

Q&A with author Richard Florida

By Jodi Schwan, Sioux Falls Business Journal • March 23, 2011

Richard Florida mentions Sioux Falls in his new book, *The Great Reset*, as a community that might be vulnerable in the financial services sector.

Florida, a correspondent for *The Atlantic* and director of the Martin Prosperity Institute at the University of Toronto, recently answered a few questions.

Q: How do you recommend Sioux Falls structure its post-recession approach to economic development? Should it continue to target financial services or should it focus more on identifying industries with growth potential that take advantage of the skills financial services workers possess?

A: "Yes, the economy no longer revolves simply around moving financial instruments around. Instead, it depends on generating ideas. Sioux Falls has to attract the types of companies and talent that will generate the next big idea or innovation."

Q: You also talk about the importance of mega-regions, walkable cities and innovative approaches to mass transportation. A community like Sioux Falls is comparatively small and geographically isolated, yet trying to compete for knowledge workers and grow its creative class. What sort of pragmatic strategies can you recommend to a community like this in terms of development?

A: "Economic activity is concentrating a select group of mega-regions. Worldwide there are just 40 significant mega-regions, which are home to one-fifth of the world's population, two-thirds of the global economic output and 85 percent of all worldwide innovation. To compete in the global creative economy, communities have to increase their connectivity to their respective mega-region; it is crucial for long-term success. Sioux Falls has to focus on strengthening its connection to Minneapolis or Chicago. Yes, amenities are important to the creative class but so is connectivity."

Q: From an economic development standpoint, the community has traditionally marketed itself as business-friendly in the sense that it has no corporate or personal income, a fairly low sales tax, comparatively low infrastructure costs and a work force with a strong work ethic. Is that approach enough to compete with other communities, particularly in the area of financial services? What can

we do to further differentiate ourselves?

A: "I would tell the community to look at its economic development strategy through my 4-T approach. The 4-T's represents a comprehensive strategy for organizations, cities, regions and countries to compete and prosper in the creative age.

"Talent: The driving force behind any effective economic strategy is talented people. We live in a more mobile age than ever before. People, especially top creative talent, move around a lot. A community's ability to attract and retain top talent is the defining issue of the creative age.

"Technology: Technology and innovation are critical components of a community or organization's ability to drive economic growth. To be successful, communities and organizations must have the avenues for transferring research, ideas, and innovation into marketable and sustainable products. Universities are paramount to this, and provide a key hub institution of the creative age.

"Tolerance: Economic prosperity relies on cultural, entrepreneurial, civic, scientific, and artistic creativity. Creative workers with these talents need communities, organizations and peers that are open to new ideas and different people. Places receptive to immigration, alternative lifestyles and new views on social status and power structures will benefit significantly in the creative age.

"Territory assets: More than ever before, place matters. Territory assets are the natural, built and psychological settings of the community. It is the distinct 'vibe' that makes communities unique from one another. People want to live in communities that are unique and inspiring to them."