

## BOOK REVIEW



By Jim Nicholson

The Director of the Martin Prosperity Institute at the University of Toronto — and founder of the Creative Class Group in Washington, D.C., Toronto, Pittsburgh and Europe — Richard Florida presents a potent argument for why a few cities are emerging as extremely successful economic powerhouses, while most are in decline.

Florida argues that, as the most mobile people in human history, we are now able to choose a place to live from cities around the country (and, for that matter, around the world); all one needs to do is match a city's personality and social possibilities with our individual needs and preferences. He also argues that these needs can change with different stages — early career, raising a family and retirement — of life.

The option of voluntary migration has resulted in a mass relocation of highly skilled, highly educated and highly paid people to a relatively small number of metropolitan regions and a corresponding exodus of traditional lower and middle class people from those same places. The metropolitan areas attracting the influx of the most talented and ambitious people are the cities of the future, according to Florida. The influx and subsequent intermingling of this divergent talent pool accelerates the local rate of economic evolution; the denser the connections, the faster it goes.

The consequence of this migration is the division of the world into two kinds of regions with very different economic prospects: a small number attract the majority of the mobile and skilled, and local incomes and real estate values climb, while the great majority witness the exact opposite. Cities with highly rooted, as opposed to mobile, populations fall into the latter camp.

Florida notes that many regions, including St. Louis, which have lost manufacturing jobs, have rebuilt their economies around education and healthcare. What initially seems like a positive ultimately, he argues, can become a negative. As the share of education and healthcare jobs rises, regional earnings fall. The counter-argument that inexpensive housing makes up for lesser incomes is negated by statistics that argue metropolitan areas touting affordable housing are also areas

facing an exodus of talented people: prices rise in places that are hotly desired and stagnate or fall where demand is lower.

If not affordable housing and solid education and healthcare employers, what does make an urban center a star (or emerging star) city? Florida cites an array of attributes shared by easily identifiable 'winner' cities both large (New York, San Francisco) and mid-size (Austin) to small (Boulder). Being an area of economic specialization (for instance, Silicon Valley) also helps. Being an area rich in elements conducive to personal fulfillment and happiness is essential. Having exceptionally visionary local leadership, meaning leadership capable of charting a course beyond the immediate future, rather than one merely attempting to deal with contemporary ills, is extremely beneficial. Being able to attract recent college graduates in droves is a first step. If a city finds its young adults moving elsewhere, it is in trouble.

According to Florida's statistics, the three key factors are aesthetics, basic services and openness. Aesthetics is relatively easy to gauge: Is the city physically attractive? If the streetscape is more denuded than canopied with trees and if there are more empty lots than houses on any given block, a city is aesthetically challenged no matter how many beautiful parks and historic neighborhoods it may possess. Basic services, according to the survey, lean heavily to efficient public transportation. People are happiest, it turns out, when they can get to go where they need to go easily and without the repeated hassle (and expense) of finding a place to park. As for openness, the majority of people are happiest rubbing diverse elbows; immigrants, racial and religious minorities, gays and lesbians and people living below the poverty line, together add to the attraction of the stellar cities. Conversely, cities discouraging and/or isolating all the above suffer for their lack of openness. Florida stresses that this is not tolerance for tolerance's sake; places that are intolerant simply do not grow or shrivel.

Areas experiencing the clustering of open-to-experience personalities are also experiencing regional innovation and economic growth. Florida simply states that regional economic growth requires two key dimensions — depth and breadth. Depth comes from specialization and developing deep experience in certain key fields (for example, St. Louis' emergence as the BioBelt). Breadth comes from diversity and the open-mindedness required to accept, generate and convert new ideas. He cites cities like London, New York and San Francisco as places which constantly develop and capitalize on breadth — and thus their ability to consistently attract open-to-experience people.

Florida makes a compelling argument that local leadership must be aware of the powerful role played by psychology and attitude in regional success ("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."). He also demonstrates that it is the region's collective personality, which shapes the kinds of people it can attract, satisfy and retain, and that those places, which attract young people, end up being the winners in the nationwide competition for talent. The theories are cogent and the economic stakes are high. The star cities of the future will have benefited from leaders of today who both absorbed Florida's theories and put them into action.

# WHO'S YOUR CITY?

HOW THE CREATIVE ECONOMY  
IS MAKING WHERE TO LIVE  
THE MOST IMPORTANT  
DECISION OF YOUR LIFE

# RICHARD FLORIDA

AUTHOR OF *THE RISE OF THE CREATIVE CLASS*

