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Be creative -- or die

A new study says cities must attract the new "creative class" with hip neighborhoods, an arts scene and a gay-friendly atmosphere -- or they'll go the way of Detroit.

By Christopher Dreher

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Although the idea of a professor of regional development being a celebrity seems a contradiction in terms -- an absurdity to file away with "corporate integrity" and "military intelligence" -- Richard Florida, the H. John Heinz III professor of regional economic development at Carnegie Mellon University in Pittsburgh, is managing that feat. His new book, "The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life," is attracting the type of attention usually garnered by salacious fiction or celebrity tell-alls, from packed readings to a rapid ascent up Amazon's bestseller list. And it hasn't even hit its official publish date yet.

Public policy and regional development books are often considered best as a cure for insomnia, but Florida's work is challenging many of the verities of the field. He claims that the world has moved away from the old "organizational" era of corporations and homogeneity and into the "creative" era, which is spearheaded by 38 million workers -- from scientists to IT workers to artists and writers -- with a variety of lifestyles and needs.

What that means for cities is that instead of "underwriting big-box retailers, subsidizing downtown malls, recruiting call centers, and squandering precious taxpayer dollars on extravagant stadium complexes," the leadership should instead develop an environment attractive to the creative class by cultivating the

arts, music, night life and quaint historic districts -- in short, develop places that are fun and interesting rather than corporate and mall-like. It's advice that city and regional leaders can take or leave, but Florida contends that his focus groups and indices -- reporting the important factors needed for economic growth in the creative age, from concentrations of bohemians to patents to a lively gay community -- are more accurately predicting the success and failure of metropolitan areas.

By Florida's estimation, the top cities when it comes to attracting the creative class are San Francisco at No.1, followed by Austin, Boston and San Diego, with New York coming in at No.9. Decaying industrial centers like Detroit, Buffalo and Grand Rapids, and Southern cities like Memphis, Tenn., and Norfolk, Va., bring up the rear. However, the book isn't an ode to the survivors of the new economy or a utopian vision of the future. Some of the widening rifts between the creative and other classes are somewhat troubling, forecasting growing economic and regional differences. In the end, Florida writes, this will be another challenge the new creative class must face.

How does your definition of the creative class -- which includes 30 percent of the working population, a large class -- differ from the findings of others who have noted the emergence of new types of knowledge and technological workers?

The fundamental thing that's different from many people before me -- such as Daniel Bell talking about the rise of the postindustrial society in the information age and the service class, or Peter Drucker talking about knowledge workers, or others talking about the professional-technical class -- what I'm talking about is the fact that it isn't just knowledge workers, it isn't just scientists and engineers, it isn't just technology people. It's that creativity is multidimensional. Certainly there are scientists and engineers and professional-technical people, but there are people in other fields and other walks of life who use their creativity -- in particular, artists, entertainers, musicians and cultural producers.

My argument is that in order to harness creativity for economic ends, you need to harness creativity in all its forms. You can't

just generate a tech economy or information economy or knowledge economy; you have to harness the multidimensional aspects of creativity. So the book says that there are three types of creativity: technological creativity, which is innovation, new products and ideas and technologies; economic creativity, which includes entrepreneurship, turning those things into new businesses and new industries; and cultural and artistic creativity, the ability to invent new ways of thinking about things, new art forms, new designs, new photos, new concepts. Those three things have to come together to spur economic growth.

I think I actually define the classes pretty narrowly. The creative class is composed of two dimensions. There is the supercreative core, which are scientists, engineers, tech people, artists, entertainers, musicians -- so-called bohemians that are about 12 percent of the workforce, up from well less than 5 percent at the turn of the century. And subsequent analysis by Robert Cushing suggests that the supercreative core is really the driving force in economic growth. In addition to the supercreative core, I include creative professionals and managers, lawyers, financial people, healthcare people, technicians, who also use their ideas and knowledge and creativity in their work. I don't include people in service or manufacturing industries who use creativity in their work.

My sense is that this creative class will grow and grow and grow over time.

What prompted you to write the book? Was it an outgrowth of some of your former research or was it some sort of breakthrough?

