

Searching for a way from the Great Recession to the 'Great Reset'

More than a few folks around town have been seen with yellowed-covered copies of a new book, combing for clues as to how Asheville's economy will emerge from the Great Recession.

"The Great Reset" is the title of sociologist and economic development guru Richard Florida's latest opus, a sobering look at how the worst economic downturn since the Great Depression may change how we live, work and travel for decades to come.

The green shoots of economic recovery that some glimpsed just last spring have withered during the long hot summer with faltering consumer confidence and stubbornly high unemployment. Our rebound from the Great Recession is taking longer than anyone expected. The 11,000 jobs that the Asheville area lost since 2008 may take another five years to reclaim, local leaders concede.

In his book, Florida compares the fallout from the financial meltdown in 2008 with the Long Depression of the 1870s and the wrenching social changes that occurred during the Great Depression of the 1930s.

We're not going back to the heyday of only a few years back, with booming house sales rising up our mountain ridges and people using the [equity](#) loans in their homes like piggybanks, to splurge on everything from SUVs to flat-screen TVs to cosmetic surgery.

In other words, there's a "new normal" emerging, with people [saving](#) more of their hard-earned money, and civic leaders having to ask what's going to be the best investment of tax money in our sidewalks, bridges, and highways as well as what can encourage small businesses to take root here and nurture new jobs.

Florida is no stranger to Asheville, which served almost as a poster child for his 2002 bestseller "The Rise of the Creative Class." The sociologist showed interesting research that the diversity and tolerance for different lifestyles that attract creative individuals may mean as much to the economic health of a community as industrial parks and factories that economic developers have traditionally touted.

Asheville's downtown, in particular, bounced back from a ghost town at the start of the 1990s to a vibrant street scene that supports blocks of restaurants and local merchants catering to visitors and residents alike.

Florida argues the Great Reset could benefit those communities with lots of human capital, which take advantage of urban density and public [transportation](#). Thus New York and Washington D.C. will probably fare well.

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Asheville’s challenge will be to keep attracting young creative workers, while keeping them here longer with a “thicker” job market. For now, many stay only a few years, underemployed in the service industry, before the region’s high rents and scarcity of jobs [drive](#) them on to bigger cities with more jobs and opportunities.

In the next economy, Florida forecasts that mega-regions could take on new significance, especially “Charlanta,” that corridor stretching from Raleigh and the Research Triangle Park down I-85 to Charlotte, Greenville, S.C., and Atlanta.

Asheville and Western North Carolina could be in a prime position to benefit from that regional economic engine, as Western Carolina University Chancellor John Bardo has pointed out in his own research.

The Asheville Hub Alliance’s Mack Pearsall’s also been reading Florida’s latest and found the book “sobering, but hopeful” as applied to our future.

“Asheville will always be a desirable place to live,” Pearsall said. “We have a great urban metabolism as Florida says, especially for a town of this size. But where do we find the sticky jobs, those jobs that aren’t going to be outsourced?”

Pearsall and other leaders of the Hub Alliance, a local economic think tank, have championed Asheville’s [assets](#), trying to attract more climate research jobs in connection with the National Climatic Data Center. The River District could be Asheville’s next new opportunity, Pearsall said, attracting new businesses, residents and visitors if developed properly in the years ahead.

Ben Teague, senior vice president of economic development at the Asheville Area Chamber of Commerce, is making his way through Florida’s book. Attracting the creative class of artists and software developers is a good strategy, but unlike Florida,

Teague says he's not ready to give up on manufacturing. "We have to make something," he said. One niche for Asheville could be in medical product manufacturing, building on the area's assets in health care.

Times seem tough now in the summer of 2010, but if Florida and others are right, some day we might look back and see this was when Asheville started to reset its economy for the next generation.

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