



Creative-class theory: City slickers

Joe Castaldo

From the March 31, 2008 issue of Canadian Business magazine

Richard Florida knows how to work an audience. Speaking at the 120th anniversary gala for the Toronto Board of Trade in January, he has chosen to eschew the podium the night's other speakers clutched nervously. Instead, he strides from one end of the stage to the other, his well-chiselled features projected onto four giant screens behind him. He tells personal anecdotes, cracks jokes and even imitates the New Jersey accent he once had as a Garden State native.

More importantly, he's delivering the gospel of creativity to an audience of 1,600 of the city's business elite. "In the opening chapters of my book *Rise of the Creative Class*, I wrote a line, sometimes forgotten," he says, pausing to deliver his next words slowly: "Every single human being is creative."

It's at such moments that Florida, a PhD in urban planning from Columbia University and the academic director of the newly established Lloyd & Delphine Martin Prosperity Institute in Toronto, transcends his role as scholar charged with figuring out why some regions prosper and others wither. He ends up sounding more like a motivational speaker. "In order to grow our economy," he says, "we have to stoke the creative furnace that lies deep within every single person."

That idea forms the core of Florida's theory of the creative class, a group he sees as roughly 40% of the North American population, essentially anyone not working in manufacturing or services — artists to techies to accountants. Florida argues the creative class is driving the economy, and the prosperity of cities and entire countries depends on their ability to attract such workers while tapping into the creativity of the rest of the workforce. He's even boiled down the ingredients of economic growth to a handy mantra called the three Ts: technology, talent and tolerance.

Florida, 50, would be first to admit growth isn't that simple. But the creative-class theory has made him a bestselling author and highly sought-after speaker and consultant. His sixth book, *Who's Your City?*, was released this month, and with his face plastered in *The Globe and Mail*, for which he writes a column, and an appearance on the popular *Colbert Report*, he is as close to a household name as an urban economist is likely to get. Cities as diverse as Winnipeg, Sackville, N.B., and Noosa, Australia, have heard him speak or hired his consulting business. Others have adopted Florida-esque policies under banners such as *CreateDetroit* and *CreateTampaBay*.

Though he has brought increasing attention to developing livable, economically vibrant cities, Florida's critics are plentiful. Some question his data, which they see as flimsy and inadequate in showing the relationship between the creative class and urban growth. Jamie Peck, a professor of geography and sociology at the University of Wisconsin–Madison, is highly skeptical of whether second- and third-tier cities can really attract the creative class. "It's snake oil," he argues.

Florida has many supporters, too, of course, and Rotman School of Management dean Roger Martin is among them. Martin was instrumental in luring Florida away from his job as a professor of public policy at George Mason University in Washington, D.C., to run Rotman's \$120-million Prosperity Institute last year. Like Florida, Martin is concerned about

regional prosperity, but looks at what makes regions attractive to corporations. Florida examines what makes them attractive to people. "If we can integrate these two perspectives, we'll have a more holistic theory of people, places and prosperity," Martin says. That is the ultimate goal of the institute.

Florida's own goal is much simpler: "We want to be the world's greatest think-tank."

A TINY OFFICE on the first floor of the MaRS Centre in downtown Toronto, across from Queen's Park, is where Richard Florida works. For now, this is home to the Prosperity Institute. Soon, it will move to the fourth floor, and eventually it will have its own building. Full-time staff will be kept to a minimum, maybe no more than a dozen, but the institute will draw on experts from around the world.

Roger Martin began wooing Florida more than five years ago, when they first met at a dinner party in Toronto. (Florida was actually supposed to head up the institute back in 2003, but funding from the Ontario government fell through.) His reasons for coming to Toronto are plentiful, but he was most impressed with the city's openness. Social cohesion is weakening in the U.S., Florida says, as cities become more economically and socially divided. And since Toronto is relatively tolerant, it is well-positioned to attract, retain, and harness talent. "I can be a very good ambassador for the Toronto model of economic development, and for this discussion over what is Canada's role in the world economy," Florida says.

