools that exist within in order to create better access points for people within the community to get into tech and innovation, as well as strengthen some of the technology programs so that people can be flexible in how they approach technology.

Erick Gavin, Venture Miami director:

Sometimes four-year programs work for people, sometimes [inaudible 00:10:36] certificates that are six to nine months work for people to get into technology. We don't want to dictate what someone's path is and what someone's journey into technology, but we want to help people at whatever level that they are at find a pathway into technology that's most strong.

Erick Gavin, Venture Miami director:

I definitely come from that background as well. I took a bootcamp to get into technology originally when I came from law. So there are different ways to get into technology. One is to enable people to be able to do it in as many ways as possible.

Erick Gavin, Venture Miami director:

Then we have tech, which mainly tech has to do with smart cities. Generally, my focus recently has been on using blockchain technology, MiamiCoin specifically, as a cryptocurrency in order to enable people for social benefits through some of the things that are happening in the city. We're looking to create more use cases for that to augment services that are happening in the city, as well as create new services that don't currently exist to better serve our citizens in that new respects. There's a lot of experimentation, but the mayor has entrusted me to be able to do that experimentation [inaudible 00:11:36] happy about.

Erick Gavin, Venture Miami director:

Then, finally, talent. I'm pretty sure talent's something that we're going to talk about throughout this entire talk. So what I would just say shortly on the matter is that talent is a multi-tiered issue.

Erick Gavin, Venture Miami director:

Top talent, when people talk about brain drains, I always get a little bit back and forth about that, because top talent's going to go where top talent's going to go. You can't expect to retain people who are top of their class anywhere, whether they're on the west coast, whether they're in New York, whether they're in Miami. They're going to feel free to go to wherever they please because they are being catered to by everyone.

Erick Gavin, Venture Miami director:

But what the real part of talent is is how do you start capturing people who are on the cusp, who are just falling outside of technology, just falling outside of innovation, or don't know enough about it to feel like they have a place in it? There's a lot of non-technical positions that exist within tech that people don't necessarily know about. We have to do a lot better job of making sure that people are aware of those different elements. So I think that's a little wrap up, and I'm happy to deep dive into the conversation more.

Hari Sreenivasan, PBS Newshour:

Great. Thank you. Patrick, I mean as an investor and an operator in multiple markets, how do you make sure that people know that there are other cities beyond the coastal elite tech hubs that he called legacy areas?

Patrick McKenna, One America Works founder:

I like that. That was new. That's good. That's good. Let me make three quick elevator pitches, super tight. So I've got three audiences, a company that's looking to hire. I say, "Here's the pitch. The talent you have been looking for, it exists. It's out in the country. It's not all in Silicon Valley." So, number one, the talent ...

Patrick McKenna, One America Works founder:

I was 15 years in Silicon Valley. I built four companies there. It was always about finding talent. It is not new. Hiring has always been hard, but we had this mentality that you had to bring everybody to Silicon Valley, this idea that all the smartest people were there. There are super smart people in Silicon Valley. It's just not all of them. And so, number one is that ... Right? Is that the talent you've been looking for, it exists. Its other places.

Patrick McKenna, One America Works founder:

The second elevator pitch is to the talent, to the people, the knowledge workers. It's that the quality of life you've been just suffering and looking for, it exists. It's in

Tulsa, it's in Miami, it's in Austin, it's in Indianapolis. This quality of life has been the ...

Patrick McKenna, One America Works founder:

Again, it's not new. If you've been suffering through the rents in San Francisco, New York, a lot of places that it's really hard to get ahead ... It's like \$200,000 in San Francisco not to be considered low income. It's insane. And so, if I'm talking to a tech worker, the quality of life you've been looking for, it exists. You can keep that great career in move to one of these other amazing options.

Patrick McKenna, One America Works founder:

Then the third quick pitch is to cities, because cities are an important part of this, is that the economic development that you have been looking for, it exists and it's in the talent. If you can attract, retain, and develop the future workers, they're going to build the economy in your city, because we're moving ... I mean it's been really obvious for a while, but the future economy is going to be built on knowledge workers, the network connection between the thought, the mind. And so, right now people are on the move.

Patrick McKenna, One America Works founder:

I love what Miami and Tulsa are specifically doing because they're bringing the human capital. You don't need to go and drill a well to find a mine or something like that. You can bring that natural resource to your city.

Patrick McKenna, One America Works founder:

And so, as an investor, when I look around, I'm looking for four things. Is there a critical, massive talent? Because I want to hire, or as an investor, I want to invest into that critical mass of talent. Is it connected? Can I access it? Is there an airport? Is there high-speed internet? Is there class A office space? Is it connected?

Patrick McKenna, One America Works founder:

Number three is quality of life, because knowledge workers won't ... Like I said, they won't suffer for a low quality of life. If you don't have green spaces and downtown community, things that cities actually invest in and make the setting really nice.

Patrick McKenna, One America Works founder:

Then fourth is cost. If you don't have a cost advantage over Silicon Valley or Boston or Seattle, you're really not making the best case for me as an investor, because it's like, oh, how am I going to move somebody out of San Francisco to that city if ... Or how am I going to hire entry-level workers if the cost of housing is high? There isn't an advantage. Austin is facing that fourth problem in a way that maybe we'll get to, but those are my three pitches.

Hari Sreenivasan, PBS Newshour:

Great. So, Nick, I think one of it has changed the preconceived notions that people might have of places like Tulsa. I mean there is a little bit of a condescending attitude that people that work in existing super hubs say, "Oh my gosh, it's either Manhattan or it's a double-wide trailer," like what is the option in between?

