



Jon Talton
Special to The Seattle Times

Advice from author: Choose where you live carefully

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http://seattletimes.nwsourc.com/html/jontalton/2004345335_biztaltoncol13.html

Seattle already has the ingredients of what author Richard Florida calls a superstar city: an abundance of talent, knowledge industries, tolerance and the kind of dense, urban fabric that encourages the creative class to thrive.

Florida coined that term in his 2002 book, "The Rise of the Creative Class," and added the cautionary work, "The Flight of the Creative Class," in 2005, which warned that the United States after the Sept. 11 attacks risked closing itself off to some of the world's most talented people, with serious economic consequences.

Some of Florida's ideas were misunderstood and criticized. But he never, as some would have it, saw an economy of latte-sipping poets living in gay neighborhoods.

Rather, he argued that for advanced nations in the 21st century, most wealth in the economy would come from the work of creative professions, from designers and architects to software engineers and financial-service innovators. And those highly mobile workers would be more drawn to places that valued talent, innovation and open-mindedness.

Nor was Florida a cheerleader. He consistently warned that the creative economy would bring significant challenges, including big disparities in income and potential roadblocks to low-skilled workers rising on the economic ladder. Events have borne him out.

In his new book, "Who's Your City: How the Creative Economy is Making Where You Live the Most Important Decision of Your Life," Florida goes further. Part of the book provides help for people in deciding what place fits their personality, values and goals.

But he also examines how a globalized, talent-based economy is changing the calculus of competition. It's something that top corporations already understand, but it's slow to penetrate the parochial concerns of government policymakers.

Simply put, competition is less between states or even countries, but between cities, or, as he calls them, mega-regions. This is where human capital is clustering.

Looking at author and columnist Thomas Friedman's argument that technology has made the world flat, Florida writes, "It's a compelling notion, but it's wrong. Today's key economic factors — talent, innovation and creativity — are not distributed evenly across the global economy. They



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concentrate in specific locations.”

Cascadia powerhouse

Among the powerhouses are Boston-New York-Washington, D.C.; Southern California; Northern California, and what he calls Cascadia, the region including Seattle and Portland. But competitors range worldwide, especially in Europe and Asia.

Florida has found his personal superstar cities in Washington, D.C., and Toronto, where he is a professor at the University of Toronto and founder of a think tank, the Creative Class Group. It's quite a rise for a working-class kid from New Jersey.

When I caught up with him, he was quick to praise Seattle.

"Mega-regions are going to be super successful and Cascadia is one that is poised to be the most successful," he said in a telephone interview.

"This is the Pacific century, and when we look to the future, the Pacific regions are going to do very well. Seattle has a concentration of technology. It has fantastic universities. And there's the value of proximity to the Canadian border."

Our main competitors: California; Sydney, Australia; and Singapore.

Florida's work is based on extensive research, including a fascinating new study that uses satellite images of the world at night as a starting point to correlate light emissions with various measures of economic activity. The light output clearly delineates the mega-regions and Florida's team has come up with the yardstick of "light-based regional product" or LRP.

The world's 10 biggest "megas" house approximately 416 million people, or 6.5 percent of the world's population, but account for 43 percent of the planet's economic activity, 57 percent of patented innovations and 53 percent of the most-cited scientists.

Take the top 40 megas, with 18 percent of the world's population, and the numbers are even more staggering: 66 percent of economic activity, 86 percent of patented innovations and 83 percent of the most cited scientists.



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The world is not flat, but spiky.

By Florida's calculations, Cascadia generates \$260 billion annually in LRP. (That compares with \$2.2 trillion in output for the much more populous Northeastern U.S. mega).

Florida also found interesting data on housing prices, with good news for owners and sellers and challenging implications for buyers. Some of it will rekindle Florida's controversial nature for some social conservatives.

"Bohemian-gay index"

The cities that sustained the best prices also came out high on Florida's "Bohemian-gay index," which combines the concentration of artists, musicians and designers with concentration of gays and lesbians. These populations not only meant strong housing values but also high incomes.

Why? The groups tend to be attracted to places with abundant amenities and openness; as historically marginalized populations, they tend to be self-reliant and entrepreneurial. Their clustering in specific locales adds a powerful entrepreneurial spirit.

Now Florida is drilling down to individuals, writing to help them decide what cities and regions will mesh with them.

"No one has ever written a book on how much place matters to you," he said.

Some 40 million Americans move each year and 15 million make significant moves. "This is about how important place is to your happiness," he said.

Florida finds Seattle appealing not just for its economic assets but for "the personality of the place. In Seattle, it's not just an educated work force but a concentration of particular personalities. They're experience junkies."

In other words, this is not the retirement-and-golf crowd. Seattle's special characteristics draw the talent that feeds those special traits, a continuing cycle of success.



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Florida said it has yet to play out how global warming and higher energy prices affect the mega-regions. But he was clear about the dangers that await the regions that Balkanize and indulge in fights between cities and their suburbs.

"Mega-regions are the new organizing economic units of our time," he said.

"Regions, cities and communities are no longer competing against their neighbors. If they expect to compete and thrive in the global creative economy — the spiky world — they will need to collaborate on mega-regional planning and economic development efforts."

Jon Talton is a journalist and author living in Seattle. For more than 20 years he has covered business and finance, specializing in urban economies, energy, real estate and economics and public policy. You may reach Jon Talton at jtalton@seattletimes.com