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[Richard Florida: The Crash and Our Economic Geography](#)

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This weekend I got around to reading Richard Florida's piece in *The Atlantic*, "[How the Crash Will Reshape America.](#)" In it, the University of Toronto professor suggests that the current economic crisis has the potential to remake the country's economic geography in the same way that the crash of 1873 and the Great Depression did. At the very least, Florida says, it will accelerate already existing movements.

Buffalonians might take some pleasure in Florida's prediction that the Sun Belt, to which so many from this region have fled, will not fare well in the new order. Unfortunately he does not imagine that cities like Buffalo will benefit from the miseries of Phoenix:

Sadly and unjustly, the places likely to suffer most from the crash—especially in the long run—are the ones least associated with high finance. While the crisis may have begun in New York, it will likely find its fullest bloom in the interior of the country—in older, manufacturing regions whose heydays are long past and in newer, shallow-rooted Sun Belt communities whose recent booms have been fueled in part by real-estate speculation, overdevelopment, and fictitious housing wealth. These typically less affluent places are likely to become less wealthy still in the coming years, and will continue to

struggle long after the mega-regional hubs and creative cities have put the crisis behind them.

The Rust Belt in particular looks likely to shed vast numbers of jobs, and some of its cities and towns, from Cleveland to St. Louis to Buffalo to Detroit, will have a hard time recovering. Since 1950, the manufacturing sector has shrunk from 32 percent of nonfarm employment to just 10 percent. This decline is the result of long-term trends—increasing foreign competition and, especially, the relentless replacement of people with machines—that look unlikely to abate. But the job losses themselves have proceeded not steadily, but rather in sharp bursts, as recessions have killed off older plants and resulted in mass layoffs that are never fully reversed during subsequent upswings.

In November, nationwide unemployment in manufacturing and production occupations was already 9.4 percent. Compare that with the professional occupations, where it was just a little over 3 percent. According to [an analysis done by Michael Mandel](#), the chief economist at *BusinessWeek*, jobs in the “tangible” sector—that is, production, construction, extraction, and transport—declined by nearly 1.8 million between December 2007 and November 2008, while those in the intangible sector—what I call the “creative class” of scientists, engineers, managers, and professionals—increased by more than 500,000. Both sorts of jobs are regionally concentrated. Paul Krugman has noted that the worst of the crisis, so far at least, can be seen in a “Slump Belt,” heavy with manufacturing centers, running from the industrial Midwest down into the Carolinas. Large swaths of the Northeast, with its professional and creative centers, have been better insulated.

Florida has made a career of a central thesis that I will oversimplify thusly: Those regions able to attract large numbers of the most talented, educated, and creative will create strong economies, because innovation is the key product in today’s markets. However one feels about that idea, this paragraph from Florida is sobering:

Thirty years ago, educational attainment was spread relatively uniformly throughout the country, but that’s no longer the case. Cities like Seattle, San Francisco, Austin, Raleigh, and Boston now have two or three times the concentration of college graduates of Akron or Buffalo. Among people with postgraduate degrees, the disparities are wider still. The geographic sorting of people by ability and educational attainment, on this scale, is unprecedented.