Hari Sreenivasan, PBS Newshour:

I mean how do you make sure that you can lure a city slicker by saying, "We have ...," and what is the cost differential? I think that's something that Patrick just talked about. But give me an example of what it would cost ... You've also lived in New York, what it would cost for you to have the same lifestyle, whether it's rent or owning a home?

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Yeah. Look, so I mean I was leading an initiative for the city of New York called Cyber NYC when my parent company, George Kaiser Family Foundation, recruited me. Look, I didn't know anything about Tulsa. I knew it was in Oklahoma, but appreciate you telling the audience. There were some raised eyebrows, some WTF moments when I said, "Oh, I'm going to found this organization in Tulsa, Oklahoma."

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, I think that ... And one of the reasons why I took the job, this was shortly after the 2016 election, in which I think there were stark divides between coastal cities and the heartland, and I knew that I wanted to expand my perspective.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

When I talk to venture capitalists, they're actually really excited about Tulsa because they don't know anything about it. And so, this is new terrain for them. This is a city full of opportunities that they're excited to explore.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, I think we have found ... Telling Tulsa's story, getting people out to Tulsa to see it and to visit it has been so important, because it's hard to visualize. I mean I did some consulting work in Tucson, Arizona. I thought it's gray and desert with tumbleweeds. It's not. It's really green. There's beautiful parks, great downtown, thriving art scene. You have to get out there and see it.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I think that, a slightly different dimension, but, look, if we are looking to create a more inclusive economy that is also increasingly competitive with Russia and China, we cannot ignore the entire middle of the country.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, the message, I think, to venture capitalists and to big tech and to civic leaders across the country is to come visit Tulsa. I'm not here to tell you some feel good underdog story. I'm here to say that there are business opportunities in Tulsa, Oklahoma and you should explore them.

Hari Sreenivasan, PBS Newshour:

Erick, when Patrick mentioned affordability, Miami recently was one of the least affordable places. So how do you get over that hurdle when you're trying to lure talent? I mean this is a bigger structural challenge that Miami would have. What's the city working on doing to make sure that housing does not become a disincentive for people to choose to live there?

Erick Gavin, Venture Miami director:

Of course. So one of the biggest things is understanding where we sit at in terms of the growth of Miami over time. It was explosive growth last year to where people were like, "I'm moving to Miami, I'm moving to Miami, I'm moving to Miami," to where we didn't have the capacity internally to take in all these people at such a huge inflection ... Short period of time.

Erick Gavin, Venture Miami director:

So what we have been looking into is understanding does Miami actually have the room to grow in the way that we expect it to, and we do. We have 25% of the current housing that we have now room to grow in terms of supply that's coming in for residential housing.

Erick Gavin, Venture Miami director:

So when people talk about is Miami going to still be an affordable place, we need more than just what I've stated as a number to make Miami a more affordable place. But that's a start, increasing the supply and room for people to actually be able to afford having and living in places in Miami.

Erick Gavin, Venture Miami director:

Not to mention, just Miami itself shouldn't be thought about what this entire metro area is. It's South Florida. South Florida is an entire ecosystem of technology and founders and VP that are living around the city of Miami, that there are places where people can set up shop in order to be in a much more affordable area of the town.

Erick Gavin, Venture Miami director:

So there's a couple of different options when we're talking about that, and that does not solve the problem completely, but Miami has room to grow to continue to be more affordable than competitors like New York and San Francisco. So when we talk about

it comparatively, I think we're still very much in that conversation of being more affordable, but we still have a lot of room to work and do things as a city in order to make it even more affordable for the people that currently live here, and people that are making X, Y, Z amount of dollars should be able to keep up with how rent is increasing and the affordability of actually purchasing a home.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Can I jump in on the affordability point?

Hari Sreenivasan, PBS Newshour:

Yeah, go ahead.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

So, look, I think we saw Tulsa hit a million MSA mark for the first time.

Hari Sreenivasan, PBS Newshour:

What does that mean for people who don't-

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Metropolitan statistical area population of a million in the metro region, a milestone for Tulsa, really thanks to an influx of coastal tech talent over the pandemic. And so, on the affordability, we're seeing a thirst for an affordable, vibrant community that Tulsa offers. The Housing Affordability Index places us in the second highest category for affordability. Average rents is \$1,300. Average home price is \$200,000. Our average commute is just under 20 minutes. Plus, our tech talent is 15% less than national average.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, we are seeing that the value proposition for Tulsa is both affordability, but also increasingly strong, high-quality, and diverse tech talent, really increasing in parallel to the pandemic.

Hari Sreenivasan, PBS Newshour:

Patrick, I wonder when you look at this as an investor, you said something that was interesting, which was along the lines of the infrastructure on how is this community going to get smarter? Where is the talent that's coming in?

Hari Sreenivasan, PBS Newshour:

I mean I was recently in San Antonio doing the story on the Alamo Promise. Essentially, it is a ... I think if you're a graduate of one of the 47 high schools there, you can get up to three years of free community college, which they have invested in

as a city because they feel like this is going to contribute to the overall GDP, having a smarter population, having a more able population.

Hari Sreenivasan, PBS Newshour:

So when you look around the map and you say, okay, is the right mix of investment and talent and infrastructure there, what are the things that you're looking for in your spreadsheet checkbox?

