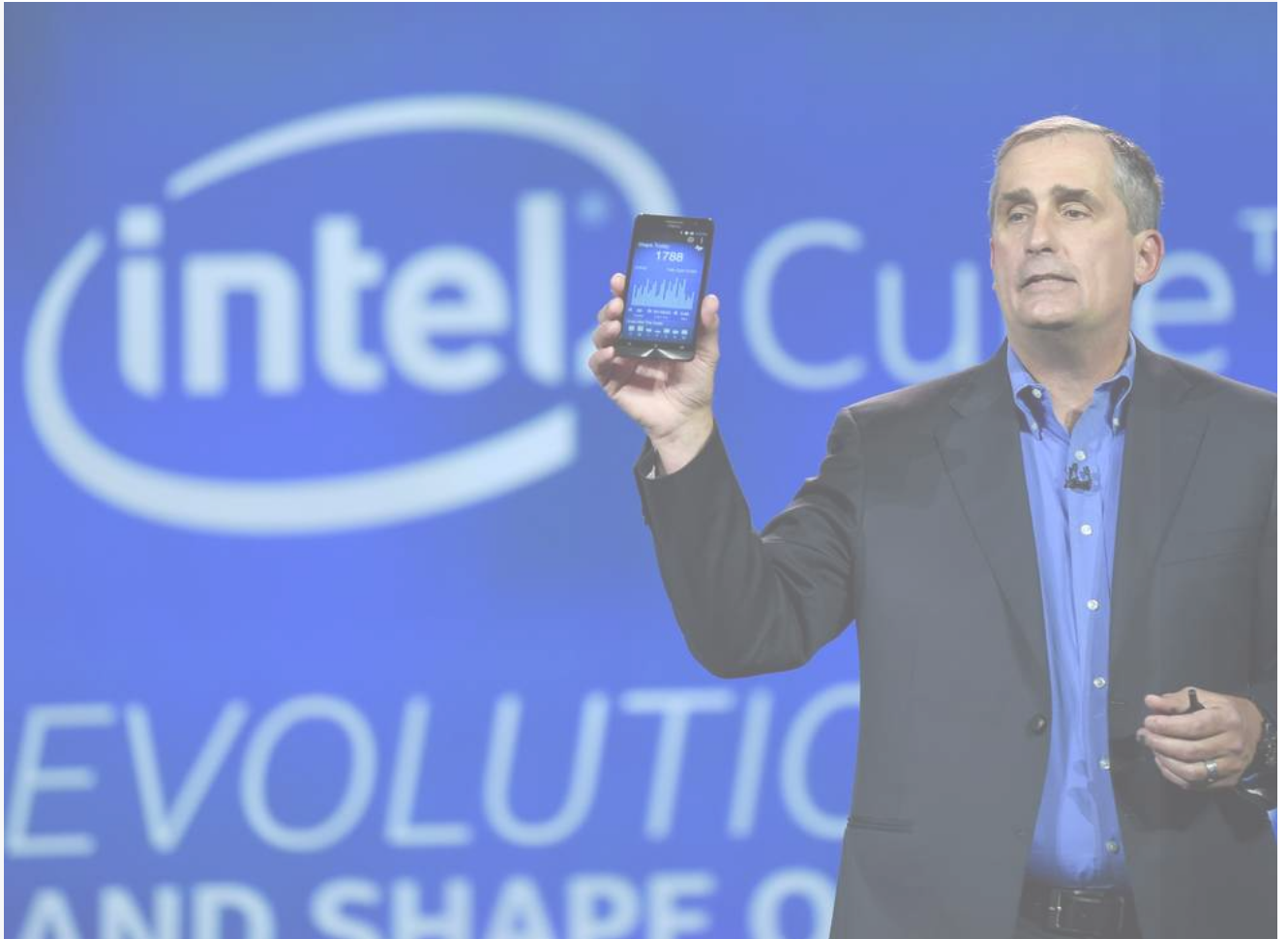


Intel takes lead to make Silicon Valley more diverse

Jessica Guynn | USA TODAY
Published 9:22 PM EST Feb 9, 2015



Intel CEO Brian Krzanich shows how many steps he took during a keynote address as tracked by a wearable processor called Curie, a prototype open source computer the size of a button that he unveiled at the 2015 International CES at The Venetian Las Vegas on Jan. 6, 2015, in Las Vegas.

