WORKFORCE

5 Strategies to Increase Diversity in Urban Tech Scenes

By Richard Florida, The Atlantic Cities

Updated: December 14, 2012 | 12:52 p.m.
December 14, 2012 | 12:35 p.m.

Photo: Courtesy Google

I've written before about the ongoing shift away from the Silicon Valley-style suburban nerdistan office park model. Entrepreneurial high-tech start-ups have taken an urban turn. Nowhere is this shift more apparent than New York City, which has emerged as the nation's second-largest center of venture capital-financed high-tech start-ups, thanks to Google's significant presence in the old Port Authority building in Chelsea and companies ranging from Foursquare to burgeoning tech-fashion players like Rent the Runway, Warby Parker, and Gilt Groupe.

A [report](#) [PDF] from Manhattan Borough President [Scott Stringer](#)'s office, "Start-Up City: Growing New York City's Entrepreneurial Ecosystem for All," released earlier this week develops a series of important recommendations not only for deepening New York's start-up ecosystem but for extending its benefits to less-skilled workers, diverse demographic groups, and other groups typically thought to be outside of the tech community. (In the interest of full disclosure, I met with Stringer and his team, discussed these and other issues, and provided comments on a draft of the report.) That said, the report goes far beyond my own thinking and commentary, and in my view breaks important new ground on this critical issue.

While lauding the importance of start-ups and high-tech entrepreneurship to the city's' economy, the report identifies the uneven benefits that flow from it, noting that only one in five New York-based start-ups was founded by a woman and that only 29 percent employed African-Americans and 20 percent Latinos. That's compared to the half of all employed white New Yorkers who work in the creative economy, which includes science and technology, arts, design, media and entertainment, business and management, healthcare and law (a pattern which mirrors the national trends I [wrote about here](#)).

Echoing the dynamism of New York's burgeoning high-tech, entrepreneurial start-up economy, the report stresses the need for policies and strategies that can expand the city's economic power in ways that benefit a broader and more diverse array of workers and communities:

One important area of focus is the City's emerging tech sector, which could offer a gateway to the middle class for thousands of New Yorkers—but only if the city ensures that workers have the skills needed to fill those jobs. Unlike other growth areas of the economy, an entry-level coding job at a start-up tech firm can pay as much as $65,000 a year, well above the city's median household income.

The report includes a series of detailed recommendations for accomplishing this goal, across five key areas:*

Fill the talent gap: The report suggests addressing the high-tech talent gap by upgrading the skills of a broader cross section of New Yorkers as well as by staying open to new immigrants. All New Yorkers need to be equipped with the core skills needed to succeed in high tech age — from computing and math to the "language of business." Specific recommendations include improving the computer science curriculum in the city's public schools, creating STEM programs for college and continuing-education students, easing immigration restrictions and creating new visas for entrepreneurs and tech talent, and establishing an "Empire Engineers Initiative," which would offer financial aid to college students in exchange for working in the city or state after graduation.

Streamline the bureaucracy for launching and building new start-ups: The report notes the rapid cycle times on which start-ups are built and their need for flexible space to ramp up quickly. In contrast to suburban high-tech districts where start-ups can often grow into adjacent space in industrial and office parks, the nature of the center city often means start-ups have to move much more frequently as they grow and take on new people. Finding such space on quick turnaround is difficult given the city's permitting and coding processes. The report recommends

creating simpler more flexible permitting and licensing processes for entrepreneurs and start-ups who need affordable, timely space for their enterprises. Specific recommendations include: expanding NYC Digital to match what the successful Office of TV and Film already does cutting red tape, and establishing a new cross-cabinet group to advise the mayor's office on emerging core needs of start-ups and high-tech businesses.

Improve high-tech infrastructure: The report highlights the need for the city to improve its internet infrastructure, what it refers to as the city's "fourth utility." Just like American industrialization needed subways and pipes and electricity, the knowledge and innovation age needs wireless internet. The report recommends creating a city-wide fiber network to encourage competition between internet service providers and expanding Wi-Fi service across the city.

Close the affordability gap: New York City — despite or perhaps as a consequence of its many economic advantages — suffers from an affordability problem across two dimensions: the affordability of housing for budding entrepreneurs and affordability of space for their companies. It notes that aspiring entrepreneurs are building businesses and cannot afford to spend a great amount on space. Start-ups require the "garage spaces" and cheap re-configurable space Jane Jacobs long ago identified as key to innovation and new business development in cities. The report recommends creating resources for co-working spaces, reforming the city's regulatory restrictions to create more micro-housing units and enabling "accessory dwelling units" (additional full living spaces on a property), as well as reducing or eliminating parking minimums for residential properties near transit.

Connect the high-tech economy to all corners of the city: Right now, New York's high-tech economy is isolated and geographically uneven. This is a byproduct of start-up culture thriving on concentration and clustering, as we've pointed out many times here at *Cities*. But the report notes that there are strategies than can be adopted to improve access to less advantaged and less-skilled groups, as well as outlying parts of the city. Here its recommendations include using light rail and bus service to supplement and connect people across job corridors. This to my mind may well be the most intriguing of the report's many recommendations. It shows how the density and public transit available in cities like New York make it possible to extend the urban tech model to benefit a broader cross-section of workers than the traditional suburban nerdistan model, with its dependence on the car.

As [Stringer writes](#): It is time to set in place a framework that not only spurs high-tech development, but "shows the world how the entrepreneurial economy of the 21st century can reinvigorate our middle class." The recommendations in this report represent an important step in moving us in that direction that other cities and states as well as the federal government can take heed of and build upon.

Richard Florida is Co-Founder and Editor at Large at The Atlantic Cities. He's also a Senior Editor at *The Atlantic*, Director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, and Global Research Professor at New York University. He is a frequent speaker to communities, business and professional organizations, and founder of the Creative Class Group, whose current client list can be found here.