Patrick McKenna, One America Works founder:

So as an investor, when you're making an investment, you're making a long-term bet. So by definition, you need to look beyond today, tomorrow, next year. The average exit for a venture investment is seven years, and that's actually extending just because of late-stage private equity or private investment.

Patrick McKenna, One America Works founder:

So I think it's important to look very clearly and differentiate between a trend and a fad. It's really important to say is this city, is this place, is it on trend, or is it on fad? I say that because you can look underneath and say is the city doing the things that over a 10-year cycle are going to make the city a better place for entrepreneurship, attractive talent, all these things, or are they not doing the things?

Patrick McKenna, One America Works founder:

Is the civic leadership not getting organized around building the housing, changing the zoning, investing in education? Because you can come in and have a really successful early investment, but if it can't scale, if it can't attract the talent, worse yet, if it can't retain the talent, then your investment won't live up to its potential.

Patrick McKenna, One America Works founder:

So I think it's really important to be crystal clear and look beyond where we are today, because the last two years have been very unique, obviously. The seas have risen in a lot of places. When things settle down, it's going to settle down a little bit, and some places are going to have been discovered and then they're going to get on trend. Other places will have gotten a lot of hype and they will settle back and they might not be as living up to the potential.

Patrick McKenna, One America Works founder:

So on the infrastructure thing, it's like, again, are they investing in the future? Are they thinking about housing? Are they thinking about education? What is the local business environment for the follow-on capital that's going to attract more investment? Because if you're investing on the early side ... This is really important. Every time I make an early investment, I'm thinking, is this the right team, but is this

the right team in the right place that then can, if they're successful, get the next round of investment?

Patrick McKenna, One America Works founder:

I know Miami and in Tulsa, everybody's thinking, "I need the mid-stage, the series A, series B money," because series C, like the early \$500,000 to \$1 million checks, you can pass a hat around locally. But to get a series check \$10 million, \$20 million, it's a different game. The analysis around that looks a lot different. And so, that's all put on the table, trend versus fad.

Hari Sreenivasan, PBS Newshour:

Yeah. There was a question from the audience about community innovation and how basically ... Gabriel asked, "How can community colleges become a hub of innovation in their community?" Erick, I want to ask, I think ... Doesn't the city have a partnership with the community college there, which is one of the largest in the country, if not the largest?

Erick Gavin, Venture Miami director:

Yeah. So MBC college. I mentioned it earlier. MBC college, we have two partnerships with them. First, a partnership where we actually put a charter school, high school within the college itself in order to utilize space, so that people transitioning into that specific charter school that's focused around tech and innovation ... I know they're still trying to figure out exactly what the tech focus is going to be, but have the specific vertical that it's focusing within, can transition easily into the community college once they're done. So for easy access for people that normally wouldn't have access to some of the tech training and upskilling that happens in that particular vertical.

Erick Gavin, Venture Miami director:

In addition to that, we partner with the Knight Foundation. The city did partner with the Knight Foundation in the county and our local downtown development area to create a grant that would go to invest in artificial intelligence for the professors and instructors at the college, as well as for an entire program around artificial intelligence.

Erick Gavin, Venture Miami director:

There already is a cybersecurity field. There already is a data science one and a data science connection from that community college to the University of Miami. So that college is doing a lot of things right, both creating certifications that are attached to companies so that people can learn the direct skills that they're going to need to go directly into some of the companies that exist down here and are trying to relocate into Miami, in some of their headquarters or satellite offices, as well as try to create

longer term programs so that we can give deeper knowledge, so people can upscale a little bit further along.

Erick Gavin, Venture Miami director:

Some things like artificial intelligence, you can't just learn two months of information then you know everything you need to know. It's a yearslong journey. But being able to specialize in certain areas can give people an in into that industry that they normally wouldn't have.

Erick Gavin, Venture Miami director:

So the city of Miami has been really, really strong and very, very bullish on working with the community college in order to continue to create tech initiatives, because that's the area that it continued to grow in. Their tech initiatives, certification, and programs have grown the most in terms of interest from students over all of the different classes, programs, and initiatives that have been done by the community college by far.

Erick Gavin, Venture Miami director:

So we want to continue to invest in those things because we know that's where economic development is going to come from when we're talking about investment into technology.

Patrick McKenna, One America Works founder:

Can I add one thing there? Because the community college is such an important entry point to bring people up to upskill them. I want to add another thing to look at is actually the amount of entry-level tech jobs in a city.

Patrick McKenna, One America Works founder:

So here in Austin, in Austin, I would say is probably the best example of a non-coastal legacy city that has done really well around all the aspects. Google has 3,000 or 4,000 workers here in Austin. Facebook has 3,000, going to 5,000. Oracle has 5,500. These are big campuses here in Austin, and those create a lot of entry-level jobs. So when somebody completes a community college program, which is an excellent starting point, then can they qualify into a job locally so that they can get those actual work skills?

Patrick McKenna, One America Works founder:

Then you look at a city like Pittsburgh, 2,000 people work for Google in Pittsburgh. Aurora's there. There's a bunch of really good companies in Pittsburgh that allow for those entry-level positions for people to get upskilled locally. I mean Indianapolis has the ... Salesforce cloud is based there. I think there's 3,000 or 4,000 Salesforce workers in Indianapolis.

Patrick McKenna, One America Works founder:

Again, that's a really great place to get people out of the community college who are local, get them that gateway into the tech industry as a way to keep them local. So as an investor, you want to see that kind of activity.

