

NEW URBAN NEWS

The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity

By Richard Florida

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Review by Philip Langdon

Richard Florida has a Big Idea, and it's a fascinating one. Florida, director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, says the national and global economic crisis of the past three years is prompting nothing less than a reorganization of our way of life —an “emotional, raw social, economic reset,” in the phrase of General Electric CEO Jeffrey Immelt.

Because the economic shakeup has been so profound, many things are going to be different. “This emerging new way of life, which some already refer to as an impending ‘new normal,’ will be less oriented around cars, houses, and suburbs,” Florida asserts. “We’ve reached the limits of what George W. Bush used to call ‘the ownership society.’”

“Many of those who still choose to buy homes will choose smaller ones, while many more will opt for rental housing. Our new way of life is likely to depend a whole lot less on the car,” says Florida, who established his reputation as an economic and social thinker with his 2002 book *The Rise of the Creative Class*. “After more than a century in which an automobile represented the American dream, car enthusiasm may no longer be a part of Americans’ DNA, he says, quoting *The New York Times*. Americans are gravitating to denser, more intimately connected settings.

Florida, who grew up as the son of a Newark factory worker and who has hopped from Carnegie Mellon University to George Mason University to Toronto in the past six years, has a gift for putting economic and social changes in historical perspective. In the first part of this deftly written book, he argues that the US has experienced two other “Great Resets” in the past 150 years.

First was the Long Depression of 1873, which caused prolonged, widespread unemployment but spurred a period of “incredible inventiveness” as industrialized mass production surged, new energy systems (electric power grids) were introduced, and large cities multiplied. Second was the Great Depression of the 1930s, which stimulated an “enormous upgrading and expansion of America’s educational infrastructure,” fostered massive improvements in economic efficiency, and laid the groundwork for 50 years of suburbanization.

A new ‘spatial fix’

Economic calamities can cause society to move in a different direction for decades afterward, Florida says, and the current Great Reset is likely to foment yet another major shift — this time toward cities and megaregions, more efficient housing and transportation, and tighter clustering of jobs and talent. Each reset requires its own “spatial fix,” he argues. The spatial fix of the era we’re entering will be based on walkable communities, density, and mechanisms such as high-speed rail, which can accelerate the “economic metabolism” of megaregions like the Boston-to-Washington corridor and the 46-million-person Chicago-to-Pittsburgh conurbation.

The reset will accentuate trends that were in progress but that had not yet become dominant. “As people pour into the world’s great megaregions, inner cities and close-in suburbs are being reclaimed and rebuilt,” Florida says in describing key physical elements of the new spatial order. “Older suburbs, especially those on transit routes, are being reorganized and rebuilt into denser communities offering more condos and town houses as well as single-family homes. Suburban malls and office complexes are being retrofitted and turned into walkable areas with a mixture of housing, shops and restaurants and in some cases even new parks. Subways and rail transit are being expanded as highways clog.” All of those trends will grow stronger, he suggests.

I’ve long had two main qualms about the “creative class” concept, Florida’s initial breakthrough. First, I think Florida labeled too many millions of people and too many places as markedly “creative.” Second, I suspect Florida attributed an urban, cosmopolitan lifestyle to more knowledge workers than makes sense. So perhaps Florida is again overstating the case when he labels the current economic turbulence a Great Reset that will overhaul the metropolitan geography of North America.

And yet, there’s no disputing that sprawl has been put on the defensive by a series of mutually reinforcing developments. Most crucially, Americans have been living beyond their means. Many can no longer afford a high-consumption lifestyle based on owning and fueling multiple cars and paying for large, outlying homes. Governments are hard-pressed to maintain the existing road system, never mind expanding it for more cars. The threat of global warming makes a shift from incessant driving to relying on transit, riding bicycles, and walking — and living closer to daily necessities — an ecological imperative. Those factors all support Florida’s vision of a more urban future.

“Great Resets are the pivot points of economic history,” Florida says. They take time — two or three decades — but make a huge impact. Americans will have to act on many fronts to capitalize on the emerging possibilities, however.

“We need to radically shrink our expenditures on houses, cars, and energy to free up spending for newly emerging goods and services — everything from new biotechnologies and more powerful computers to new forms of personal development and new experiences,” Florida argues. We need to invest in infrastructure to accommodate infill development, greater density, and the dynamism of megaregions. The prescriptions

in this stimulating book ought to be on the national agenda. Florida is in the vanguard of something vital