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UI research links creativity, economic growth in Iowa counties

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A new study by a University of Iowa economics professor suggests that Iowa counties with a higher concentration of people who are part of the so-called "creative class" have stronger prospects for economic growth.

The study, by professor John Solow in the Tippie College of Business, ranks all of Iowa's 99 counties in a Creativity Index based on the one developed by economist Richard Florida. Perhaps not surprisingly, the top four counties are made up of Johnson and Story counties (home to the state's two largest universities) and Polk and Linn counties (home to Iowa's two largest metro ar-eas and financial centers).

Most counties that scored on the lower half of the index, meanwhile, are rural and geographically isolated with small popula-tions and an economic dependence on agriculture.

Florida is the economist who has argued the U.S. economy is becoming a knowledge-based economy that will be driven by creative initiatives, and the people who will be most successful in that economy are people who work in creative professions. As a result, Florida argues those places that will fare best economically are the places that are most attractive to creative people.

Using Florida's model, Solow ranked each of Iowa's 99 counties to create an Iowa Creativity Index. Solow has an ongoing re-search interest in Florida's Creativity Index theories and he compiled the Iowa Index for a paper still in progress.

The top 10 counties on the Iowa Creativity Index are Johnson, Story, Linn, Polk, Scott, Jefferson, Black Hawk, Dallas, Jasper and Woodbury. The bottom 10 are Wayne, Keokuk, Lucas, Adams, Taylor, Van Buren, Crawford, Allamakee, Worth and Montgom-ery.

Solow's research found a positive correlation between a county's economic growth and its score on the Creativity Index. Be-tween 2000 and 2004, for instance, the top 10 counties' population grew by 2.84 percent, while the population of the bottom 10 fell by 1.32 percent.

During the same period, the top 10 counties added 13,210 new jobs, while the bottom 10 lost 1,752 jobs.

The economic advantages reflected by a high Creativity Index score held true even when accounting for differences in popula-tion, Solow said. Employment in the top 10 counties grew by 1.44 percent between 2000 and 2004, while in the bottom 10 it fell by 2.79 percent.

"These results support the basic notion that creativity drives economic growth in the modern economy," Solow writes in his paper, "Creativity and Growth at the Micro Level: Evidence from Iowa Counties," co-authored with former UI economics student Lauren A. Klich.

Solow and Klich measured counties for their creativity using the index developed by Florida, with some modifications for use in Iowa. Florida measures creativity with three categories: technology, which counts the number of people employed in high-tech industries; talent, which counts the number of people who work in such businesses as computers, math, art, architecture, engi-neering, the law, health care and other professions that tend to require some

kind of advanced education; and tolerance, which measures an area's racial integration, the number of gay people and immigrants living there, and the number of people who work as authors, artists, dancers, musicians, actors and other similar artistic professions.

In Iowa, Story and Linn ranked 1-2 in technology, Johnson and Story ranked 1-2 in talent, and Johnson and Polk ranked 1-2 in tolerance.

Solow said the results further support the idea that Iowa needs to strengthen its technological economy and improve its quality of life if it hopes to attract the creative people who will be the engines of future economic growth.

"These results support Florida's contention that members of the creative class are attracted to places that accept difference and diversity, and suggest that similar forces are at work in Iowa, as well," he said.
