From the Desk of the Chancellor — December 4

Our strategic planning probe questions this week stem from a review of The New Geography of Jobs by Enrico Moretti, published in Aaron M. Renn's blog, The Urbanophile. Moretti asserts: "Starting in the 1980s, the American economy bifurcated. On one side, cities with little human capital and traditional economies started experiencing diminishing returns and stiff competition from abroad. On the other hand, cities rich in human capital and economies based on knowledge-intensive sectors started seeing increasing returns and took full advantage of globalized markets."

Consider this. Microsoft was founded in Albuquerque, but moved to Seattle in 1979. In 1970, those two cities were similar in education attainment and income. Bill Gates moved his company to Seattle not because it was a "garden spot," but because it was his hometown. Today, Seattle has 45 percent more college-educated workers than Albuquerque (adjusted for population), and the income gap has widened noticeably as well. Seattle's emergence as an innovation hub has a tremendous multiplier effect. Every tech job supports five other non-tech jobs in the community, a much higher multiplier than industries like manufacturing. According to Renn, innovation jobs also pay better and thus support higher quality public services through the taxes they generate. Today, Seattle attracts talent because it has talent, and it is a city with amenities that make it a place people want to live.

How has Indianapolis fared in this scenario of talent clustering? According to Renn, "Back in 1990 moving to say Indianapolis from a tier one city would have been getting exiled to Siberia. Today it's shocking how little you give up." For Renn, it's in part the livability factor that has kept Indianapolis from slipping into decline, but he also notes, "To the extent that you have a nascent talent cluster, you should take care of those young shoots until they mature."

Therefore, it's worth noting at least two factors Moretti cites for cities that want to be successful in attracting talent clusters and knowledge industries.

- "The only way to move a city from a bad equilibrium to a good one is with a big push: a coordinated policy that breaks the impasse and simultaneously brings skilled workers, employers, and specialized business services to a new location."
- "Success in high technology, especially in its formative years, comes down to a small number of extraordinary scientists with vision and a mastery of breakthrough technology."

What opportunities are there for us in our strategic planning to be more successful in accomplishing our vision of the innovation economy in Indianapolis for the 21st century? Where do we find our "big push?" How do we nurture our visionary scientists and breakthrough technologies?

Comments? Write chancllr@iupui.edu or plan2025@iupui.edu. For additional information and resources on IUPUI's strategic planning, visit the web site at strategicplan.iupui.edu.