

Technology, Talent, And Tolerance

The nation's leading high-tech centers are places where people from virtually any background can settle and make things happen

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Openness to enterprising people from around the world has always been a pillar of the American spirit. The nation was built by immigrants. And a continuing commitment to openness and diversity across all segments of the population is a necessity if the New Economy is to continue to thrive.

The nation's leading high-tech centers are places where people from virtually any background can settle and make it happen. The growth and development of great cities comes from their ability to harness diversity, welcome newcomers, and turn their energy and ideas into innovations and wealth. In Silicon Valley, the world's leading high-tech center, nearly a quarter of the population is foreign-born. Almost one-third of the Valley's high-tech scientists and engineers hail from foreign countries.

The Milken Institute identifies immigration as a powerful demographic trend reshaping the nation's cities and regions. Its list of "Melting Pot Metros" ranks the most diverse regions in the country--California, Chicago, New York, Texas, and Washington, D.C.--all of which are hot spots of economic growth.

From Andrew Carnegie in steel to Andy Grove in semiconductors, immigrants have been a source of innovation and entrepreneurship. Since 1980, a quarter of new Silicon Valley businesses have had a Chinese or Indian-born founder, according to a study by Annalee Saxenian of the University of California, Berkeley. Since 1995, that figure is more than 30%.

My analysis of regions with more than 700,000 people highlights the striking correlation among diversity, talent, and high-tech industry. The latter two are drawn to places where people can easily plug in, regardless of race, ethnicity, gender, sexual orientation, or

appearance. The ability to generate high-tech industry is closely related to openness to newcomers, specifically the number of foreign-born workers, scientists, and engineers.

High-tech industry is also associated with tolerant places. Working with former Carnegie Mellon graduate student Gary Gates at the Urban Institute in Washington, I examined the relationship between the high-tech industry and a group that has traditionally been subject to discrimination and ostracism—the gay population.

Our analysis of cities with populations of more than 700,000 shows a striking correlation between the concentration of gays in a metropolitan area and high-tech industry. Six of the top 10 gay cities are also among the top 10 cities for high-tech. Our "gay concentration index" explains the location of high-tech firms and workers better than any other measure.

This close relationship between tolerance and high-tech isn't because gay people attract technology companies. Rather, a place that's a comfortable home to the gay community is likely to be open to all. The key to growth in the New Economy is to be open and have low entry barriers for human capital.

Diversity is a powerful force in the value systems and choices of the new workforce, whose members want to work for companies and live in communities that reflect their openness and tolerance. The No. 1 factor in choosing a place to live and work, they say, is diversity. Talented people will not move to a place that ostracizes certain groups.

Diversity must be a cornerstone of efforts to build high-tech centers. Companies understand this, as 3,500 companies nationwide have instituted domestic-partner benefits.

Cities and states are catching on. Minneapolis has made immigration a priority, while Iowa seeks to become the Midwest's Ellis Island. To succeed, companies and regions must reach out to people of different races, ethnicities, genders, and sexual orientations and become open and tolerant. Companies and cities must also redouble their efforts to connect African-Americans to the New Economy to contribute and reap its benefits. It's essential to build a bridge to all our citizens as we reach out to talented people from all nations.

Companies and regions across the nation have many resources from which to draw. They are working hard to attract high-tech companies and talented people from all walks of life. And most important, this great nation is built on a proud legacy of driven, hard-working immigrants building industries, communities, and the American dream. To ensure success, both companies and regions must build on the diverse legacy of America's past to engender an even more prosperous future.