In a way it was both. All my life I've been interested in creativity. My dad used to take me to the factory where he worked and tell me, "Richard, it's the intelligence, knowledge and experience of these men who make the factory, not the machines." I watched Newark and my father's factory decline. In that sense, I was always interested in manufacturing and making things and places and communities.

I went to Rutgers, got a Ph.D. at Columbia looking at housing and urban dynamics. Then once I became a professor at Ohio State and later at Carnegie Mellon, I really studied the behavior and dynamics of high-tech industries. I did a big project on venture capital and the high-tech industry, and after that I did a project on globalization and Japanese foreign direct investment, both of which resulted in books. I was at Carnegie Mellon and had been part of the attempt to make Pittsburgh a high-tech city. I had heard about Lycos when it was formed, this company that really seemed to define what we then called the "Internet age."

And when I heard Lycos was moving all its operations to Boston, that was the trigger event. In Pittsburgh you had the technology, you had the capacity, you spun off this company from the university -- you had everything it would take to make Pittsburgh a high-tech center -- yet that company was being moved whole-hog to Boston, and the question was why. The reason, as I came to understand it more and more over time, is that human capital, the creative people, were in the Boston metro area, that there weren't enough of them in Pittsburgh. Then I began to ask people in Pittsburgh and elsewhere how they chose places to live and work.

What were some of the reasons?

The initial hunches all came out of the first set of focus groups conducted in Pittsburgh in early 1999. We wanted to look at people making location decisions, so we looked at graduating college seniors, second-year MBA students, and we just started asking, "How do you choose a place to live and work?" and the answers just came out: Diversity, we want a place that's diverse, where there's different kinds of people on the street. Of course a job is important, but it isn't just "a" job: We need lots of jobs because we know now that "a" job isn't going to last long. We want a city to be creative, we want it to be exciting, we want it to have all kinds of amenities, we want it to have outdoor sports, extreme sports, rollerblading, cycling, art scene, music scene. Then we asked, "Do you do all that stuff?" and the answer was "No, we just want to know it's there." Then we did more interviews, more focus groups, and then finally tried to test some of these things statistically.

That's when we invented the gay index. Gary Gates had already invented the gay index when I came back to Carnegie Mellon after being at Harvard. He was looking at the location patterns of gays, I was looking at the location patterns of knowledge workers or talented people, and we quickly found that they were making the same kind of location choices. Initially we theorized that it was for the same reasons, to be near lifestyle amenities.

Then we invented the bohemian index, and when we started looking at the predictive power of those two things over the course of many papers and articles and statistical analyses, we began to say, "Oh, it's this combination of creativity and diversity." But that took a good two and a half years to work out. And it's not done. This book is very much exploratory. There is a lot of empirical scholarship and a lot of things that have empirical proof and are to some degree confirmed. But I am writing this book as a set of hypotheses with initial data and explanation; it's opening up an area, and there's going to have to be a lot more systematic research to prove it.

The thing is, though, the "creative capital" theory, the bohemian index, the supercreative core, and our innovation and gay indices, seem to outpredict conventional measures. And that's what's both puzzling and interesting, that these measures seem to outpredict the classic human capital measure, which is the percent of the population with a B.A. and above.

Explain the indices.

My theory uses the three T's: technology, talent and tolerance. You need to have a strong technology base, such as a research university and investment in technology. That alone is a necessary but not in itself sufficient condition. Second, you need to be a place that attracts and retains talent, that has the lifestyle options, the excitement, the energy, the stimulation, that talented, creative people need. And thirdly, you need to be tolerant of diversity so you can attract all sorts of people -- foreign-born people, immigrants, woman as well as men, gays as well as straights, people who look different and have different appearances.

My indicators try to catch elements of those three things. We have two indicators of technology -- the innovation index, which is a measure of patents in an area of population, and the high-tech index, which we just adapted from the Milken Institute, which is in California and invented this great index of high-tech company concentrations. We use our creative-class index -- percent creative class and percent supercreatives -- as our talent measure. On tolerance we have the melting-pot index, which is immigrants, and the gay index, which takes people living in households where partners in the household were of the same sex.

