



CREATIVE INTELLIGENCE

February 2003
Volume 1, Issue 4

A JOINT PUBLICATION OF CATALYTIX, INC. AND THE RICHARD FLORIDA CREATIVITY GROUP



FORMER AUSTIN, TEXAS MAYOR KIRK WATSON TO TEAM WITH RICHARD FLORIDA CREATIVITY GROUP AND CATALYTIX INC.

Story on page 5



DID YOU KNOW

Number of Creative Class Employees

Top 5 States

1. **California**
1,892,450
2. **Texas**
1,169,920
3. **New York**
1,143,960
4. **Florida**
688,460
5. **Illinois**
663,970

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New research by Arthur L. Adiarte of the Minnesota Department of Trade and Economic Development, and Dr. Kevin Stolarick of Carnegie Mellon University and Catalytix provides the first ever Creativity Index Rankings for the 50 states.

The State Creativity Index is based on the same methodology used to rank metropolitan regions in The Rise of the Creative Class. And like the regional index, the State Creativity Index is based on four key factors: Creative Class concentration, the High Technology Index

(a measure of high-tech industry concentration based on data from the Milken Institute, the Innovation Index (based on patents per capita), and the Diversity Index (based on the fraction of the population that is gay).

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■ Overall leaders

Massachusetts tops the list on the overall index, followed by California, New York, Connecticut and Texas.

■ Creative Class

Massachusetts also tops the list in terms of Creative Class concentration followed by Maryland, Connecticut, New York and Virginia. In terms of absolute numbers of creative class people, California tops the list with 1.89 million followed by Texas with 1.17 million, New York (1.14 million), Florida (688,460), and Illinois (663, 970).

■ Technology

California, Texas, Massachusetts, New York and Virginia top the list on high-tech industry. The results for innovation are interesting. The overall leader is Idaho followed by Vermont, Massachusetts, Connecticut and California.

■ Diversity

The leaders in terms of diversity or the gay index are California, Nevada, Florida, New York and Georgia

Calculating the State Creativity Index

Adiante and Stolarick's, State Creativity Index is based on the following four factors.

■ Creative Class

The Creative Class is comprised of the Super-Creative Core and Creative Professionals. The data source is the 2000 occupation and wages data of the U.S. Bureau of Labor and Statistics.

■ High Technology Index

This is an index created by Ross DeVol and associates at the Milken Institute. The index is based on the Tech-Pole index which is the product of two factors: (a) the output of an area's high-tech industries expressed as a percentage of the output of the nation's high-tech industries; and (b) a ratio of the amount of an area's output from high-tech industries to the amount of the nation's output from high-tech industries. The definition of high-tech industries follows that of the

Milken Institute.

■ Innovation Index

The Innovation Index is a measure of patented innovations per capita. It covers the calendar year 2001 and is based on data from the U.S. Patent and Trademark Office.

■ Diversity Index

The Gay Index is based on research done by Gary Gates, who works at the Urban Institute in Washington, D.C., and who also provided the state-level Gay Indices. It is a measure of the over and under-representation of coupled gay people in a region relative to the United States as whole. The fraction of all such U.S. gay people who live in a region is divided by the fraction of the total U.S. population who live in that area. The Gay Index is used as a reasonable proxy

Studies have shown that the Gay Index is a strong predictor of a region's high-tech industry concentration and the growth of high-tech industry.

for an area's openness to different kinds of people and ideas. Studies have shown that this index is a strong predictor of a region's high-tech industry concentration and the growth of high-tech industry.

The overall Creativity Index is a composite index calculated by summing the inverse-rank scores for each state. Minnesota, for example, ranks 15th in the Creative Class Index, 14th in the High Technology Index, 6th in the Innovation Index, and 30th in the Diversity Index. These values are then converted into inverse-rank scores of 36, 37, 45, and 21. The sum of these, 139, represents Creativity Index score for Minnesota. By using this method, all four factors or sub-indices are weighted equally.

Table 1 shows the Overall State Creativity Ranking. The other tables in the newsletter show the top 10 states and bottom ten states for Creative Class Rank, High-Tech Rank, Innovation Rank, and Diversity Rank.



DID YOU KNOW

(continued)

Number of Creative Class Employees

(continued)

Bottom 5 States

46. Vermont	38,690
47. South Dakota ...	38,510
48. Arkansas	37,730
49. North Dakota ...	32,660
50. Wyoming	23,310

Creative Class Average Salary

Top 5 States

1. California	\$52,178
2. Delaware	\$51,737
3. New York	\$51,501
4. New Jersey	\$51,481
5. Massachusetts	\$50,708

Bottom 5 States:

46. Montana	\$34,197
47. Arkansas	\$34,076
48. Mississippi	\$32,710
49. North Dakota ...	\$32,257
50. South Dakota ...	\$31,703

Creative Class Average Wages

Top 5 States

1. Delaware	\$24.85
2. New Jersey	\$24.56
3. California	\$24.53
4. New York	\$24.41
5. Massachusetts	\$24.27

Bottom 5 States

46. Montana	\$16.38
47. Arkansas	\$16.32
48. Mississippi	\$15.69
49. North Dakota ...	\$15.49
50. South Dakota ...	\$15.18

Overall State Creativity Ranking

Overall Rank	State	Creativity Index
1	Massachusetts	188
2	California	184
3	New York	178
4	Connecticut	167
5	Texas	163
6	Colorado	161
6	Washington	161
8	New Jersey	158
9	Arizona	145
10	Maryland	144
11	Illinois	143
12	Oregon	140
12	Virginia	140
14	Minnesota	139
15	Delaware	138
16	New Hampshire	137
17	Florida	131
18	Georgia	129
19	Pennsylvania	125
20	New Mexico	119
21	Idaho	115
22	Rhode Island	109
23	Vermont	105
24	Utah	104
25	Michigan	103