Patrick McKenna, One America Works founder:

Then the civic engagement, which I loved hearing in Erick's example, because that's what the city can do. But then when I talk about a trend, it's like what are those kids going to do when they get out of that program? Are they going to get an entry-level job so they can start climbing the ladder?

Hari Sreenivasan, PBS Newshour:

Right.

Erick Gavin, Venture Miami director:

Maybe the-

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I'm sorry. Go ahead, Erick.

Erick Gavin, Venture Miami director:

I'm sorry. Just to add one more thing to that, it's about creating a litmus for these colleges and universities to say it's not just about attaining the education, it's about landing the job. We need to raise the litmus when we're talking to these universities to say it's great that these students are learning what they're learning through these programs, but are we making sure that they're actually translating into positions that they can get so that they're actually getting work experience and being in the industry?

Erick Gavin, Venture Miami director:

We have to close that gap and we have to ask our universities and colleges to raise the bar a bit when it comes to that final leg of I've learned everything I learned, I graduated, now what? It's like go into this position, go into this entry-level position that we have set up through the program and deep connections with companies that work locally here.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

So maybe marrying a few of the themes that Pat and Erick have hit on, trend versus fad, the importance of community colleges, long-term sustainability. I think this is why inclusive growth is so important. I know it's buzzy, but let me unpack it just a little bit.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

So paraphrasing friends at Brookings, but inclusive growth is growth that translates into household consumption whose gains are broadly distributed across demographics. At TIL, we really focus on inclusive growth as growth that provides sustained opportunities for economic mobility, particularly for people from underserved communities.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, why is this important? Well, look, McKinsey projects that by 2030, 23% of jobs will be automated. You're four times as likely to lose your job if you only have a high school diploma. In Tulsa, that disproportionately impacts our services industry and our manufacturing industry, which skew lower educational attainment levels and skew people of color.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

We also know that people of color continue to struggle to get the opportunities that they deserve in tech. Oklahoma, like a lot of states, enrolls far fewer people of color in STEM degree programs than those demographic share of the statewide population. We also discovered at TIL that in Tulsa, less than 1% of knowledge-intensive companies are owned by people of color, 0.93%.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Now what's crazy is that relative to our peers with similar demographics, Tulsa's actually outperforming most cities. So just think of the untapped talent and potential that exists in Tulsa and in Midwestern cities across the country.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, what are we doing about it? Well, we're not just creating DEI KPIs across our initiatives. That's not sufficient. We're taking more targeted interventions. Just two quick examples, picking up on Erick's point, we're partnering with our community college system, Tulsa Community College, the largest community college system in the state on the cyber and analytics skills center.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

This is a new workforce training program that provides multiple access points for students from disadvantaged communities to get the skills and training that they need to enter cyber and analytics jobs. It includes an accelerated learning program as well as synced two and four-year curricula in partnership with Oklahoma State University so that students can get certifications. They can get an associate's degree or a bachelor's degree all at the same place.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Then second quick example. One of my sister organizations, Build In Tulsa, has partnered with Techstars and Lightship Capital, a VC on startup accelerator specifically to support founders of color, and to make sure that they have the access to capital that they need to build and grow their companies in Tulsa.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Final point, and I know this isn't sexy, cities have got to set goals and track their progress on some of these key metrics. We've partnered, as I mentioned, with the Aspen Institute and Heartland Forward on what we're calling the economy forward framework. This is a new system to monitor and track the progress of midsize cities' economies to make sure that they're growing in inclusive ways. It includes a set of nine metrics and a ranking of 38 midsize cities so that cities can evaluate themselves relative to their peers.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

But the bottom line is that cities have got to be intentional about it. They've got to bake in inclusion on the front end of their strategy, not as an afterthought, and they need to set hard goals and track their progress over time. That's how you achieve inclusive growth.

Hari Sreenivasan, PBS Newshour:

I want to open up a little bit more of the Q&A. You can, again, press the engage button in your thing. April Jefferson, a few minutes ago, asked, "What are your thoughts on the effects of remote work on these new and already established innovation hub cities?" I mean we've talked a little bit about the ripple effects of the pandemic. But on the one hand, you're trying to lure physical people into this space. Then on the other hand, there's also this potential where people are like, well, why do I have to be anywhere if it's a white-collar job that I can do from ... So, Erick, let me start with you.

Erick Gavin, Venture Miami director:

Yeah. It's funny that you say that. I met two people last night at an event, that moved here just because they could. They're technologists and they have the freedom to move anywhere they want to. So they said, "Why not Miami? I hear all these good things about it. So I want to come to Miami."

Erick Gavin, Venture Miami director:

So for Miami, and I'll speak about Miami specifically, remote work has been an opportunity for people to have a taste of Miami without overly committing to see if it works for them. More times than not, people will say, "I set up for two weeks and I just haven't left yet, and it's been three months."

Erick Gavin, Venture Miami director:

So getting people to actually be able to try out ... And I think one of my colleagues put this the best. We're trying out cities like we try on clothes now, being able to go to different places and try them on to see if it works for our life experience, to see if it's a community we want to be a part of, see if it's a thing we want to be in. That's very, very symbolic of my generation to say, "I want to go here. I want to try this. If it works for me, I'm going to stay. If it doesn't, I'm going to leave."

Erick Gavin, Venture Miami director:

So Miami has tried to capitalize on that to say, "Hey, talent. You might work for a company that actually is mostly centered in San Fran right now. That's completely fine. But if you live in Miami and you participate in this community, the more, the better."

