Once again, Mayor Rob Ford is blatantly snubbing Toronto’s gay community. “I’m not sending any message,” he said, in response to a reporter’s question about his decision to stay away from the Pride parade for the second year running. But of course he is, and it is reverberating all over the world.

It is a slap in the face to Toronto’s gay community, but it is also a direct blow to Toronto’s hard-fought reputation as one of the most open, tolerant, diverse and inclusive cities on the planet. And it portends a serious economic hit to the city and region.

It’s as if our mayor is holding up a giant sign that says “Talented People: Do Not Come Here.” Faculty and graduate students from the U.S. and Europe will remember this when they are making their location decisions. It will hurt businesses’ efforts to recruit and lure top-tier talent. Tourists will decide not to visit. Toronto’s brand will be tarnished. Its economy and businesses will pay the price.

Councillors, political leaders, writers and activists have spoken out, but not Toronto’s business community, despite the damage Ford is doing to the city’s economy and their own interests. “As the state of Washington moves toward a vote on marriage equality,” Gary Gates observes, “It’s not a surprise that major corporations like Microsoft, Starbucks and Amazon are supporting marriage for same-sex couples. In addition to just being the right thing to do, they know that LGBT-inclusive policies enhance their ability to attract and retain talented, innovative and creative workforces.” Why aren’t our business leaders stepping up?

Writing recently in the Financial Times, New York City’s Michael Bloomberg, the founder of the information and media enterprise that bears his name, pointed out: “While mayors continue to be responsible for maintaining public safety and delivering public services, the 21st-century global economy has generated a new responsibility: staying ahead of the competition.” That new responsibility, he added, revolves around one key thing — the ability to attract talent. “The most creative individuals want to live in places that protect personal freedoms, prize diversity and offer an abundance of cultural opportunities,” he wrote.

Ford’s posture is an assault on this ideal and on Toronto’s economic competitiveness. A thriving gay community signals a community open to all kinds of people and to new ideas, and is associated with everything from high-tech innovation and industry to higher wages and better jobs. If gays feel comfortable in a place, then immigrants and ethnic minorities will too, not to mention eggheads, eccentrics, innovators and entrepreneurs. As one commentator wryly put it: “Where gay households abound, geeks follow.”

What makes this so frustrating — indeed, tragic — is that Toronto is perhaps the most open-minded and tolerant city in the world. It was one of the first cities in North America to recognize gay marriages and the adoptive rights of gay couples, and, of course, the GTA has the highest percentage of foreign-born residents of any major metropolitan area in the world. Toronto ranked second behind only New York in a 2011 ranking of the world’s best cities for economic opportunity.

At a time when established cities and rapidly growing ones from Shanghai to Sao Paolo are doing everything they can to become more competitive, Ford’s intolerance is damaging both the city’s reputation for fairness and its business climate.

If you think we just have to wait him out for a couple of years, think again. The mayor’s approval rating is on the upswing and has reached its highest point in nearly a year, according to a recent poll by Forum Research. Worse, his decision not to attend Pride is unlikely to hurt him politically; a plurality of those polled said either the choice should be his (29 per cent) or he should not attend (25 per cent).

And for all those who say the effects of a Ford administration will be transitory, consider this. A detailed study of the effects of mayoral leadership on cities’ economic fortunes finds that while good mayors and good mayoral decisions can “have a marginally positive effect on economic growth,” the effect of bad mayors is much more lasting, as “poor decisions have a significantly negative effect” on city economies that can last long into the future.
The one upside is that Ford has succeeded in uniting a broad coalition of people who care deeply about the future of the city. It's time for the business community to step up, too, and tell the mayor to stop damaging Toronto's reputation for fairness and tolerance, undermining its economic competitiveness, and hurting its standing among the world's great cities.

Richard Florida is director of the Martin Prosperity Institute in the University of Toronto's Rotman School of Management.