

Review of Richard Florida's *The Rise of the Creative Class*

By Edward L. Glaeser

Richard Florida's *The Rise of the Creative Class* is not some mere research monograph, consigned to be read by the author's wife (under duress) and his six closest colleagues (if he's lucky). Florida's book is a bestseller. It has a snazzy website. It has become the hot book among urban policy-makers. Indeed, there is little question that Florida's book has become the most popular book on regional economies over the past decade.

Florida's basic thesis is that the economy is transforming, and creativity is to the 21st century what the ability to push a plow was to the 18th century. Creative occupations are growing and firms now orient themselves to attract the creative. Employers now prod their hires onto greater bursts of inspiration. The urban lesson of Florida's book is that cities that want to succeed must aim at attracting the creative types who are, Florida argues, the wave of the future.

The natural response of an academic to seeing a fellow academic experience such success is, of course, unbridled envy. This petty emotion (or deadly sin, depending on your religious views) usually leads academics to make all sorts of snooty remarks about the importance of peer review and the lack of clear documentation of data sources in the bestseller (as if bestsellers usually have clear documentation of data sources). This sort of carping is fairly moronic.

In evaluating a book like Florida's, there are three reasonable questions to ask. First: Does it work as a book, i.e. is it well written and does it tell a good story? The answer to this question is almost always "yes." After all, academics—unlike sports heroes, movies stars and politicians—aren't usually famous enough to be able to sell thousands of books unless the book is a good read. Florida's book is no exception. The prose is vivid and clear. The pace of the book is excellent. There are plenty of fun anecdotes. I am unable to write in a way that keeps even my closest relatives interested after the first paragraph. Richard Florida can keep tens of thousands interested for a whole book. This skill is to be celebrated, and the rest of us would do well to learn from him.

The second question to ask in evaluating a book of this nature is whether it is profoundly wrong and hence, deeply embarrassing for the author and, indirectly, for the academy as a whole. In this case, market popularity is no guarantee of quality. Even Nobel laureates have achieved mass market success with embarrassing attacks on free trade which shamefully impugn the integrity of the discipline's elder statesmen. Florida's book is neither deeply wrong nor in any way embarrassing. On the contrary, it is fundamentally right. Creativity is becoming a more important part of the economy. The market value of creative people has risen and large industries have tried to adapt to the rising importance of idea-creation. Florida is not becoming popular by spewing nonsense about the evils of globalization—he is becoming popular by telling the world things about itself that are fundamentally true.

The third reasonable question about bestsellers written by academics is whether the ideas in the book are new. Here, Florida is perhaps more vulnerable. Certainly the observation that idea-generation is becoming more significant is not a particularly novel observation. After all, Adam Smith emphasizes the importance of knowledge-creation. Alfred Marshall is generally credited for beginning the modern discussion of idea-generation in urban economies. Jane Jacobs is all about creativity, especially in urban areas. What were the new growth economies of Paul Romer about, if not creativity and its rising importance over time? While Florida acts as if there is a difference between the human capital theory of city growth and the “creative capital” theory of city growth, this is news to me. I have always argued that human capital predicts urban success because “high skilled people in high skilled industries may come up with more new ideas” (Glaeser, 2003), and indeed the first regressions I ever ran showing a skills-growth connection were meant to test the importance of idea generation in cities (Glaeser, 1994).

Florida is also not unique in highlighting the rise of bohemianism and social freedom. David Brooks’ classic *Bobos in Paradise* remains the great popular discussion of the rise of bohemian values within the U.S. There are long and distinguished sociological literatures exploring this topic.

But if Florida’s novelty is not emphasizing creativity, or the rise of bohemian lifestyles, he deserves considerably more credit for putting them together. Lifestyles really do differ across occupations, and changing workplace patterns assuredly do matter for changing lifestyle preferences. This insight is correct, and I think Florida really deserves credit for emphasizing it in the popular domain.

He is also right in arguing that if cities want to succeed they need to think about providing lifestyle, or consumption, advantages to their residents. As I have argued elsewhere, declining transportation costs mean that few places have any innate advantages in production anymore. Proximity to the coal mines or the harbor may have mattered in 1900, but do not matter today. Instead, the productive advantage that one area has over another is driven mostly by the people. Urban success comes from being an attractive “consumer city” for high skill people (see e.g. Glaeser, Kolko and Saiz, 2001).

But while I agree with much of Florida’s substantive claims about the real, I end up with doubts about his prescriptions for urban planning. Florida makes the reasonable argument that as cities hinge on creative people, they need to attract creative people. So far, so good. Then he argues that this means attracting bohemian types who like funky, socially free areas with cool downtowns and lots of density. Wait a minute. Where does that come from? I know a lot of creative people. I’ve studied a lot of creative people. Most of them like what most well-off people like—big suburban lots with easy commutes by automobile and safe streets and good schools and low taxes. After all, there is plenty of evidence linking low taxes, sprawl and safety with growth. Plano, Texas was the most successful skilled city in the country in the 1990s (measured by population growth)—it’s not exactly a Bohemian paradise.