Erick Gavin, Venture Miami director:

So any way that we can have touch points for people to be remote and work in Miami, even if they don't fully ingratiate themselves into the community at first, it's a stepping stone to get to the point where we have people who participate and work in the community. But the very next step is you can't just hope that people are going to come here and be a part of the community. You have to give them access points to be in the community.

Erick Gavin, Venture Miami director:

So my office has really, really made a strong effort, both online and in these events that we do, to say, "You just came into town, please talk with us. Let us get you plugged in. You may know a little bit about what's happening in Miami, but I don't want you to be in Miami and never go to an event or never talk to anybody or never offer your knowledge and your experiences to people that exist in the community, because we need people like yourself who have been in technology, who participate in these different types of ways in order to roll the ecosystem and make it more rich."

Erick Gavin, Venture Miami director:

So remote is going to continue to be something that's a double-edged sword. I do not want to shy away from that. People are going to be able to move here in a way that would potentially price people who already do live here out. So we have to set this fine line of making sure that we are continuing to create active points for people in the community that do not currently have them.

Erick Gavin, Venture Miami director:

I think it was just very, very, very well put. People who are in underserved communities, who don't know anything that's happening about tech and innovation, we have to continue to create active points for them. But we also ... And this is personal on my part. I don't want to block people from being able to come here and say Miami's a place that I actually want to be. I did that eight years ago.

Erick Gavin, Venture Miami director:

So I want people to continue to be able to do that, but we have to find a balance within the two. So remote, it's going to definitely push the city to figure out what that balance is. But if we keep it in the forefront, in our conscious, as we continue to create initiatives and programs and events moving forward, I think that we'll try to strike a balance that will work well for our community.

Hari Sreenivasan, PBS Newshour:

So, Patrick, I mean is this a trend or a fad? I mean you have [crosstalk 00:38:13].

Patrick McKenna, One America Works founder:

You nailed it. This is the framework. This is going to be the ultimate test of the trend versus fad. The object that I'll put in the middle here of what we're evaluating is the power of the worker, the power of the worker. This is what we're going to decide. Is the power of the worker a trend or is it a fad? Because right now it's very on trend to say the worker has all the power. Companies are changing the work rules. Companies are really responding to the tech workforce, whether it's full remote or hybrid or something like that.

Patrick McKenna, One America Works founder:

So let me put this on the table to think about it this way, is that before the pandemic, about 7% of jobs were full remote. In the middle of the pandemic, it depends on how you count things, it might have been closer to 50%. Obviously it felt like everybody, but lots of jobs are not able to be. Then it settled into the high 30s, 34, maybe a little less than 40%.

Patrick McKenna, One America Works founder:

So that's what we're working with, from 7% to 50%, somewhere in between. We look at it and we say, okay, from a company perspective, right now, this morning, Lyft announced that they are making office completely optional. They've gotten away from in-office. That was just this morning. So this is Lyft, and that's a San Francisco company.

Patrick McKenna, One America Works founder:

Early in the pandemic, Twitter had made that decision. In the middle of the pandemic, Google had said, "Hey, we're going to have people come back." A week later, they said, "We're going to rethink that."

Patrick McKenna, One America Works founder:

And so, this is starting to feel like a trend, that companies have to offer a remote-only option. Why? Because they're competing in the talent marketplace. And so, if you are a company that's trying to hire and you are requiring people to move to San Francisco

or New York, the number of applications you get ... And if we had somebody from
Indeed here, I've talked to some people anecdotally, you're getting 40% less applicants
for an in-person only job. So the market is speaking that the labor company is a trend,
not a fad.

Patrick McKenna, One America Works founder:

The other thing I just wanted to put on the table is venture capital, because venture
capital is really a leading indicator of how real this overall trend of spreading out the
innovation economy. If Tulsa and Miami can continue to attract venture capital, that's
going to seed the future economy going forward.

Patrick McKenna, One America Works founder:

Right now, it's a little mixed because everything's gotten bigger. San Francisco,
everything's doubled, but the Bay Area is still 53% of total venture capital. So we're
going to decide here.

Patrick McKenna, One America Works founder:

So what has changed on the trend versus fad around venture capital is venture doubled
during the pandemic. That means that remote teams, remote due diligence, all those
things were new muscles that venture capital had to learn, get comfortable with before
they said, "Oh, I only drive to board meetings." Well, that wasn't possible. Now
they're investing in companies either it's full remote in other places.

Patrick McKenna, One America Works founder:

And so, I would say that if venture capital, it starts pulling the companies back to the
Bay Area, then it's a fad. But my guess is that's not going to be true and that venture
capital's also going to be on trend to expanding where they're investing.

Hari Sreenivasan, PBS Newshour:

Yeah?

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I think Pat's right. Look, I think remote work, which took off during the pandemic, I
think has been a boon to a city like Tulsa. We pioneered remote work as an economic
development incentive through the Tulsa Remote Program, which is a competitive
program that offers individuals \$10,000 to come to Tulsa. We've had 1500 folks
largely from New York and California come to Tulsa just over the past couple of
years, and they've generated over \$60 million in local economic development activity.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, I think we're going to increasingly see talent shift from the coast. I think that's why the shift is really from those coastal tech hubs to emerging cities like Tulsa and throughout the heartland.

Hari Sreenivasan, PBS Newshour:

Nick, staying with you for a second. Since you had worked in New York as well, we'll rip on ... I'm sorry if I got the last name wrong, said, "The impact of current innovation hubs on surrounding communities has not all been positive. What lessons are being applied in these newer innovation hubs?"