Gays are the canaries of the creative economy. Where gays are will be a community -- a city or a region -- that has the underlying preconditions that attract the creative class of people. Gays tend to gravitate toward the types of places that will be attractive to many members of the creative class. That said, a high score on the gay index, for example, New Orleans or Miami, does not translate into being a creative center, unless you couple that with technology assets. It's not that gays predict high-tech growth, it's that gays signal an environment that would attract creative-class people from a variety of backgrounds.

But it was a significantly different time in 1999. I mean, some of the survey respondents might have ranked amenities higher on the list back then when there was an overabundance of jobs, but in 2001 it's a different economy.

I think there's even one thing that's much more powerful than the focus groups and interviews, which are great grist for the mill, but they're very much exploratory and not confirmatory -- the Information Week surveys. We looked at the Information Week surveys, which survey over 20,000 IT workers in the years 2000, 2001 and again in the year 2002.

The top four factors that IT workers wanted in a job were challenge and responsibility, flexibility, job stability, and then base pay. Stock options, even at the height of the new-economy boom, ranked about 30th. Those first four factors have held constant at the zenith of the new economy and at the nadir of

the new economy. So people value pay, but they value challenge and responsibility, the ability to have a flexible work environment, to be able to set their own schedules and set their own terms of work, to have a job that adapts to their needs as well as the needs of the employer, and to have stability in a job higher than base pay and much higher than stock options.

One of the great myths of the new economy was that people were working for money and stock options. In nearly all our interviews and focus groups, people told us they were going to these new-economy companies because of the flexibility, the challenge and the culture they offered. So I think there was this hugely mistaken idea, and I think what happened as a result of the rise and fall of the new economy is that it reset employers' expectations across the board.

Even large companies that were evolving toward more flexible policies and more human-centered, individually oriented workplaces said, "Oh my God, we don't have to have a Foosball table and have "bring your dog to work day," and we don't have to have all this craziness -- you know, Jolt Cola and Red Bull in the refrigerator. But if we let our employees be flexible and challenge them and do certain things like maybe have an on-site cafeteria or have a place where people can work out and recharge for the 'second' workday, there are a lot of things that are actually enhancing productivity."

A lot of the other stuff was pure-on bullshit, but I think the rise and fall of the new economy forced us to face up to which of these things were B.S. and which really were working to increase the performance and productivity of creative people. I think we find now that people want the same things, and that's what creative people have wanted for a long time.

What's the difference between the classic human capital measure and your "creative capital" theory?

There are several theories of economic development. The classic one is that companies do it. Firm location drives economic development, and where the jobs are people will go. Well, we know that doesn't work. The second theory that came in

contradiction to that, which Robert Putnam forwarded in his book "Bowling Alone" (he's a gifted and famous professor at Harvard), initially said there are no more bowling leagues, no more VFW halls, no more Elks lodges.

He said this predicts everything from a decline in health to rising income inequality to a slowdown in growth -- that what really creates a good, thriving society is these tight networks, where people are in voluntary associations. They're in real neighborhoods where they know their neighbors, they're in bowling leagues, Elks leagues, Little Leagues, Pop Warner football. But then, when I started to ask people, they're like, "No, that's not what we want. We want to be quasi-anonymous, we want a community in which we can be ourselves, we want a community which we can define ourselves, we can create our own identities."

The other alternative theory is the human capital theory, which is a darn good theory. Jane Jacobs lays a lot of this out in her 1961 book, "The Death and Life of Great American Cities," by just observing her neighborhood on Hudson Street [in New York City]. The economist Robert Lucas, in one of his addresses after winning the Nobel prize, called "On the Mechanics of Economic Development," said basically, How do we have a theory of growth, how do we have a theory of cities? The only way you can understand growth or cities is that productive people want to come together, and they generate externalities to human capital.

A city is productive people coming together and leveraging and enhancing each other's productivity. Then Edward Glaeser, a young economist at Harvard who revolutionized the field of urban and regional economics, said, "OK, we can use this basic idea of human capital to predict regional growth." So over the past 10 years scholars have pretty much shown that the key driving force behind regional growth is endowments of human capital. And Glaeser and his student Spencer Glenden in a paper suggest that you can predict regional growth over the course of the 20th century by looking at a region's endowment of human capital in the year 1900. That's a really powerful theory and it's really good.