The source of Florida’s policy prescriptions seems to be his attempt to argue that there is a difference between his “creative capital” view and the mainstream urban view that human capital generates growth. As mentioned above, I have always argued that skilled cities grow because “the presence of skills in the metropolitan area may increase new idea production and the growth rate of city-specific productivity levels,” but if Florida wants to argue that there is an effect of bohemian, creative types, over and above the effect of human capital, then presumably that should show up in the data.

To test whether there really is something to Florida’s emphasis on bohemianism, I ran a few regressions using data kindly provided by Richard Florida and Kevin Stolarnick (the data are used in Florida and Knudsen, 2004). Rather than using Florida’s creativity index (which combines patent citations and the so-called gay index), I just ran regressions of population growth in the 1990s on four different measures: (1) the share of local workers in his super creative core (his definition), (2) patents per capita in 1990, (3) the Gay Index, which is the number of coupled gay people in the area relative to the number of total people in the area, and (4) the Bohemian Index—which represents the number of artistic types in the population relative to the overall population. I was given data for 242 metropolitan areas, so those are the regressions that I ran. I am including only the sparest specifications, but I am convinced that the basic results are robust to reasonable perturbations.

The first thing to note is that explorations of this kind always have little power. The variables are highly correlated and few of them have any claims to exogeneity. In Glaeser and Saiz, 2004, I do some work arguing that the skills-city growth connection doesn’t seem to come from reverse causality.

| Independent Variables (all in 1990) | Dependent Variable: Log(Population in 2000/Population in 1990) | | | | |
|-------------------------------------|--|--------------|--------------|----------------|--------------|
| Percent of Adults with B.A.s | .74 (.31) | .49 (.18) | .59 (.18) | .22 (.22) | .47 (.21) |
| Super Creative Employment Share | | | | -.77 (.80) | |
| Patent Citations per capita | | | | -.02 (.016) | |
| The Gay Index | | | | -.02 (.016) | |
| The Bohemian Index | .06 (.04) | .01 (.04) | | | |
| R-Squared | .04 | .04 | .04 | .05 | .05 |

Number of Observations 242 242 242 242 240

Note: Standard Errors are in parentheses. All independent variables are measured as of 1990.

The first regression includes both percent of adults with a college education and the share of employees in Florida's super-creative core. These variables are particularly highly correlated (75 percent), so I would take all of this with number grains of salt. Nevertheless, the results show a solid, positive statistically significant impact of the schooling variable and a negative, statistically insignificant impact of the super creative core. Maybe there is more to creativity than just schooling, but this regression doesn't show it.

The second regression includes the patent citations per capita variable. Again, years of schooling are positive and significant. Patent citations are negative and insignificant. Using a larger sample of many years, Glaeser and Saiz (2004) show that patents per capita can explain only a very small effect of the overall impact of schooling on growth. In the third regression, I include the so-called Gay Index and the results are similar. Schooling remains positive and significant, but the gay population has a negative impact. I would certainly not interpret this as suggesting that gays are bad for growth, but I would be awfully suspicious of suggesting to mayors that the right way to fuel economic development is to attract a larger gay population. There are many good reasons to be tolerant, without spinning an unfounded story about how Bohemianism helps urban development.

Finally, I look at the "Bohemian Index" itself, which represents the presence of artistic types. In the fourth regression, this variable actually does eliminate the schooling effect. The variable is itself statistically insignificant, but it clearly is powerful. Indeed, the raw correlation between the Bohemian Index and growth is almost about the same as the raw correlation between growth and the number of college graduates. Maybe there is something to this bohemianism after all.

In fact, a closer look at the data tells us that the Bohemianism effect is driven entirely by two metropolitan areas: Las Vegas, Nevada, and Sarasota, Florida. These are the two "Bohemian" centers that drive the relationship. The fifth regression repeats the fourth regression with these two metropolitan areas. Excluding those two cities means that the college variable becomes quite significant, and bohemianism becomes irrelevant. Given that I will never believe that either Las Vegas or Sarasota stand as stellar examples of Bohemianism, I will draw another conclusion from these regressions: skilled people are the key to urban success. Sure, creativity matters. The people who have emphasized the connection between human capital and growth always argued that this effect reflected the importance of idea transmission in urban areas. But there is no evidence to suggest that there is anything to this diversity or Bohemianism, once you control for human capital. As such, mayors are better served by focusing on the basic commodities desired by those

with skills, than by thinking that there is a quick fix involved in creating a funky, hip, Bohemian downtown.

I have felt compelled to engage in this critical dialogue only because these ideas have entered into the policy arena, not because I see this as a flaw in the book. On the whole, as a piece of popular social science, *The Rise of the Creative Class* is good fun and generally dead on. It is only when Florida tries to distinguish his theory from the mainstream of urban research that he seems a little off. But this is a small quibble. This work is best seen as a great volume popularizing the academic literature on the importance to cities of attracting human capital.

References

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