Hari Sreenivasan, PBS Newshour:

So I mean the ripple effects that San Francisco and New York had on some of the existing base communities that were there, people getting priced out, et cetera, and also some of the social costs. How do you design differently when you're thinking about how to lure talent and how to create an innovation hub in Tulsa?

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Yeah. I mean one of the things that pops into my head when Pat was talking about investing in companies and corporate attraction earlier is ... We saw this in New York. I was at the New York City Economic Development Corporation, when we won and then lost Amazon HQ2. And so, I think our big one bust-

Hari Sreenivasan, PBS Newshour:

That's not your fault. You know that. Come on. [crosstalk 00:43:08].

Male:

[crosstalk 00:43:12].

Male:

It's a different-

Erick Gavin, Venture Miami director:

It's a sore spot.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

What I think we've learned in Tulsa, and the thesis that TIL constantly advocates for, is building local capacity, growing in inclusive ways. It's the heart and soul of what we do. And so, TIL doesn't spend time chasing company headquarters.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

We aren't a VC. We support venture capital and want to connect our entrepreneurs to sources of capital to grow their companies. But a significant portion of TIL's work is

dedicated to our universities, on repositioning them as engines of innovation, on our workforce training programs so that we're creating a surplus of high quality and diverse tech talent.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I think from a long-term sustainability standpoint, cities would do very well to focus most of their efforts on building local capacity at their key institutions, aligning on a common set of goals instead of chasing shiny objects.

Hari Sreenivasan, PBS Newshour:

Patrick, I want to ask. Angela Jackson asks, "The innovation exemplars, Austin, Indianapolis have growing poverty rates and wealth gaps. How do we ensure local residents share in the prosperity plus the tech economy?"

Patrick McKenna, One America Works founder:

This is one of the things I worry the most about. I mean I lived in San Francisco for 15 years, from 2000 to 2015, and I saw a city that ... The reasons why it was cool and interesting and fun was the economic, the racial, the background, the ideological diversity of the city was what made it attractive to creative people and investors and tech people.

Patrick McKenna, One America Works founder:

Over that time, the city didn't invest in housing and the infrastructure that was required to keep the city diverse. Really, it was a huge problem. They became so expensive that the interesting people, the artists and the creators, and then even worse, the teachers, the firefighters, the people who make the city hum and turn, they couldn't afford to live in the very city that made it cool.

Patrick McKenna, One America Works founder:

And so, I've now lived in Austin for four years, and I see a bad thing happening. Honestly, it's a bad trend because things are happening fast. Erick, you had mentioned how quick Miami popped and it puts a big demand. When that demand comes in, it pushes from the top down. So a million-dollar house three years ago now just keep pushing down and squeezes the very people that made a place interesting, diverse, cool, and worth living in. So I am optimistic, though, because-

Hari Sreenivasan, PBS Newshour:

Why?

Patrick McKenna, One America Works founder:

Because I worry most about problems we're not thinking about, and I can tell you that every city ... I'm sure everybody here is thinking about this problem. I know we're

thinking about here in Austin. It's not just the people who've been here for years. It's the new people like me. We're engaged. We're trying to figure out how to build affordable housing. We're trying to figure out how to engage the local schools.

Patrick McKenna, One America Works founder:

So this is interesting. In San Francisco, I think the backlash came for a very specific reason. The new people, the people who were enjoying the prosperity, they did really well. The people who had been there a long time, they never got connected to that prosperity.

Patrick McKenna, One America Works founder:

So if you went to San Francisco State, which is a very good school, you weren't going to work at Salesforce or Facebook. You were completely pushed out of the system. So your housing got more expensive, your kids didn't get an opportunity to work in the modern ... Really, just everything bad happened to you.

Patrick McKenna, One America Works founder:

I look at a place like Austin, I think we're doing things a bit different here. We know the problem of housing. We're reaching out to the universities. UT is a much better example of a feeder into tech. So, locally, I think more people are going to benefit in that prosperity.

Patrick McKenna, One America Works founder:

I also want to make a shout out for molecules versus ones and zeros. We got this little thing called Tesla down the street. The Tesla factory is open. They're rolling cars off it. The official opening is April 7th. That started at 10,000, now it's going to be 20,000 jobs.

Patrick McKenna, One America Works founder:

These aren't college grads who are going to be coding and programming. These are going to be people working with robotics, surfacing. These are going to be that new working class job. Elon Musk, I think in December, said that they're going to do 20,000 direct hires. That's right here in the city of Austin.

Patrick McKenna, One America Works founder:

So I think diversifying the economy so it's not just a bunch of AI, Bitcoin. I love the AI and the Bitcoin, guys. All awesome. But if you want to have a diverse community, you need to have diverse work time types. I think everybody here would agree with that.

Patrick McKenna, One America Works founder:

So I think when you're thinking about your strategy, you need to build the infrastructure and then you have a diverse type of work, because you don't want just all software developers. You want to have high-quality, good-paying jobs that are going to last for a while for more than just the tech workers.

Hari Sreenivasan, PBS Newshour:

Erick, [Mark Pann 00:48:06] had a question for you and for Nick. I think Nick has answered a little bit of it. But how do you measure the success and prove the ROI to your communities? So when the mayor comes to you and says, "Is this working or not? Are all your efforts ... ," what's your measure of success?