All my theory says is two things: One, there are specific kinds of human capital that matter more than others. Two, and I think the much more important aspect of my theory, these concentrations of human capital or creative capital aren't natural endowments. Creative class people are fickle, finicky. We can move where we want to move. Therefore, understanding the factors associated with why these creative types of people root in a certain place is critical, and that's what nobody else has ever looked at. That's where my theory opens up some new ground because it says that the important thing in regional or national development or economic development per se is, What are the factors that attract high-quality human capital or creative capital? For a city, you need to have them, because if you don't have them, then people won't come to your city.

What are some of these things, what you refer to as "amenities"?

What I think it is, is what Lucas says, this "productive leveraging." Some people call it energy, as in, I feel the energy of the city, there's something in the air, in the atmosphere, that says this city gets it. I think all my measures of the amenities -- the music scene, outdoor recreation, gays, bohemians -- are all signaling mechanisms that that energy is there. But I think it's a latent construct. I don't know how to say it. You know, when you go to Chicago, when you go to Boston, when people even go to Austin, you feel it when you go there. What my indicators do is pick up on elements of that. Bohemians are an element, gays are an element, and they're signaling that energy in a community.

People in the creative class -- I don't care if you're 65 or 25 -- we're all increasingly heading for that energy, for that feeling, for that atmosphere, and we're willing to pay. So fewer people are willing to compromise. We're saying, "OK, we want to have a thriving career and a good life, but we want to be in a place that really gets it, that's really with it." I hear that over and over and over again. I think it is explaining a set of individual migration decisions, and what my theory is saying is that people are calling it energy, excitement, verve, the quality of life, but here are some things which point at it.

What different demands is the creative class making that are skewering the traditional theories of economic development?

If you read all the literature on creativity and if you look at surveys of what IT people or professional people want in their work, what's clear is that creative people are not extrinsically motivated, or not only extrinsically motivated. In other words, we want money, but money itself isn't a sufficient condition to motivate us.

Teresa Amabile, the most prescient theorist of creativity and the psychology of creativity, said that creative people are only motivated intrinsically. It is counterproductive, she says, to use extrinsic mechanisms to try to motivate creative people. Peter Drucker said this at the zenith of the so-called high technology new economy, that bribing the knowledge workers in these industries is a fundamental mistake; it will not work. He says you have to treat people as volunteers -- Peter Drucker was just brilliant -- you have to treat the people in your organization as if they were volunteers, with strong ties and intrinsic motivation.

So in order to understand what moves creative people, you have to first understand that, of course we want money, we're not going to live dirt poor. But in a post-scarcity, post-materialist society, we find ways to feed ourselves. Some of us are even waiters and waitresses and do our creative things secondhand. And, this is the best example, some of us are software programmers, bored shitless at our work, so we do open-source software at our desks, while IBM or Hewlett-Packard are paying us. That's the way we get our intrinsic jollies. I do the work that I have to do to feed myself, but then I write books like "The Creative Class." So you do the work that motivates you somehow.

Creative people are highly intrinsically motivated. Therefore in order to understand their location choices or their workplace choices or their lifestyle choices, we have to understand that they are choosing things based on intrinsic motivations. And our location choices are increasingly, What kind of location offers me a full bundle of lifestyle choices with the diversity, amenities and options that I desire?

You see it with young singles who want an active night life and an active mating market, but you also see it elsewhere, like a fellow I interviewed the other day who's in a biracial gay relationship with four adopted kids, and he's saying to himself, Can I live in a city like Pittsburgh with four adopted kids in a biracial relationship?

Only 23 percent of the creative class people are in nuclear families -- husband, wife, kids -- and only 7 percent are in "Leave It to Beaver" families with a stay-at-home mother and a working father and kids. That means that the rest of the households, between 93 and 75 percent, are very different configurations: a single mom with kids, or a single parent with kids, somebody who's adopted kids, someone who happens to be single or divorced or the kids happened to leave the household. So you have between 75 and 93 percent of the population requiring a very different amenities bundle.

