



Richard Florida on the Economic Crisis, the Great Reset and Creativity

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Courtesy of Creative Class Group

Richard Florida, Senior Editor, [The Atlantic](#), and Professor, University of Toronto, has spent the past decade talking about the virtues of the Creative Class and its ability to drive economies. [The Great Reset](#), his fifth book on the Creative Class takes a somewhat contrarian view on the current thinking on the economic recession. The view is contrarian in that it's more optimistic, and rooted in a belief that members of the Creative Class have the skills and talent to lead the global economy out of the current economic crisis.

The last time you and I had a chance to talk in depth, we were heading into the 2004 election. A lot has happened since then, needless to say. How have cities, and North American cities in particular, been changed by the economic crisis?

Cities and regions are likely to rise and fall, possibly dramatically. Places in North America with diversified economies and high concentrations of highly educated people and those that work in the “creative class” have done much better in weathering the current economic storm. Cities and regions that are based on older industries, or where growth was fueled by housing and sprawl, have had a tougher time. The new spatial fix from this economic downturn has been bigger than the industrial city and mass suburbanization combined. The history of capitalism is a history of the more intensive and expansive use of land and space. It's no longer city versus suburb but the rise of a new and larger form of economic landscape – the mega-region. Mega-regions are

gigantic complexes of cities and suburbs like the greater Boston-NY-Washington corridor and others across the U.S. and the globe. The world's 40-largest mega-regions produce two-thirds of all economic output and nine in 10 new innovations while housing only 18 percent of the world's population. Mega-regions are to our time what suburbanization was to post-war growth.

What about outside of the U.S.? What cities in particular, are doing well and why? Or, as I heard you say more than once, which are the cities that “get it”?

I'm convinced that my new adopted hometown Toronto is a “winner” and has a tremendous upside potential coming out of the current crisis. It won't topple New York or London as a financial center, nor will it dethrone Los Angeles as the international entertainment capital, but with its large and stable banks, numerous knowledge-based industries thriving in the surrounding mega-regions, and an increasingly diverse population, it will gain ground. And with employment opportunities in the largest centers eroding, it can make a big move on top global talent. It stands as a model of an older, once heavily industrial Frostbelt city that has not only turned itself around but continues to grow and thrive.

From a city-level view, what are the key things that need to be done for us to clear the economic crisis?

The Great Reset has underscored importance and need for a focus on creativity, innovation and human development to ensure future economic prosperity. Just as I wrote in *The Rise of the Creative Class*, I still believe every single human being is creativity. Economic growth is driven by creativity, so if we want to increase it, we have to tap into the creativity of everyone; this should be the single point of focus for all economic development policies both at the city and federal levels moving forward. As the economy has shifted, there has been a greater value assigned to human creativity; therefore, we have to create the support structures and systems to elevate our workforce and skills sets. For the first time in human history, the basic logic of our economy dictates that further economic development requires the further development and use of human creative capabilities. The great challenge of our time is to find ways to tap into every human's creativity.

What permanent changes do you see as a result of the economic crisis?

For one thing, I think we'll start defining wealth and success differently and develop new approaches to consumption. Things that have always signified wealth and security – home ownership, new cars, luxury goods – have become a burden for many people and will be replaced by more experiential consumption like travel and recreation, self-improvement, and so on. By divesting themselves of certain big-ticket possessions that have been keeping them tied down, people will gain a new freedom to live more meaningful lives. Changes in consumption and lifestyle are key to Great Resets. In order to spur industrial growth after the Great Depression and World War II, food became cheap and the fraction of Americans employed in agriculture decreased dramatically. This freed up both resources and labor that could be used to build the industries of the industrial age – housing, cars, appliances, and so forth. The same thing has to happen today. We need to make the core products of the industrial age – housing, cars, energy – cheaper if we want to fuel demand for the new technologies and industries of the future,

from healthcare and biotechnology to new information, educational, and entertainment industries.

Just as importantly, we will have to upgrade and adapt our infrastructure to these new realities. We need new infrastructure that can dramatically speed the movement of goods, people, and ideas. Part of that will mean people moving closer to where they work, working flexibility, and walking or riding a bike to work. It will also require new infrastructure like high-speed rail which can speed the connection and reduce the commuting time between far-flung places. Actually, the best thing the federal government can do for older Rustbelt cities is connect them via high-speed rail, shrinking the distance between them and creating a bigger market, labor pool, and talent cluster are more inherently more appealing to the Creative Class than others.

Is it possible for a city that lacks such appeal to develop it in a meaningful way?

All community sizes and different types can create vibrant creative centers. However, they have to be unique and authentic to their character. It's important to note that in the global hunt for talent, I expect we will see a stronger emphasis – greater than ever before – on the importance of quality of place. All cities and communities are unique. Different types of people will be attracted to communities and regions for an array of reasons. For some, the choice may be made for economic opportunity, while for others, the selection is made because the community provides access to outdoors, urban amenities—restaurants, nightlife, arts and culture—or good schools. Whatever the reason, authenticity plays an overarching role; creative workers—the innovative engine to our future economic prosperity—select communities that have all features of a complete authentic community.

What is our educational system doing or not doing about developing the next generation of the “Creative Class”?

Our current system is failing to educate and train our workers for a creative economy, which requires individuals to think creativity, be innovative and flexible. Our future education system has to be more about leveraging the assets and capabilities of our future workers. As I mentioned earlier, the greatest challenge of our time — a challenge for nations, enterprises and individuals — is find ways to tap into every human's creativity. To do this our education system as to do more to spark the creativity inside our future workforce and ensure they are going down paths that is driven by their passions and natural skills. This will require a new way of thinking about education; we will have to experiment with new partnerships, models and environments. As all research indicates, education and training cannot be a one-size-fits-all model; it must be individualistic, entrepreneurial and innovative.