

Moretti, Enrico. *The new geography of jobs*. Boston: Houghton Mifflin Harcourt, 2012. 294 pp.  
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Moretti reframes the problem of employment and education geographically. What he calls the Great Divergence describes the difference among cities based on residents' levels of education. American cities are sorting by educational attainment, race, and earnings with growing socioeconomic differences in life expectancy, divorce, and crime rates. Moretti warns that the clustering he describes will only increase inequality. The successful cities attract not only innovative firms and their highly educated and skilled workforce, but related businesses offering high wages. The innovation industries have a positive impact on the local service sector, which comprises two-thirds of American jobs, occupations such as lawyers, clerks, hairstylists, etc., and on the productivity of local workers at every skill level. They have replaced manufacturing as the driver of the American economy, having a multiplier effect three times that of manufacturing. For every high-tech job, five additional skilled and unskilled jobs are created. He gives a balanced analysis of possible solutions. For instance, while proximity to top academic research centers is necessary, it is not sufficient; Moretti feels that luck also plays a part in determining which metropolitan areas emerge as innovation localities. He is skeptical about the ability of place-based policies—even large scale, coordinated menus of tax breaks, incentives, and local amenities improvements—to help cities break out of the “poverty trap” and attract skilled workers and companies with good jobs. He is clear about the priorities necessary to improve America's human capital. For the United States to maintain its world economic leadership, policies that support education at all levels, increase investment in research and development, and reform the immigration system to favor those with advanced degrees must be established.