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Looking Into the Future: Shrinking Houses, a Growing Organic Market and the Importance of Data

More From Richard Florida on the Coming Economic 'Reset'

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In our [Q&A with Richard Florida](#) and in his latest book, "The Great Reset," he talked about how housing is going to change and become a more reasonable part of our budgets. Beyond tanking housing values (and foreclosures) that we see all around us, how exactly is that going to work? We have some extended outtakes from our interview on the subjects of housing, organic food and the need for more good data.



Richard Florida

Ad Age: How is home ownership changing?

Mr. Florida: Home ownership is not going away. I think housing sizes are going to shrink. Housing sizes got completely out of control. When I was young, the average house was roughly less than 1,000 square feet. It ballooned to nearly 2,500 square feet, but it's slowly coming down and I think it will come down more as a result of this "reset." We don't need as much space because our household size is smaller. We don't have as

many kids running around the house. There are lots of single households -- 51% of households are headed by someone who's not married. Twenty-five percent have no children in the house. Ownership is ticking down. We've already gone from 69% homeowners down to 66%. When you control for people with no equity, it's already less than 60%. We've projected it could go down to 55%. That's about the right level for a really flexible high-growth region. A region with 55% of people owning homes, the rest renting, tends to be very adaptive. Regions that have over 80% tend to be slow and stodgy and old for a whole host of reasons.

Ad Age: How long are these kind of "resets" going to take?

Mr. Florida: I think it's a generation. I'll qualify it by saying in the past it's been a generation -- a two- to three-decade process -- if we look at the panic of 1873, the Great Depression of 1929. I think with as smart as we are and as fast as we move ... we may be able to shrink that down to 20 to 15 years on the short end. If we've been in this now not only since the crash but since the housing bubble we could shrink it down, maybe to 15.

Ad Age: Will organic food cause an increase in the percent of our income which goes to food (which has been dropping for almost a century)?

Mr. Florida: I think we're all beginning to realize that we're going to have to pay for quality, not quantity. Part of it is status and part of it is health, and it's hard to disentangle what's what. It's like "green" in general. Part of it is energy efficiency and part of it is a new status.

One of the biggest health problems in our society is obesity tied to overly processed and inexpensive calories. In some ways we've made food too cheap. We looked at the relationship between obesity and smoking in economic structures. The shift to a more knowledge-driven, human capital, post-industrial economic structure had a huge correlation between rates of smoking and obesity. So I posited that the smoking and obesity problem is not just a health problem, it's an economic-development problem. I do think we're going to be spending more on this and that's something that bears more examination.

Ad Age: With the U.S. Census Bureau dropping the long-form Census questionnaire and moving to the American Community Survey for detailed data, and [Canada also announcing that it is dropping its mandatory long form](#), is it getting harder to get the data businesses need to make good decisions?

Mr. Florida: We just need data. I've tried to increase the clock speed of downloading and analyzing data and information. That's been my goal at the Institute along with creating great information. Eliminating the long form, certainly my colleagues who are research scientists and data librarians think this is an abject disaster. On the other hand, we do have many, many more robust sources of information at our disposal. The job of the future is computational statistician. The demand for that and data-mining is growing and growing. If we're going to be a competitive and more productive society, we're going to need better data.

I'm shocked at the poor quality of data we have. Yes we can do an OK job at analyzing national data. Sub-national and across-country data is nonexistent. If we try to compare across countries, we have no data.

I can't help but think that part of this isn't politically motivated and that certain political actors really believe that scientific information is a problem for them. And instead of having to disprove it, it's better just not have it.

I'd rather make a decision based on data than none. That's what I always say with my data. No this data isn't perfect. No data is perfect. I think one of the best rolls of government is to collect good information. Good information enables us to make much better decisions and optimize ourselves. I think we need better data.

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