Openness extends to the institute, as well. Florida says it won't dictate solutions and won't be staffed by "a bunch of mainly white guys in blue blazers." It will be the kind of place where "not only business leaders and government officials want to congregate, but where musicians like Leslie Feist and great visual artists and designers want to be." The building's design and the institute's image are crucial for that to happen. "We're gonna have this incredible lobby space where people can meet and share ideas."

The importance of image is not lost on Florida. His academic credentials are impressive, but he owes a large part of his popularity to marketing and charisma. Michelle Bauer, a former director of a technology association in Tampa Bay, helped fundraise \$15,000 for Florida to speak in that city in 2003. "That was when Richard was a bargain," she says. Bauer doesn't hesitate when asked how he has become so successful: "Personality." Florida's speaking skills are something his lesser-known peers lack. "Most of us in this business are pretty socially dysfunctional," Peck jokes. "He's got incredible skills of promotion."

Those skills were evident from an early age. In a 2004 article for the Baltimore Sun, Florida's younger brother Robert recalled being in a band together at an elementary school concert. The 10-year-old Richard, singing and rocking out on guitar, hopped atop an amplifier. "Even then, he thrived on public attention," Robert said.

As a child growing up in Newark, N.J., Florida was curious about his father's job at an eyeglass factory. He recalls visiting the plant and marvelling at the machinery. His father told him it was not machines that made the factory great, but the creativity of its workers. Sentimental, sure, but the idea stuck. After earning a degree from Rutgers College in New Brunswick, N.J., and another two from Columbia University, Florida made a name for himself with his research on high-performance manufacturers. He visited executives at Toyota in Japan in the 1980s and learned they, like his father, believed the key to success lay within their workers.

Florida wrote two books about manufacturing and technology, but it was *The Rise of the Creative Class* in 2002, designed for a mass audience, that cemented his reputation. In it, he asserts human creativity has replaced raw materials, physical labour and capital as the primary generator of economic value. Creative workers — computer programmers, engineers, artists, musicians — will help drive growth, and cities must focus on retaining them. Much of the book details the lifestyle habits of the creative-class and, by extension, what it wants in a city. That includes a

thriving arts and culture scene and a diverse population.

Florida also ranked U.S. cities using his creativity index, which includes the percentage of creative-class members in the workforce, as well as the gay index. The latter is a measure of gays and lesbians in a population. Florida also created the bohemian index (a measure of artists, writers and performers, etc.) and argues that both gays and bohemians are correlated to economic growth, since they are indicators of tolerant and vibrant regions, where creative-class members want to be.

The theory sounds harmless enough, but Florida has a legion of detractors. Ann Markusen, a professor of urban and regional affairs at the University of Minnesota in Minneapolis, argues the creative class is such a fuzzy concept that it's nearly impossible to draw conclusions about its members — but that's exactly what Florida does by using select interviews and anecdotes. Artists may have little in common with engineers and accountants, for example, and in a 2006 paper published in the journal *Environment and Planning*, Markusen wrote that confusion "leads policymakers and journalists to wax enthusiastic about the creative class with wildly different visions of its constituents."

Edward Glaeser, a Harvard economics professor, pointed out in his review of the book in *Regional Science and Urban Economics* that the most successful skilled city by population growth in the 1990s was Plano, Texas. "It's not exactly a Bohemian paradise," he said. Though Glaeser found the book to be "good fun and generally dead on," he argued many so-called creative-class workers actually prefer bland, suburban sprawl to the cities championed by Florida, such as Austin.

Emil Malizia, a professor of city and regional planning at the University of North Carolina, took a hard-data approach. In a forthcoming study in the *Journal of the American Planning Association*, Malizia looked at job and income growth in 263 U.S. metropolitan areas from 1994 to 2003, and analyzed how well Florida's indexes statistically explain the variations. He then ran the same analysis using traditional economic indicators, such as educational attainment and the percentage of earnings from manufacturing, services and sole-proprietorships. Florida's indexes were slightly worse than traditional measures at explaining growth variation, he found. Though Malizia says it's just one study, it doesn't help Florida's case. "Certainly the creative class is not a panacea," he says. "It may not even be extremely productive."

