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Psychiatry as New York's counter-cyclical industry

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In these tough economic times, it is sometimes hard to think of a silver lining. But Richard Florida proposes an interesting one: that what is bad for financial services firms may be good for artists and psychiatrists. I think he may be on to something.

In an essay in the latest Atlantic magazine, Florida suggests that New York City may not be as badly affected as some other US cities by the recession - despite being the home of Wall Street - because a lot of New Yorkers work in other industries, some of which are counter-cyclical.

Lean times undoubtedly lie ahead for New York. But perhaps not as lean as you'd think—and certainly not as lean as those that many lesser financial outposts are likely to experience. Financial positions account for only about 8 percent of the New York area's jobs, not too far off the national average of 5.5 percent. By contrast, they make up 28 percent of all jobs in Bloomington-Normal, Illinois; 18 percent in Des Moines; 13 percent in Hartford; 10 percent in both Sioux Falls, South Dakota, and Charlotte, North Carolina. Omaha, Nebraska; Macon, Georgia; and Columbus, Ohio, all have a greater percentage of population working in the financial sector than New York does.

New York is much, much more than a financial center. It has been the nation's largest city for roughly two centuries, and today sits in America's largest metropolitan area, as the hub of the country's largest mega-region. It is home to a diverse and innovative economy built around a broad range of creative industries, from media to design to arts and entertainment. It is home to high-tech companies like Bloomberg, and boasts a thriving Google outpost in its Chelsea neighborhood. Elizabeth Currid's book, *The Warhol Economy*, provides detailed evidence of New York's diversity. Currid measured the concentration of different types of jobs in New York relative to their incidence in the U.S. economy as a whole. By this measure, New York is more of a mecca for fashion designers, musicians, film directors, artists, and—yes—psychiatrists than for financial professionals. (via Felix Salmon)

These certainly seem to be boom times for psychiatrists, to judge by the number of suicides and evidence of acute stress in the financial industry and, anecdotally at least, New York is second to none as a centre for psychiatry and therapy.

Artists and creative types also seem to flourish in cities, particularly in the poorer and less developed areas where rents are cheap. That was the origin of the Manhattan loft, which went from being a preserve of poor artists in the 1970s to rich bohemians in the 1990s.

On the other hand, rents have to go down quite a lot first before the city becomes conducive to the kind of renaissance New York enjoyed in the wake of the 1973 crash. The New York Times this morning has a very bleak photograph of Bushwick in 1992, 15 years after the blackout riots.

As to London, maybe the picture is more mixed. I imagine it has just as great an opportunity for the creative industries to offset the financial one. On the other hand, the economy is probably more dependent on City jobs than even New York is on Wall Street.

February 16, 2009 4:40pm in Cities | 1 comment, 1 link