

Q&A with Richard Florida on Chicago's dreams of tech glory

Mayor Rahm Emanuel has been quick to celebrate any number of technology wins in the city, including the recent announcement of Motorola Mobility Inc.'s [move to the Merchandise Mart](#). But creating a technology hub in an established, multifaceted economy such as Chicago's will require more than mayoral desire.

Crain's talked with urbanist [Richard Florida](#) about some of the opportunities and challenges Chicago faces as it tries to remake its economy and shine more light on its technology companies. He just released the 10th-anniversary revised edition of his seminal "The Rise of the Creative Class," in which he updates his view that creative professions are the key to urban growth. While Mr. Florida certainly [has his critics](#), the central idea — that cities will drive economic expansion and that developing environments in which creative people want to live and work will make that possible — is important as Chicago looks to build on its recent success as an entrepreneurial center. He has some definite opinions on where Chicago should and should not focus its energy and money.

Through his work as director of the Martin Prosperity Institute at the University of Toronto and a senior editor for The Atlantic, he produces numerous rankings of U.S. metro areas. Several refer to different components of what he calls "Creative Class" cities — creative jobs, access to talent, technology jobs and tolerance of different lifestyles.

Despite, or perhaps because Chicago is the nation's third-largest city, it never scores anywhere near the top. The metro area ranks 45th on his "Creativity Index" and "Talent Ranking," 62nd on his "Technology Ranking" and a lowly 79th on his "Tolerance Ranking." (For more rankings, check out Crain's list of [Chicago's Tech 50](#).)

But there might be hope for us yet.

Richard Florida: I wouldn't worry so much about my rankings. Chicago ranks in the top 15 percent of all metro areas. I'm eyeballing a little. I think the smaller college towns like Ann Arbor, Boulder and Austin, which have purely post-industrial economies and haven't had to remake themselves, are going to do much better on my rankings. New York is a great city but it doesn't do particularly well. I haven't looked at the counties but my hunch is that the center of Chicago performs much, much better on my rankings than the outlying areas. I think Chicago's just a big diverse city, which is its advantage.

Crain's: Chicago lost population between 2000 and 2010. Is that a bad sign?

In a way it's a bad sign but I think Chicago in general has really turned a corner. The central city has begun to increase population again. Even despite the recent run-up in gun violence, which the city has to get under control. In general if you look back several decades, I think most people would have said that Chicago, along with many other cities, was kind of dead in the water. Yes, it's true that there's still been movement to the Sun Belt, and yes, it's true that older heartland metros have lost population like Chicago, but I think Chicago has made its turnaround partly because it's been able to consolidate many business services occupations like consulting [law firms](#) that used to be spread throughout the Rust Belt. I think it's become, along with Toronto where I live, one of the pillars of a kind of new industrial Midwest economy. It had a great run at the turn of the last century, but I think better days lie in front of it than it has seen in the recent past.

Chicago is putting a lot of emphasis on demonstrating that we're a [hub for technology](#) and technology companies. Is that more difficult for a city like ours to rebrand like that?

I think it is. One of the things that's benefited the rise of place like Silicon Valley is they grew around a single industry but also that they grew up from virtually nothing. For older cities, they first had to shuck off the legacy of traditional vertical top-down industries and the damage [like pollution] they caused. I think in general cities are better places for high technology than they were.

My hunch is that Chicago's future is more in management and business services than it is in technology. [Blogger] Aaron Renn has [a great post](#) looking at what Chicago can do with its economic future. His thinking is in line with mine. One troubling thing: When I look at the clustering of arts, design, entertainment and media occupations, I find extraordinary clustering in New York and L.A., but then it falls off dramatically. It's not just Chicago — the same can be said of Houston or Philly or Dallas. Then you find regional centers like Nashville in music or Las Vegas in dancers and entertainers. D.C. in broadcasting. For second cities like Chicago, they have to work doubly hard to ensure their economic position.

As the income structure of the U.S. and cities like Chicago continues to stratify toward the top and bottom, doesn't that mean we'll see more and more service jobs being created?

The bifurcation of the labor market is becoming more recognized. Chicago has 1.4 million people in the metro area working in the creative class — 35 percent of the workforce. It actually has a reasonably big working class — nearly 900,000 — more than 20 percent of the workforce, and it has a service sector which is still the biggest with 1.8 million people. What's happening, of course, is that with the knowledge jobs, the creative jobs, the wages are increasing. The service jobs' wages are stagnant or going down. What I've challenged mayors in cities with is that the real task in front of us is to improve the service-sector jobs.

For a place like Chicago it's very important [to focus] not only on the high-end jobs, which the mayor is doing, but as our economy bifurcates we have to make the low end better. Chicago is the perfect place because it was a working-class city and had good factory jobs and because it's

in reasonably good economic shape compared to other Rust Belt states. It's a perfect place for the mayor to begin to think about strategies to make those service-class jobs better family-supporting jobs — in a sense to make them the replacements or substitutes for the working-class jobs that are disappearing across our country.