Erick Gavin, Venture Miami director:

My measure of success is people's ability to be able to live in the city and live and work in the city that they stay in. So Pat was just talking about that top down that happens where people are buying these very ... It's happening here. I want everybody to know, people are buying very expensive homes, and those very expensive homes are raising what people would pay for rent because they're unable to actually start going into buying a house.

Erick Gavin, Venture Miami director:

And so, those rents are being pushed up because people are coming from outside of Miami saying, "I'll pay \$5,000 for rent to live in [Berkeley 00:00:49:04]. I'm like, "Oh my gosh, I would never pay that. I've been living here for 10 years, but now I have to consider whether or not paying that makes sense for me for a two-bedroom."

Erick Gavin, Venture Miami director:

So one big thing that ... We can talk about a number of [inaudible 00:49:21]. We can talk about levels of diversity. But my litmus to determine whether or not I've been successful or not is there are communities that I've worked in in the eight years that I've been here, an Overtown, a Liberty City, a Little Haiti, a Little Havana, all underserved Black and Brown communities that exist here. What I am trying to do now is make sure that they have better access to the tech ecosystem than they had previous when I was working in a much, much smaller role.

Erick Gavin, Venture Miami director:

So their ability to say, "Erick, I don't know what is happening in tech and innovation," first, exposure education, helping make sure that they know what jobs exist. That just literally brought up, oh, there are positions in tech that are not just software developers. We have to help people understand what that actually means.

Erick Gavin, Venture Miami director:

So when you say, "Oh, you could be a mechanic," or, within this tech company without having to code a day in your life, how do we get people to understand that job exists and that they are a good fit for it, if they just spend less than a year preparing for it?

Erick Gavin, Venture Miami director:

So starting with that, then moving from that exposure education to, okay, now how do I get the job? So putting companies in positions to actually offer those roles to people who have been preparing for them and are ready for them.

Erick Gavin, Venture Miami director:

The easiest connection is boosting up our institutions that already exist. Nick said this. So our community colleges that already exist. When we're working with MDC, aligning the companies that are coming through our office to say, "Hey, you have 10,000. You have ... "

Erick Gavin, Venture Miami director:

For instance, we've had a company come down and say, "We need a whole bunch of graphic designers." Our college has a program called Magic that specifically trains graphic and game designers. We said, "Oh, why don't you have people who come from that program go directly into your company?" It's like, "Why don't we do that? That makes perfect sense."

Erick Gavin, Venture Miami director:

So now there's 200 open positions that are going to be filled by that college by just making a simple connection that we saw as a city as two bare points that weren't being connected.

Erick Gavin, Venture Miami director:

So to put a bow on it a little bit, and I'll let Nick dive into it a little bit more, so I think the biggest thing that I wanted in terms of numbers are how many non-technical people are floating out in our community that would like to get into tech and are able to get into tech and get job, entry-level positions?

Erick Gavin, Venture Miami director:

I think the entry-level positions are going to be what creates a more robust ecosystem over time, leading into the deeper levels of talent that we're going to see that starts to rival a New York and a San Fran. But we need to start with the entry level and early positions that are both technical and non-technical that we're not necessarily covering as much as we can right now.

Patrick McKenna, One America Works founder:

Can I make one point to this? Is it that a tech job has a four or five to one ratio of support job around it? So if you have like a full-stack engineer or like a high-level designer, there's four or five jobs supporting it. And I don't mean just the cleaning crew. I mean there are really high-quality jobs that are sitting around it. I want to put a fine point on this.

Patrick McKenna, One America Works founder:

Places like Miami and Tulsa and other places have historically been exporters of talent. You spend all this money to send them to the University of Miami, send them to [D O 00:52:53], and then they move to San Francisco. The San Francisco economy benefits with those downstream jobs and economic development, but you exported talent.

Patrick McKenna, One America Works founder:

Why this is so important the conversation we're having today is that more places in America are going to be exporters of products and services versus ... They're young people. We need to export software design products from Miami, Tulsa, Austin rather than our young people. This is absolutely vital. That's why this conversation is so important, honestly.

Patrick McKenna, One America Works founder:

So, Erick, thanks for circling back to the entry level, because I think that it can get overlooked if we say, "Oh, it's just one job." No, it's really important because there's a lot of people that are downstream from that one job, and that's where the American dream is built. It's that leg up, that step to the next rung.

Hari Sreenivasan, PBS Newshour:

So, Nick, Erick has a boss that is a champion in trying to clear brush, so to speak, in his way. What are the catalysts that work? This is a paraphrase of a question from George Damien or Damien. What are some important catalysts that enabled further growth in your respective ecosystems? Conversely, what are sticky barriers that continue to impede growth?

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

I think it's a few things. I'll give you two examples, and I think both were brought to the fore during COVID and has impacted TIL's strategy, one in virtual health and the other in energy tech, two of our prime focus areas.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Look, the state healthcare system, candidly, is poor. We rank 50th in the country and overall health outcomes. Too many of our rural communities are disconnected from the healthcare that they need. A lot of that is poor broadband. A lot of that is lack of

specialty care. And yet we have some major assets in Tulsa. Cerner dataset, 20 million patient records over two decades, which are just now being tapped by university researchers.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

What TIL is doing is working with our local universities to accelerate the translation of virtual health research into early-stage ventures that further decentralize healthcare and better connect those rural communities, really positioning Tulsa as the urban gateway to transforming healthcare in rural America.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Second, in energy tech, we have a long history of being an oil and gas hub in the world. In Tulsa, we have seven Fortune 1000 companies in energy today. During the pandemic, we saw oil prices plummet. A lot of people lost their jobs because of their disproportionate impact on the local economy.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Our corporates will tell you, and this is one of the challenges, that they've been slow to adopt digital transformations. We have a dearth of energy tech companies in town.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, TIL has partnered with a Houston-based venture capital firm called EIC on a specialized startup accelerator in energy tech, which includes a large-scale venture fund as well as advisory services to guide our corporate partners through the innovation process. A lot of them are just behind the curve.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

And so, I think COVID showed us that our state's healthcare system and our city's overreliance on energy were barriers to growth, and we've made sizable investments to change those trends.