What's happening is that cities can no longer offer just one bundle of amenities. They have to offer lifestyle options for the young single, the young gay, the early married, the married with children, the divorced mother with three kids. And those things change. A person changes.

Take three cities -- Austin, which ranks high in your indices, your adopted hometown Pittsburgh, which is in the middle, and Detroit, which was consistently last. All faced severe economic changes in previous decades, but what infrastructure did they already have or what actions did they take that either helped or hurt them?

First of all, in every economic measure, Detroit and Pittsburgh should be trouncing Austin. These are places that had probably two of the greatest technological powerhouses of their time -- they were the Silicon Valleys of their day. Detroit in automotive, Pittsburgh in steel and chemicals. And as a result, both of them developed powerhouse universities, Carnegie Mellon and University of Pittsburgh in Pittsburgh, Detroit with the University of Michigan.

What happened, however, was that both places fell victim to institutional and cultural sclerosis. They got trapped in the organizational age; they thought we really live in a patriarchal, white, corporate society and that the key to success was to strap on your tie, go to work 9 to 5, and behave yourself. There was no room for people with new ideas. People with new ideas in both Pittsburgh and Detroit were shunned. They were thought to be troublemakers, difficult, weirdos, wackos, eccentrics. Detroit is even more puzzling than Pittsburgh because of Detroit's tremendous legacy of a music scene, one of the true hotbeds of American music, at first African-American music, but now not just African-American music -- now it's a hotbed of electronic music.

My sense is that competitive advantage in this new creative age is highly constructive. And I don't think Detroit and Pittsburgh should be counted out. What Austin did was they really hustled. In the 1980s and 1990s they said, "We want to grab some of these high-tech companies," so they did that. They were very sophisticated about going out and recruiting the Motorolas, the Intels, the IBMs. But they never just stopped there the way other cities have. The second thing that happened was that under the leadership of entrepreneur George Kozmetsky and others, they built a culture of entrepreneurship. So Kozmetsky began very early on saying, "We're not just going to steal companies, we're going to build our own," and then, very sophisticatedly, they went after major research dollars and built up the research capacity, they really went out and recruited top talent, they created a talent magnet at that university.

And then, what I think is the key factor that distinguishes Austin from Pittsburgh and Detroit, was that in addition to doing all of that, they said, "We're going to make this a fun place to live. We are going to somehow create the 'Austin lifestyle.'" You heard this back in the '80s, that Austin is a place for singers, songwriters, that "once people come to Austin, they never want to leave."

They created a lifestyle mentality, where Pittsburgh and Detroit were still trapped in that Protestant-ethic/bohemian-ethic split, where people were saying, "You can't have fun!" or "What do you

mean play in a rock band? Cut your hair and go to work, son. That's what's important." Well, Austin was saying, "No, no, no, you're a creative. You want to play in a rock band at night and do semiconductor work in the day? C'mon! And if you want to come in at 10 the next morning and you're a little hung over or you're smoking dope, that's cool." I went to the Continental Club -- I was invited by Austin's leading political officials -- and we went to see Toni Price the singer-songwriter, and there were hippies smoking dope right there on the back porch.

The point is, this sense of having fun, being yourself, expressing yourself fully, is valued. But as long as people continue to try to prop up the downtowns, throwing money, burning money, by building stadiums and convention centers, it's not going to happen. Cities have become cities of ideas and cities of consumption. They are no longer cities of production, and people in Detroit and Pittsburgh keep thinking, "We're going to have a headquarters, we're going to have the stadium, mom and dad are going to come from the suburbs and take little Johnny to the game, we're going to have retail." That's just not what drives a city now. What drives a city we know increasingly are good places to live, great neighborhoods, great cafes, night life, places to have fun. Austin saw this from day one.

But I think any big city, at this level of population, more than a million, if they really wanted to, can turn it around. The hopeless places are the Enid, Oklahomas, the Youngstown, Ohios, the small places with huge working-class backgrounds, or places that are service-class centers that aren't tourist destinations. They're all at the bottom of my lists. They're the places that are just being completely left behind. So size really is an advantage. If you're big, you can offer a lot of options and do a lot of things. If they wanted to. The thing is, with places like Detroit, Buffalo, Pittsburgh, St. Louis and some of the Sunbelt cities in a different way, is that they don't want to change. The creative people are either unempowered or the institutional structure that exists disempowers them.

