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Initiative aims to make Greater Miami an even greater city

HIGHLIGHTS

Greater Miami must bridge the divides within the region

But it can leverage its strengths to rival New York, Hong Kong



The city of Miami skyline, seen from the Port of Miami. Patrick Farrell Miami Herald Staff

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Greater Miami has reached a crossroads. Its economy has diversified, and become more creative and idea-based. Miami now numbers among the world's 25 most important global cities. But the region also suffers from the same divides that are vexing other big cities around the world. Its middle class is dwindling, the gap between its rich and poor has widened and the ability of its residents to achieve the American Dream has declined.

The region is at a critical inflection point, and it can tip either way. If it leverages its strengths strategically, it can rise to the next level and take its place alongside New York, London, Hong Kong and Paris as a global city of the first rank. If it doesn't, it may well plateau or even fade.

To get a clearer understanding of the region's opportunities and challenges, Florida International University (FIU) and the Creative Class Group (CCG) launched the FIU-Miami Creative City Initiative. [The first major report of that project](#), released today, enumerates the region's challenges and opportunities, while identifying several key areas that will help ensure a broader shared prosperity for Greater Miami.

Think and act collaboratively: With nearly 6 million residents and an economic output of more than \$300 billion, Greater Miami's economy is the size of Singapore's or Hong Kong's. It is also the hub of the So-Flo mega-region, which extends to Orlando and Tampa, houses more than 15 million people and produces more than \$750 billion in economic output, roughly the same as the Netherlands, one of the world's 20 largest national economies. Now more than ever, political and business leaders must act collaboratively to take advantage of this huge market and talent base.

Become a hub in global brain circulation: It's a myth that Greater Miami suffers from a "brain drain." All cities and large metros lose some young talent to other places. Greater Miami is a leading destination for global immigrants, snowbirds escaping the cold and huge numbers of tourists. The nation's eighth-largest college town, it is home to 438,000 students, more than two-thirds of whom stay in the region after graduating — the 16th best retention rate of the nation's metros with more than 1 million people.

Miami's thriving and resurgent public school system is key element in the region's ability to attract talent and deliver quality of life to its residents. The world's greatest and most competitive regions operate as hubs for brain circulation, moving creative and entrepreneurial talent in and out. Anywhere from a third to a half of all new startups in the San Francisco Bay Area include immigrants to this country among their founders. Miami has yet to sufficiently capitalize on the talent it continuously attracts to become a similar hub for global brain circulation.

Deepen its creative entrepreneurial ecosystem. With approximately \$300 million in venture capital investment in 2015, Miami's startup economy is showing impressive growth. The Knight Foundation's efforts to bolster the region's startup economy are paying great dividends. When the rest of the So-Flo mega-region is included, the haul grows to nearly \$600 million, roughly



comparable to Chicago, Austin or Toronto. But a recent MIT study shows that Greater Miami lacks the kind of high-quality, scalable startups like Twitter or Uber that define robust entrepreneurial ecosystems.

Miami is a broadly creative economy, home to almost 700,000 creative class members spanning arts, culture and entertainment, as well as business, management and technology. Viacom recently launched a new TV and film production facility in the region to take advantage of this wealth of creative talent in film, media and related fields. The region should focus not just on technology startups but on bolstering its creative economy across arts, culture, music, entertainment, food, fashion and lifestyle as a source of startups, jobs and economic growth.

Upgrade the service, hospitality and tourism economy and jobs: The backbone of Greater Miami's economy remains its service economy centered around hospitality and tourism. Roughly half of all jobs in the metro area, 1.3 million of them, are in the service sector. But they pay just \$32,000 per year on average, less than half what knowledge and creative jobs do. This contributes to the region's growing economic divide.

Greater Miami has the seventh highest level of income inequality in the nation. A key step toward closing these divides is to upgrade the region's service sector and pay its service workers family-supporting wages. Detailed MIT research finds that when service workers are engaged more fully and better paid, their productivity rises, customer service improves for local businesses, and corporate profits rise, resulting in a win-win-win for workers, companies and the region as a whole.

Address the region's growing crisis of success: The region also suffers from a growing crisis of urban success, with rising housing prices and growing traffic congestion. As metro regions hit 5 million or 6 million people, they become congested, and their old growth model based on sprawl and car dependence starts to break down. Miami faces high levels of congestion and gridlock, which wastes productivity and slows the movement of people, goods and ideas that are so critical for innovation and economic growth.

As All Aboard Florida comes on line and the region begins to substantially invest in mass transit, Miami can reduce its dependency on cars and sprawl even more by investing in density.

Greater Miami has come a long way, but it can go so much farther. Our ongoing FIU-Miami Creative City Initiative aims to spur strategic thinking and spark a broad regional conversation about the best ways to improve competitiveness and achieve a more-inclusive prosperity for everyone.

The time is now.

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