Hari Sreenivasan, PBS Newshour:

Patrick, what do you see? I mean when you look at a market, what are the key catalysts that you think are necessary for these things to become trends?

Patrick McKenna, One America Works founder:

So I think local leadership is ... One America Works, we have analyzed 50 cities across the country around the dynamics that I talked about, talent, access, quality of life, and cost. And so, we've looked very broadly across the country, and some cities look very similar in terms of they have a really good pitch.

Patrick McKenna, One America Works founder:

But the local governance matters a lot. How easy is it to move? How easy it to set up a business? I don't mean tax policy, frankly. Very few tech companies are going to move because of taxes. They're going to enjoy the taxes. They're not going to say no to the taxes. But if you can make it easy to move, to startup, to sit, that is going to be the thing that attracts the talent and attracts the companies. The way you signal that is through coordination.

Patrick McKenna, One America Works founder:

I want to say a big shout out to Tulsa, because your innovation on the \$10,000 to move to Tulsa changed the conversation for a lot of cities. That was an innovative, bold, risky move that signaled that you believe so much in your product that you're willing to put your money on the line.

Patrick McKenna, One America Works founder:

And so, that's also ... That took a lot of local coordination. I'm sure the local business community, the mayor's office, chamber, everybody had to get bought into that. That's a signal that this is a city that's serious about doing business, and there are places that haven't got the message.

Patrick McKenna, One America Works founder:

And so, Hari, that's what I would look at. It's like do they have what you need, but then what's the local dynamic? Is it going to be easy to operate there?

Male:

[inaudible 00:58:05], Hari.

Hari Sreenivasan, PBS Newshour:

Yeah?

Male:

[inaudible 00:58:07].

Hari Sreenivasan, PBS Newshour:

I see. Okay. I see your Zoom. No, he's right there.

Male:

[inaudible 00:58:11].

Hari Sreenivasan, PBS Newshour:

Yeah. There you go. He just shrunk and came back up. So do any of you guys look at ... Question from Sam [Alpert 00:00:58:19]. "Do any of you look at international trends related to workforce capital, any international cities come to mind that are at

the forefront of innovation? Patrick, when you look across the American landscape compared to what's happening globally, are there somebody that we should be modeling?

Patrick McKenna, One America Works founder:

I think Canada's done a really good job on two fronts, one on the immigration policy of really targeting shortage industries for talent. They've prioritized needs-based for their business community. The other is they have a direct subsidy for tech talent that's hired and stays in Canada.

Patrick McKenna, One America Works founder:

That might be some ideas that we can use, like how do we create an extra incentive for talent to stay in places where we want to distribute the prosperity? So these aren't heavy-handed policies. They're actually very smart and targeted policies. And so, Canada has actually done a pretty good job. They're competing with really big budgets of companies in the United States. So they've had to be innovative. So I'd look a little north.

Hari Sreenivasan, PBS Newshour:

Yeah, go ahead.

Nicholas Lalla, Tulsa Innovation Labs co-founder & managing director:

Yeah. I would just say I think the European apprenticeship model has been wildly successful, something that we're looking to plug into Tulsa. Particularly important for folks from underserved communities to get the additional training that they need and the exposure to professional work environments.

Hari Sreenivasan, PBS Newshour:

Okay. Erick, any places that you guys look to model?

Erick Gavin, Venture Miami director:

It's funny that he brought up the apprenticeship model. It might be because of my ... That Nick did bring up the apprenticeship model. It might be because of my law background. But I always love the idea of people being able to be a part of the training before they're actually ready to go into it, just like be a fly on the wall and some of those things.

Erick Gavin, Venture Miami director:

Decisions are being made when people are working and when people are trying to innovate in the moment. Seeing how those things happen are more informative than any amount of [inaudible 01:00:06] before you actually walk through the doors and say, "It's my first day."

Erick Gavin, Venture Miami director:

So that has been a model. I think Europe has done that really well. But I've seen a couple of smaller companies in the US start to use that as well. I haven't seen it done on a city-scale yet, which I'm hoping that we can start to push more for within Miami. But it's going to require a lot of collaboration amongst companies to say, "This is the impact that we're looking to get and this is what we're trying to get out of the whole entire experience. This is why it's beneficial for your company to do this and participate in this particular way." So definitely I agree with Nick 100% on that.

Hari Sreenivasan, PBS Newshour:

Okay. Well, that about wraps up the amount of time that we have for the panel. Erick, thank you so much for joining us and humbling us with your Magic Johnson jersey right over your shoulder, so that everybody knows.

Erick Gavin, Venture Miami director:

No problem.

Hari Sreenivasan, PBS Newshour:

And Patrick McKenna and Nick Lalla, thank you both for joining us here in Austin. Thank you all for your questions as well.

Ramona Schindelheim

You've been listening to Building Innovation Hubs Outside of Silicon Valley. I'm Ramona Schindelheim, WorkingNation editor-in-chief.