Overall Rank	State	Creativity Index
25	North Carolina	103
27	Ohio	93
28	Missouri	89
29	Maine	87
30	Nevada	79
31	Oklahoma	78
32	Indiana	76
32	Wisconsin	76
34	Alabama	75
35	Kansas	73
36	Alaska	72
37	South Carolina	71
38	Tennessee	68
39	Louisiana	67
40	Iowa	62
41	Montana	60
42	Hawaii	58
43	Nebraska	55
44	North Dakota	48
45	Kentucky	40
46	West Virginia	35
47	Arkansas	31
47	Wyoming	31
49	Mississippi	30
50	South Dakota	17

State Creative Class Rank

Top 10 States

Rank	State
1	Massachusetts
2	Maryland
3	Connecticut
4	New York
5	Virginia
6	Washington
7	Colorado
8	Alaska
9	New Mexico
10	Texas

Bottom 10 States

Rank	State
41	Tennessee
42	South Carolina
43	Wisconsin
44	South Dakota
45	Kentucky
46	Wyoming
47	Indiana
48	Mississippi
49	Arkansas
50	Nevada

State High-Tech Rank

Top 10 States

Rank	State
1	California
2	Texas
3	Massachusetts
4	New York
5	Virginia
6	Arizona
7	New Jersey
8	Pennsylvania
9	Colorado
10	Florida

State Innovation Rank

Top 10 States

Rank	State
1	Idaho
2	Vermont
3	Massachusetts
4	Connecticut
5	California
6	Minnesota
7	Delaware
8	New Hampshire
9	New Jersey
10	Colorado

State Diversity Rank

Top 10 States

Rank	State
1	California
2	Nevada
3	Florida
4	New York
5	Georgia
6	Washington
7	Arizona
8	Delaware
9	Massachusetts
10	Vermont

Bottom 10 States

Rank	State
41	Maine
42	Mississippi
43	West Virginia
44	Montana
45	Alaska
46	North Dakota
47	Hawaii
48	Wyoming
49	South Dakota
50	Vermont

Bottom 10 States

Rank	State
41	Kansas
42	Maine
43	Wyoming
44	South Dakota
45	Alabama
46	West Virginia
47	Alaska
48	Hawaii
49	Arkansas
50	Mississippi

Bottom 10 States

Rank	State
41	West Virginia
42	Michigan
43	Idaho
44	Wisconsin
45	Kansas
46	Nebraska
47	Iowa
48	Montana
49	North Dakota
50	South Dakota

Joining forces

Former Austin, Texas, Mayor Kirk Watson To Team With Richard Florida Creativity Group and Catalytix Inc. To Provide Economic Development Speaking and Consulting Services

February 25, 2003

The Richard Florida Creativity Group (RFCG), Catalytix Inc. and former Austin, Texas, Mayor Kirk Watson are proud to announce they are teaming up and jointly will provide economic development speaking and consulting services.

Initially elected Austin's mayor in 1997, Watson was re-elected in 2000 with a record 84 percent of the vote. During his tenure, *Forbes* and *Fortune* magazines named Austin the best city and best place for business in the United States.

An experienced public official, lawyer, mediator and public affairs consultant, Watson is known for his unique, unifying leadership style. *Texas Monthly Biz* magazine described him as "a man with a vision of what the community wants and the moxie to carry it out," while the *Austin American-Statesman* said "Watson's energy, intelligence and enthusiasm pushed Austin to new heights – past its parochial win-or-lose politics."

Under the new affiliation, RFCG will arrange economic development-related speaking engagements for Watson, who



Watson

has been a featured speaker throughout the United States and internationally. Additionally, he will play a leading role in the firm's "Regional Transformation" facilitation team, as well as the Catalytix consulting team that partners with communities and regions to develop and apply strategies regarding the creative sector and its profound impact on economic growth.

"We're extremely excited to have a person with Mayor Watson's insight and enthusiasm working with us. His real-time experience and success in regional economic development is a great addition to our team," commented RFCG and Catalytix Founder Dr. Rich-

ard Florida. "Under his stewardship, Austin became a model creative-class community and one of the best and most popular places to live and work in the country.

"We'll now be able to tap into Mayor Watson's expertise to help other communities and regions throughout North America emulate Austin's success."

Watson is similarly enthused with the new partnership.

"This is an exciting new venture. I've admired Dr. Florida and his innovative ideas and approaches for years," said Watson. "RFCG and Catalytix are involved in cutting-edge economic development and regional transformations. Together, I believe we will offer truly unique, creative services to communities."

To discuss speaking and related opportunities involving Mayor Watson and Dr. Florida, please contact RFCG President Rod Frantz at rodfrantz@creativeclass.org or 412/782-5211. To pursue consulting and related initiatives, please contact Catalytix Managing Partner Louis Musante at musante@sgi.net or 412/366-5000. Mayor Watson can be contacted at kwatson@wblg.com or 512/479-5900.

In the Next Newsletter: **Wage Inequality**

Richard Florida's article, "The New American Dream," will be published in the March 2003 issue of The Washington Monthly (www.washingtonmonthly.com). The article discusses the economic policy dilemmas facing the United States and presents the results of new ranking of inequality developed by Dr. Kevin Stolarick. The next issue of Creative Intelligence provides the baseline inequality rankings for U.S. regions.