

Article Review

From *The Atlantic*

CityLab

Who Benefits in a Tech Hub?

Exploring the connection between technology, wages, and poverty.

RICHARD FLORIDA | @Richard_Florida

http://www.citylab.com/tech/2016/06/who-benefits-tech-hubs/487598/?utm_source=nl_link3_062016

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Richard Florida continues to crank out thoughtful work useful to small cities and towns. By creating high-speed broadband internet service in a small city or town, communities can then support businesses who participate in the global economy. Connections to world-wide networks of commerce, trade and finance open many economic development opportunities for every town.

Mr. Florida's ideas, analysis, maps and charts add the understanding of this opportunity.

"Many mayors, economic developers, and economists believe that high-tech industry is a key factor in the growth and development of cities. Enrico Moretti of the University of California, Berkeley famously found that five additional jobs are created for every high-tech job. Still, local residents in high-tech hubs have voiced growing concerns about rising housing costs, escalating gentrification, and the widening economic gap between rich techies and just about everybody else. My [own work](#) has [shown](#) that the nation's leading tech hubs number among its most unequal places."

*"A [new study](#) from Neil Lee and Andrés Rodríguez-Pose at the London School of Economics, published in the *Annals of the American Association of Geographers*, takes a closer look at who benefits and who suffers from high-tech development."*

Two important findings, presented with maps and charts, are:

1. *"The authors [Lee and Rodríguez-Pose] conclude that 'although the effects of tech do not seem to reach those in poverty and, particularly, in extreme poverty, they do affect the wages of those with the lowest level of education.' That said, [my own research](#) suggests that some of these economic benefits can erode when higher housing costs are taken into account."*
2. *"In other words, metros with greater high-tech employment have less poverty, while metros with less high-tech employment have more poverty."*

The author explains the pluses and minuses of tech hubs in bigger communities, but the lessons and understandings seem to apply to smaller cities and towns.