Not surprisingly, many large cities made the top of the indexes -- Boston, New York, Chicago -- but San Francisco seems like the archetypal city. One line in the book says, "The legacy of the '60s

is not Woodstock, it's Silicon Valley." How does all that fit together?

Being a child of the '60s, I kept thinking about the Mamas and the Papas, Jefferson Airplane, the Grateful Dead, and the early San Francisco music scene. Then I read this book called "Fire in the Valley," written 20 years ago about the early Silicon Valley, and you look at the pictures and it's just mind-blowing! You have photos of the traditional engineers wearing bowties next to these hippies with long hair. I mean, think about Jobs and Wozniak with hair down to their butts going in and asking Don Valentine for money. I interviewed Don Valentine, he said, "I didn't care what Steve Jobs looked like, I didn't care that he didn't have any shoes." In other areas these people would have been run out the door.

The '60s cracked the bohemian/bourgeois split, and California is the place this stuff starts to brew. It became very early on a kind of capitalism that recognizes that you don't have to have all this bullshit organizational, bureaucratic nonsense to be successful. San Francisco was a place where weird people could find a place. In these corporate organizational-based communities where you have the country-club type of atmosphere, there was no place for a different or eccentric person there.

But your findings aren't painting an entirely sunny picture.

No. What's happening with the location choices and migration patterns of the creative class, because these people are very mobile, we're really getting a set of regional haves and have-nots. We're getting these regions that are increasingly creative-class regions -- whether that's San Francisco or Boston or Washington, D.C. -- and then we're getting regions that are being completely abandoned. You're getting a tale of two classes and two geographies.

Also, certain cities, certain regions, are becoming creative-class enclaves and what's happening is that the working classes and the service classes are just moving out. They're either moving out to suburban or exurban areas in those regions, or they're moving to other regions. So clearly you're having these

wholesale creative-class migrations into places like San Francisco, Austin, Boston, Washington, D.C., Boulder, and then the indigenous populations, the working-class and service populations, are having to leave because they just can't afford to live there anymore.

That's a terrible thing on lots of levels, not the least of which is the ultimate contradiction that some of these creative-class places are going to face: that they're going to drive out a lot of the creativity that comes from people who are not "in" the creative class but who are incredibly creative. As the book points out, a lot of creativity comes from so-called disadvantaged or ghetto neighborhoods. If you wipe them out, then you wipe out the ability not only for low-income folks to use the creativity that comes from their own communities, but you make it harder and harder for artists and other culturally creative types to relocate to places because they can no longer afford it. Then sooner or later that place is going to become boring.

The best thing that happened to San Francisco was the damned NASDAQ collapse and the high-tech recession. That was San Francisco's saving grace. I mean, San Francisco was becoming completely yuppified. And sooner or later, as has happened in the past, it's going to consume the creativity and erode the creativity that made San Francisco a technologically as well as culturally and artistically creative place.

How does the creative class fit into or define the future?

The basic challenge is that the society is splitting into the creative haves and have-nots by region. We're getting regional winners and losers. As the creative class migrates to the places that provide the economic and lifestyle options they desire, this could be very threatening to national unity. As the creative class concentrates in ethnically diverse, racially diverse ways, the people that are left behind are resentful. And that's a powder keg.

Also, right now the creative class is inward-looking and selfish. For years members of the creative class thought they could just live the good life, with their SUVs, fantasy kitchens and designer

clothes. However, in the past the great emerging classes -- whether that was the bourgeois, the nascent capitalist class overthrowing the old feudal monarchy and ushering in a period of maker-driven capitalism and democracy, or the working class unifying to demand an eight-hour workday, higher wages, health benefits -- the creative class has to take responsibility and develop a vision in which all members of society can participate and benefit. It's an obligation.

They have to grow up and take responsibility. We can't just point our finger at Bush or at Congress or at local political leaders and say, "They just don't get it." We have to take responsibility for the society we're driving. If not, the social and political consequences are dire. The creative class has to look beyond itself and offer members of society a vision in which all can participate and benefit from. That's the challenge of our age.