

# Richard Florida: The U.S. Is Facing a 'Talent Shift'

## The bestselling author worries about the consequences of so many American-educated MBAs starting their careers in Asia

By [Michelle Conlin](#)

Richard Florida, the author of the bestselling books *The Rise of the Creative Class* and *The Flight of the Creative Class*, is a preeminent thinker about human capital and its importance for business. His new book, *The Great Reset*, due out in April, argues that a true recovery will require a complete break from the consumption lifestyle and a move towards a new economic model that is actually sustainable.

Florida is the director of the Martin Prosperity Institute and a professor of business and creativity at the University of Toronto's Rotman School of Management. *Bloomberg BusinessWeek* talked with Florida about how many American-educated MBAs are no longer beginning the Grand Tour of their careers in the U.S.

***Bloomberg BusinessWeek: Some of the best and brightest American-educated kids are seeing their future—in Asia. Does this worry you?***

**Richard Florida:** From the beginning, I've been worried about this talent shift. Two things are happening. Countries such as Canada, Australia, and New Zealand are going after our best and brightest. In China and India, the best and the brightest are staying. One of the biggest tools foreign companies have is our business schools. All these great companies are coming to recruit. This shift is happening in real time right in front of our eyes. I see it in the Rotman School where I teach.

**What are you seeing there?**

I did the commencement address this year. I was blown away. In enormous numbers, the students were going to China, to India, to the Middle East. To a person, they said they found much more opportunity and possibility for career advancement over there. My jaw dropped. I literally could not believe how many kids.

**The trend looks pervasive to you. Yet there's radio silence from policymakers.**

People in Washington are brain dead about this.

How to save Detroit, how to stimulate the mortgage industry. This flight of talent out of this country is actually a much more fundamental problem than anything talked about in Washington. Keeping top talent here as well as attracting top talent to our shores is a fundamental economic advantage. I don't think most people want to admit what's happening. They don't want to see it.

### **Why the denial?**

I think we in the U.S. have taken this for granted for so long. When I see the figures that 50% of all patented innovation in the U.S. comes from foreign-born inventors, I think that the important core of American ingenuity is not American ingenuity. It's the ability to attract the world's best people. That's part of what made Hollywood great—European directors.

### **How do you see this playing out?**

I don't think any one country will dominate us. But if China picks up its share of global talent, and then India, and then Australia—you add up those percentages, and they create an enormous structural disadvantage for us. It erodes our competitive advantage. The U.S. always used to benefit from these big crises. In the 1870s, we got a lot of immigrant skills. In the 1930s, a lot of Europeans poured in. Now look what's happening. I mean, imagine Silicon Valley without Andy Grove.

Conlin is the editor of the Working Life Dept. at *BusinessWeek*.