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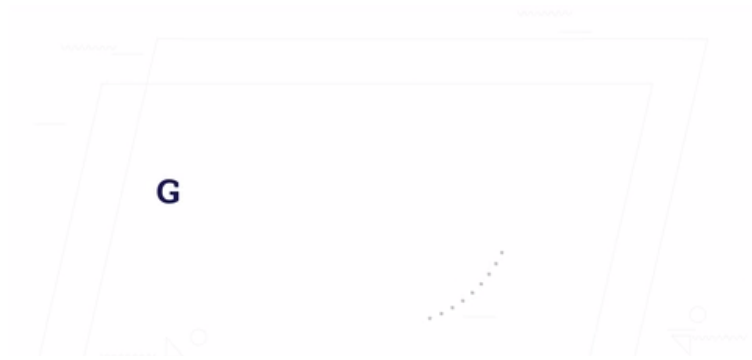
The Evolution Of The Creative Class



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When I was in college and first became politically aware, so to speak, was in the '80s when Ronald Reagan was president. Many people from that era remember that perhaps the principal economic theory driving his election in 1980 was the theory of [supply side economics](#), or that lower barriers on regulations would lead to more goods and services available to consumers, at a lower price. Related to supply side economics was the so-called "[trickle-down](#)" theory, meaning that lower taxes on the wealthy would have a stimulative effect on the economy -- job creators would create more jobs, greater corporate profits would result in higher worker wages. Back then, I didn't buy it because I thought the world's corporate titans would keep the profits for themselves and invest in the business, rather than people. In my opinion, that's pretty much proven to be correct.

When Richard Florida arrived on the scene some fifteen years ago with his book "The Rise of the Creative Class", he seemed to be proposing something very similar to supply-

in the creative economy -- talented and educated professionals who worked in knowledge-based industries like business and finance, technology, healthcare and medicine, law, and education. He argued that cities that employed the creative class strategy, reorganizing their built environment to accommodate the needs and desires of creative class types, would find themselves stronger and more prosperous than they'd ever been, because the impact would *trickle down* to all sectors of the urban economy. I initially bought that idea, because after decades of people -- and money -- flowing away from cities, I believed cities needed the infusion of capital for revitalization.

How far we've all come since then.

Florida has now come out with a newly published book, [The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, And Failing The Middle Class -- And What We Can Do About It](#). His central thesis is this: cities around the nation have widely employed his "creative class" approach to growth and revitalization, and have done so successfully; yet cities are arguably in a worse position than they were before its implementation. The agglomeration of high-value, knowledge-based economic production has benefited "superstar cities" at the expense of others in a world of "winner-take-all urbanism"; the high costs of "superstar city" living increasing limits it to high income households; inequality and economic

prepared to handle their concerns; and the issues facing cities in the developed world are rapidly spreading to the megacities of the developing world. Together, these five factors make up what Florida calls the New Urban Crisis.

Florida uses mounds of data to bolster his evolving view on cities. Numerous maps, charts and tables are deployed to highlight the features of the New Urban Crisis. With his data, he demonstrates that, despite reports to the contrary, gentrification is far from as widespread as many believe, and is largely concentrated in our largest metros.

He notes that displacement anxiety among gentrifiers, and fear of displacement by working class and poor city residents, loom larger than the reality in cities. He says that the sorting we're witnessing in cities, by income, education, class and race, is driven by the living choices of the wealthy.

Perhaps the most enlightening piece of research done by Florida takes place in chapter 7, Patchwork Metropolis. Here, he demonstrates how the urban geographic paradigm has changed in the 21st century.

American metros were long defined by poor enclaves just outside the city core, aspiring working class and middle class neighborhoods further out, and wealthy, exclusive domains at the metro periphery.

Today's urban geography, however, is more complex than poor city-rich suburb. Florida explains four archetypes that have emerged over the last 25 years or so: one where the creative class effectively "re-colonizes" an

creative class remains in its preferred suburbs, with more limited urban center return; one where a metro is bifurcated, with the creative class inhabiting one half of a metro and disadvantaged working class and service class residents inhabit the other; and one where multiple creative class clusters are scattered throughout a metro, surrounded by disadvantaged areas. It's something I've written about myself regarding cities and quite a departure from the geography of wealth in metros that many economists, urbanists and planners are taught.

Taken together, Florida finds that metros are simultaneously doing better than ever, but leaving more behind -- and becoming ever more vulnerable to factors that could upend their success. Florida proposes seven policy strategies to address today's crisis:

- encouraging urban growth without creative class clustering;
 - investing in the infrastructure to support greater density and growth;
 - building more affordable rental housing that is more adaptable to today's economy;
 - turning low-wage service jobs into middle class jobs;
 - get serious about tackling poverty by investing in people *and* places;
 - using the American example as a template globally; and
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Florida's first strategy is the one that garners the most attention, largely because so many market urbanists place the New Urban Crisis blame on overly restrictive land use regulation (I, for one, view #4, or greater service job wages, as something that can more dramatically change metros). There is indeed more demand for more housing, especially in our "superstar cities", but Florida argues that deregulation would go only so far to address urban problems. He says, as I do, that deregulation would lead to "citadels of affluence" that could further inequality and destabilize metro economies, in the name of doing the opposite. And if you're looking for a reason why deregulation has less to do with this than we think, Florida cites Houston, perhaps the least-regulated major metro in the nation. Despite that title, Houston still ranks

“ *alongside New York, Los Angeles and San Francisco on my indicators of inequality, segregation, and the New Urban Crisis... Even though Houston's housing is more affordable than New York's, LA's, or San Francisco's... it still suffers from among the highest levels of inequality and segregation in the country.*”

To me, that means land use deregulation is only a small part of the solution.

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