Glaeser did something similar in his review. He tried to determine whether the bohemians and gays in Florida's indexes really had an effect on growth, beyond the impact of skilled workers. "Skilled people are the key to urban success," Glaeser concluded, "but there is no evidence to suggest that there is anything to this diversity or Bohemianism, once you control for human capital."

Florida wrote a website response to Glaeser in 2004 and argued his creative-class index is a slightly better way to measure skill because it's based on occupation and not education — what people do rather than what they learned in school. Markusen, however, has her doubts. "He does not seem to understand the nature of the occupational statistics he uses," she writes of Florida, adding the occupational data he employs are tightly tied to educational content. So when he demonstrates a relationship between, say, high-tech growth and the presence of the creative class, he's really measuring a link between growth and high educational attainment — hardly surprising.

Florida once wrote his "key original contribution" is the question of why some places are better at attracting and retaining talent. The answer is largely tolerance. He's clarified since *Rise* that he's not "exactly" arguing that diversity affects growth directly, but rather that tolerant cities allow everyone to better use their skills. Florida developed this theme in *Flight of the Creative Class* (2005), which posits the U.S. stands to lose ground in the global talent war because it is closing itself off. (Canada, by the way, is one of the winners.)

Malizia says Florida deserves credit for highlighting tolerance, even if its

economic impact is uncertain. Rotman's Martin sees Florida as someone who tackles broad issues that don't always lend themselves to traditional research methodologies, which helps explain the abundance of critics. That doesn't lessen the value of his work, however. "I like to have somebody look at the broad, fuzzy picture and draw some inferences that point us in new, important directions," Martin says.

Markusen is concerned confusion still reigns, particularly for mayors. "Because the 'creative' literature is so anecdotal and lean on analysis," she writes, "they are often at a loss to know what to do with such intelligence."

Perhaps that's where the Creative Class Group comes in. Based in Toronto and Washington, D.C., it is an evolution of Catalytix, Florida's original consultancy formed in 2003. His wife of two years, Rana, is CEO. The bulk of the CCG's activity centres on its work with cities. Rana won't discuss fees, but a group of Ohio organizations raised \$175,000 to bring the CCG to Dayton this month to help create new economic development programs. "We always say we're not consultants. We don't come in and tell you what to do," Rana says. "Our goal is to empower the community with the tools and information to move it forward."

One of the first steps is to find "catalysts" — a diverse group of 30 volunteers from a community. Once selected, they read up on creative-class theory in preparation for a two-day seminar hosted by three of the CCG's facilitators. The CCG team also conducts an analysis of talent in the region, what its unique assets are, and where it ranks on Florida's indexes. At the seminar, the catalysts brainstorm up to five initiatives they think will help the community prosper. Tallahassee, Fla., developed plans for a film festival. Tacoma, Wash., decided to promote environmentally friendly initiatives. But Rana says it's far too soon to tell what impacts these projects will have.

Florida points to Syracuse, N.Y., as a success. Its Metropolitan Development Association hired Catalytix in 2003 to develop strategies to retain young workers, which resulted in an organization for young professionals and a program promoting internships. No one can say whether the initiatives have worked. In fact, Syracuse lost nearly 5,000 residents aged 20 to 44 between 2000 and 2006. "Right now our success is very anecdotal, and very psychological," says Frank Caliva, the MDA's director of talent initiatives. He is working at putting some numbers behind the programs, but won't be finished until next year.

Malizia contends cities adopt these strategies despite the lack of hard evidence because Florida's theories have intuitive popular appeal. "You can get it without having to think very hard," he says. Jamie Peck at the University of Wisconsin has another creative-class concern: "It's peddling false solutions and false hopes."

