## BOOK EXCERPT

# Who's your city?

Urban theorist and Globe and Mail columnist Richard Florida always believed the world was shaped primarily by social and economic factors. Then he discovered the central role played by psychology

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Where we live matters more than we may think, says the man who made the "creative class" part of the lexicon. In his new book, Who's Your City?, Richard Florida examines how "mega-regions" are driving the global economy and how each one is informed by its own distinct personality. Where we choose to live, argues the director of the University of Toronto's Martin Prosperity Institute, is crucial not only to how we live and who we share our lives with, but also to what kind of career we end up having.

In this passage, he describes how this "geographic clustering" is dictated by five basic personality traits: openness to experience, conscientiousness, extroversion, agreeableness and neuroticism.

We know that values, beliefs, and attitudes cluster geographically and are sustained over time through social interaction – that's what defines culture. According to Sam Gosling, a psychologist at the University of Texas, and Jason Rentfrow, a psychologist at Cambridge University, these places (and their inhabitants) will also assume certain personality traits.

They refer to these as "social founder effects." That is, people come to acquire personality traits that reflect their practices, lifestyles, and beliefs. Places that tolerate or encourage openness to experience will ultimately attract people who seek environments in which they can feel free to express themselves.



Dr. Richard Florida, Richard Florida is the author of *The Rise of the Creative Class* and director of the Martin Prosperity Institute at the University of Toronto.

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Even people who are not initially open-minded may, to some extent, internalize some of those values and preferences over time. Eventually, large segments of the population may end up embodying these traits.

Another factor is what Rentfrow and Gosling call "selective migration." Geographic differences in personality, they write, "could have emerged as a result of immigrants selectively migrating to places that satisfied and reinforced their psychological and physical needs." According to the theory, these initial groups establish personality traits that are then passed down to subsequent generations – a notion, Rentfrow and Gosling point out, that is supported by ample evidence.

Because of the "genetic founder effects," they argue, the migration of like-minded people to certain areas may reduce the amount of variation in the gene pool over time, thereby increasing the proportion of people who possess particular traits.

These effects are reinforced by social pressure and social influence. Clearly, certain kinds of personalities are more attracted to certain kinds of places. We seek out places to live that reinforce and reflect aspects of who we are and who we want to become.

Seeing the strong clustering of personality types and learning more about the relationship between psychology and place was causing a subtle but profound shift in my own thinking. All my professional life, I've looked at how social and economic factors shape the world. I'd never really been into psychology – never thought about how personal proclivities might affect innovation or economic development. But all of a sudden it was dawning on me that psychology plays a central role.

For years I had sought to develop better and more refined measures of what economists refer to as human capital or skill. My own measures of the creative class, and of creative occupations, which we discussed earlier, were my attempts to add the kinds of work people do to economists' emphasis on human capital or level of education.

# Traits vs. skills

But what if skill is more than education and more than work? Rentfrow suggests that personality involves the capacity to acquire and perform certain tasks competently and effectively. The type of skill economists are interested in, he writes, "implies something that can be acquired with proper training, talent, motivation, and resources." But, he adds, "it's more consistent with personality theory to argue that personality traits predispose people to acquire certain skills. For example, highly conscientious people have a disposition to be detail oriented, plan ahead, or stay organized. Openness influences people's ability to acquire new skills relatively quickly."

Neuroticism is negatively associated with top talent in the form of human capital or the super-creative class. In more advanced models, it also turns out to be negatively associated with the creative class, high-tech industry, and wages. In other words, regions with high concentrations of highly educated and ultra-creative individuals tend to be more emotionally stable, less volatile, and more resilient. This suggests, among other things, that these are places where people may be more likely to take risks because they're less concerned about failure.

Agreeableness is associated with jobs in management and health care. And, while it is positively associated with innovation, high-tech industry, wages, and income in our more advanced models, the effects are quite small. This could mean that the ability to work well with others contributes, albeit slightly, to innovation. Extroversion is significantly correlated with management and sales jobs, but it too has no effect on human capital overall, high-tech jobs, or regional income.

Conscientiousness is an important characteristic to success in many fields and industries. A management consultant I know likes to say that for every open and creative person who comes up with a new idea, a company needs 10 or 20 conscientious ones to carry it out. Psychologists have found that entrepreneurs possess a mixture of openness and conscientiousness, particularly stick-to-itiveness – the ability to persevere in the face of adversity. But as our

statistical results show, conscientiousness is not a big factor in regional growth. In fact, it turned out to be negatively associated with innovation, wages and income, and housing values. Then again, as Rentfrow suggested, conscientious individuals tend to be rule-followers; give them a clearly defined task and they will develop the most efficient procedure for completing it. But when the task is not clearly defined and requires creative thought, someone who is highly conscientious but not very open will struggle to create something completely original. The way I see it, conscientiousness alone is not enough to power regional growth. However, it may play a role in combination with other factors, say, in places where conscientious personalities mix with open people.

Openness to experience is the only personality type that plays a consistent role in regional economic development. It is highly correlated with jobs in computing, science, arts, design, and entertainment; with overall human capital levels, high-tech industry, income, and housing values.

# The gay and bohemian index

The role of personality in regional economic development became even clearer when we ran more advanced statistical tests. Openness to experience had the biggest positive coefficient estimate in every case and was involved in at least eight of the 10 top models for every variable. Furthermore, it was the only variable to be positive and statistically significant in every equation. Out of 60 top models generated, openness was a factor in more than 50.

But the strongest results by far were those that looked at my Gay and Bohemian Indexes and openness to experience – literally off the chart. The finding for openness and the Gay Index was the strongest of our entire analysis.

It's not gay and bohemian concentrations in and of themselves that drive regional concentrations of creativity and innovation, but the broader, underlying regional environment of openness to experience that those two measures actually reflect.

The more I consider these results the more I am convinced that the clustering of open-to-experience personalities is a driving factor in regional innovation and economic growth. Openness is a key factor in the ability to attract and capitalize on diversity. At the bottom, regional economic growth requires two dimensions – depth and breadth. Depth comes from specialization and developing deep experience in certain key fields. Breadth comes from diversity and the open-mindedness required to accept, generate, and convert new ideas. Places that are innovative and that can sustain themselves over the long run – places like London, New York, or the San Francisco Bay area – are those that can constantly develop and capitalize on breadth. Their resilience stems from more than the level of education, skill, or technology in those areas. It is part and parcel of their personality profile – their ability to attract and to mobilize open-to-experience people.

Personality plays a significant role in understanding cities, regions, migration, and economic growth. And it is the interplay between the two – personality and place – that is key. "The ways in which personality manifests depends, in part, on the situation one is in," Rentfrow writes. Clearly, personality affects which situations and environments people approach and which ones they avoid, he continues. "But sometimes we find ourselves in situations that we didn't choose. I think it's this aspect that's especially interesting to consider at the regional level," he adds. "If we broaden the situation to include the neighbourhoods and cities within which people live, then we can begin considering how the social climate, economic conditions, and available resources in a place interact with the personality traits of the region to affect regional growth."

What does this all boil down to? For cities and regions, it means that their leadership – political, business, and otherwise – must be aware of the powerful role played by psychology. Places really do have different personalities. Those personalities stem from their economic structure and inform and constrain their futures. It's a lot easier to go out and attract a new company, or even build a new stadium, than it is to alter the psychological makeup of a region. Regional leaders must become more aware of how their region's collective personality shapes the kinds of economic activities that it can do and the kinds of people it can attract, satisfy, and retain.

For each of us as individuals, the key is to find the right fit - to think strategically in order to identify our priorities and choose the place that best fits us.

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