Ethan Miller, Getty Images

SAN FRANCISCO -- At the International Consumer Electronics Show in January, Intel showcased the latest in technology. It wasn't a new chip or a new gadget.

In his keynote address at the trade event in Las Vegas, CEO Brian Krzanich said Intel was embracing something that could change the industry for the better: diversity.

Intel will spend at least \$300 million over the next five years to make its U.S. workforce — and the workforce in Silicon Valley — look more like the workforce of the nation. "This isn't just good business," Krzanich said. "This is the right thing to do."

Silicon Valley has never been a terribly diverse place. But now it's owning up to the problem.

Companies there are staffed largely by white and Asian men. Intel's workforce of more than 50,000 is 24% female, 4% black and 8% Hispanic. And it is not unique.

In 2014, leading technology companies released data showing they vastly underemploy African Americans and Hispanics. Those groups make up 5% of the companies' workforces, compared with 14% nationally.

The lack of diversity extends throughout Silicon Valley: from the companies that get started there to the investors who fund them. And that could undercut Silicon Valley as it tries to appeal to tech users around the country and around the world.

Whites are forecast to become a minority of the U.S. population by 2044, and Latino and African-American buying power is on the rise.

Intel is taking direct aim at longstanding racial and gender gaps in the industry, says Rosalind Hudnell, Intel's chief diversity officer.

"Intel is trying to do inside of our walls what society has not figured out how to do fully outside of our walls," Hudnell says.



Rosalind Hudnell, vice president of human resources and chief diversity officer at Intel, at the San Francisco bureau of USA TODAY.
Chris Kievman for USA TODAY

The tech industry is a long way from achieving equality, says Rev. Jesse Jackson, who has spearheaded the push to diversify Silicon Valley.

African Americans have been largely excluded from technology's wealth machine. They are major consumers of technology, but not producers of it, he says. "Dramatically expanding African-American participation is this era's civil rights imperative," Jackson said.

That imperative will mean transforming the deeply rooted culture in Silicon Valley — and the stereotype of what successful entrepreneurs, executives and investors look like.

Tristan Walker is breaking that mold. The Palo Alto, Calif., entrepreneur has raised millions of dollars from Silicon Valley venture capitalists to fund his company, which makes health and beauty products for African Americans and other people of color.

"You don't want to neglect the greatest consumer demographic in the world at a time when it will be the majority of the country, let alone the majority of the world," says Walker, founder and CEO of Walker & Co., whose flagship product is the Bevel shaving kit. "We want to put people in positions of leadership to inspire change in the companies that get built and the products that get built."

Another rising young star in Silicon Valley is Tony Gauda, who grew up in St. Louis.

He has been working on software since he was 8 years old, and he started his first company in his teens. A serial entrepreneur, he's hard at work on a new data security start-up in Palo Alto, the heart of Silicon Valley.

With diversity thrust to the forefront, Gauda says he is seeing signs of change as tech companies realize the economic benefits of having a diverse workforce. "Companies are starting to feature minority employees when promoting products. Having a public example encourages minorities to apply," Gauda says. "They start thinking: 'I can actually work there and make a difference.' "

The emergence of prominent black investors such as Y Combinator's Michael Seibel is also helping people visualize themselves as entrepreneurs, Gauda says. "It is critical right now to execute on opportunities to help set an example for the next generation of minority tech entrepreneurs," he said.

Advocates for greater diversity in Silicon Valley are cautiously optimistic.

The Intel announcement is seen here as the biggest and most promising step so far.

Hank Williams, founder of the Platform initiative to increase diversity in tech, says he hopes other companies will follow the lead of Intel, which is the first technology firm to put real money behind its diversity push.

"But it's really important that this not just be a press announcement, that Intel as an organization is committed to addressing this," Williams says. "We will be watching to see if Intel makes the organizational shifts necessary to really make a difference."

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