

# The Boston Globe

**New York-Boston rivalry endures in tech sector, too**



*Reed Saxon, Alan Diaz, and Jeff Chiu/Associated Press*



By Jon Chesto Globe Staff April 17, 2019

The Red Sox-Yankees rivalry that resumed on Tuesday isn't quite what it used to be, with both teams off to what charitably can be called slow starts to their 2019 seasons.

For a real NYC-Boston competition, let's head to the tech sector instead.

Accounting giant PwC's latest quarterly venture capital report came out last week, and Metro New York again trumped Boston by dollars raised and volume of VC deals. The PwC-CB Insights report shows startups in New York raised \$4.5 billion compared to \$2.8 billion in New England

during the quarter, a fairly typical result. Total deals: 205 versus 131. (Both metros take a back seat to San Francisco.)

Of course, the New York metro area dwarfs Greater Boston in terms of size. It stands to reason there would be more deals, and more money changing hands. But it wasn't that long ago when New England — Greater Boston, for the most part — frequently beat New York on both measures. That dynamic shifted significantly amid the emergence of a new wave of Internet companies — a sector that favors New York, the country's media capital. PwC says New York started to consistently beat New England on VC deal volume in 2012, and on dollars raised in 2015.

The strength of the local VC community is an important tech bellwether. However, it's not the only one. Along comes site selection firm Hickey & Associates with a new report ranking global innovation hubs. Boston won this competition; New York was fourth after San Francisco and Los Angeles.

The Hickey ranking takes per-capita measures into account, giving smaller cities like Boston more of a chance. Our edge primarily came from patent activity. We aren't far from New York in measures of absolute R&D employment and investments, but we easily pull ahead on a per capita basis for both.

David Hickey, the firm's managing director, says Boston seems to be chipping away at New York's East Coast supremacy. (Hickey is based in New York, but his firm finally opened its own Boston office last month.)

Both cities were ostensible winners in high-profile corporate relocation contests. General Electric moved to Boston, and Amazon later decided to split its HQ2 offices between New York and D.C. Amazon's commitment to New York didn't last long, though: The Seattle-based company bailed on the big city after a political backlash imperiled subsidies it had been promised. (GE's Boston move hasn't quite worked out as planned, either, but that's a whole other story.)

Relocation specialist John Boyd says he sees an opening for cities such as Boston and Montreal to exploit the implosion of the New York-Amazon deal. Boyd, who is based in New Jersey, says he has heard from a few clients seeking reassurances that their own New York incentives aren't in danger. The city, Boyd notes, has become the epicenter for the US progressive movement, raising some concerns about anti-business sentiment there.

Plus, Boston real estate will always be less expensive: Boyd points to \$70-per-square-foot as the typical rent for office space in the Back Bay, compared to \$125-per-square-foot in Manhattan.

Still, Amazon says it will continue to add jobs in New York, even without HQ2. And Google and Facebook are charting major expansions there that overshadow what those companies are doing in Cambridge.

Advocates for the tech sector in Boston aren't sweating. Tom Hopcroft, president of the Mass Technology Leadership Council, points to recent state employment figures as evidence: New York is nearly three times the size of Massachusetts by population, but its tech sector is less than 25 percent larger than ours based on employment numbers. We continue to punch above our weight class, as Hopcroft puts it.

So, to mix sporting metaphors, let's get back to the baseball diamond. These latest reports underscore one thing: Even if the Red Sox languish in the American League for now, the state's tech sector will remain a championship contender.