Many cities are desperate, and by placing so much emphasis on a region's aesthetics, Florida presents a seemingly realistic solution, Peck says. Michigan, for example, launched the Cool Cities Initiative, partly inspired by Florida, in 2003. State officials, including governor Jennifer Granholm, met informally with Catalytix to develop a broad economic-development model called TIDE (talent, innovation, diversity and environment), which provides a framework for Cool Cities. Karen Gagnon, director of Cool Cities asks, "What did we have to lose?"

A white paper produced by Cool Cities states young workers will "relocate to vibrant, walkable, mixed-use communities. Attracted by a talented diverse workforce, business will follow." The state of Michigan provided \$4.2 million to various communities and neighbourhoods that present proposals for urban-renewal projects, such as renovating historic buildings.

Sounds innocuous enough, but Peck points out that Michigan has one of the highest unemployment rates in the U.S. and has been devastated by the decline in the auto sector. "Detroit is one of the most vivid cases where everything seems to be going in the wrong direction, and they're clinging on to the creative class as if it's going to save them," he says. Auto-sector decline is a huge force, and hoping young workers come back to Michigan because of a few neighbourhood revitalization projects is a big leap of faith,

he argues. Also, Florida writes that creative cities have some of the highest levels of inequality. Catering to the creative class could very well make the situation in Michigan worse, Peck worries. Cool Cities' Gagnon, meanwhile, says the program is just one part of an overall strategy and that Michigan has other initiatives to address poverty.

Cool Cities was not Florida's brainchild, of course, but he laments that both critics and advocates have misinterpreted his ideas — though he won't single out any one city. "The whole emphasis on making a city cool, hip and trendy is the way the idea has been framed," he says. "I never said that. I said you had to make a city creative." But when the definition of "creative" is so elusive, and hip, cool cities are championed in Florida's books — not Glaeser's Plano, Texas, of the world — is it any wonder policy-makers get confused?

While Florida's peers are still tearing apart his creative-class theory published six years ago, he has just released another book, *Who's Your City?* (Random House of Canada, \$32.95). "The main message of the book is: Wake up. The place that you live is really important," he says. An obvious statement? Perhaps. But Florida contends many of us decide where to put down roots unwittingly.

The first part of the book emphasizes the importance of place. Florida shows how economic assets are clustering in 40 mega-regions around the world, such as Toronto, Buffalo and Rochester (Tor-Buff-Chester) that eliminate national borders. Such places will be the centres of future economic prosperity. Florida also worked with the Gallup Organization to conduct the Place and Happiness survey, a study of 27,000 Americans that not only found place is a huge contributor to individual happiness, but also identified what people look for in a city. The biggest factors were aesthetics, and basic services such as schools and affordable housing.

Florida's newest book is written for an even broader audience than his previous work, and in some ways seems designed to guarantee publicity. It includes many more rankings, for one. Florida tallied the best U.S. cities for singles, mid-life professionals, families, empty-nesters and retirees. (He's working on similar lists for Canada.) The book even includes a 10-step tool for readers to help identify the right place for them. "Part of me wanted to build a computer program, like a Match.com for cities," Florida says.

His future research at the Prosperity Institute will extend beyond cities. Florida wants to do projects on music, fashion and food. He is also increasingly concerned about service jobs. The sector is growing, but wages are flat or falling. Like clustering around mega-regions, income disparity between service and creative workers will cause even more polarization, he believes. "We have to make those jobs much more creative — jobs with more dignity and better working conditions," Florida says. He has issued challenges to the City of Toronto and the Province of Ontario to figure out how to upgrade their service industries, and suggests that just like MaRS is an incubator for high-tech, Canada needs something similar for the service industry as a whole. How such a revolution can be achieved is unclear, and Florida doesn't pretend to know — or even provide much in the way of suggestions beyond raising the issue.

That may seem odd coming from the guy who tours the world promoting his theories, spends four hours a day blogging, and sits at the head of a think-tank. But there is a realist in Florida. "This whole idea that an academic somehow has all the answers is just wrong," he says. "I can give you information. I can give you tools. But I can't give you the answers."

[CLOSE WINDOW >>>](#)