

*i* Info

### The Most Important Decision of Your Life

Increasingly, the place you choose to live will help determine your success in business, in finding a life partner, and in living a fulfilling life. In fact, it may be the most important decision of your life. I believe that we are in the beginnings of a shift as fundamental as the industrial revolution was over a century ago—one that will have as dramatic an impact on how people live and work. Furthermore, it will have a dramatic impact on *where* they live and work. Here's why:

**1. The world is moving to a creativity based economy.** The places that succeed will be the ones that stay ahead of the curve and are able to adapt quickly.

**2. This creative economy is based on creative people**—not just artists and musicians, but engineers, scientists, architects, and educators. These are whom I call the creative class, people who work with their minds to create new things with value.

**3. Creative people can live wherever they want.** This means the creative economy is different from the older industrial or agricultural economies, where resources like iron or coal, or location on trade routes, were what determined business location. The new resource is people, and they're mobile.

**4. Creative people cluster.** They move to places where there are other creative people for them to interact with. For the past decade my work has been documenting this fact and analyzing where and why they move, and what factors lead to this clustering.

These four points were the basis of my book, *The Rise of the Creative Class*, which talked about these changes in the United States. My next book, *Flight of the Creative Class*, talked about these changes on a worldwide scale. This article, and my new book *Who's Your City*, explore these changes and what they mean for individuals.



### Why Some Cities Are Creative Winners

In the 1990s, I was an academic economist at Carnegie Mellon University in Pittsburgh, studying urban economic development. And Pittsburgh—despite world class universities, professional sports teams, cultural institutions and a trained workforce—was one of the new economy's losers. Its educated young people left, new industries didn't form, and unemployment was growing. I started looking at cities that were the winners and what they had in common. Working with a team of graduate students and researchers, I identified three characteristics of cities with dynamic economies that we came to call the Three T's.

**1. Talent.** These regions had lots of college-educated people. But we thought there was something deeper, and what we found was that they had concentrations of people in certain creative professions, which we named the Creative Class.

**2. Technology.** The creative economy regions had lots of high tech companies, and they excelled at innovation (measured by numbers of patents).

Most economists agreed on these measures of success. But as I searched for why some cities were attracting these people and businesses, we dug into the demographics and came up with some surprising and controversial findings in our third T.

**3. Tolerance.** Our research found that the cities that were succeeding in the first two T's had a third thing in common—they were open to many different kinds of people, ideas and lifestyles. The three distinct groups that were identified with creative class cities in high numbers were Gays, Immigrants and Bohemians (artists and musicians).

I didn't set out with a political agenda to choose certain groups, although we could hardly have found three more controversial populations in today's culture wars. But, in fact, all three T's were arrived at using data from the US Census, Bureau of Labor Statistics and other government and industry sources (for the technology measures). Furthermore, we ran detailed statistical analysis of this data, compared them historically and looked for other factors that could explain the phenomena. If you've read or heard about the Creative Class, chances are this is what you know.



### Location, Location, Location?

The Internet was supposed to make place irrelevant. With e-mail and the Web, combined with faxes, cell phones and FedEx, we could work from anywhere. A decade ago, there was a lot of talk about the "death of distance."

This communications revolution coincided with globalization. *New York Times* columnist Thomas Friedman, in his best-seller *The World Is Flat*, argued that the global playing field has been leveled, the prizes are there for the taking, and all of us are players—no matter where on the surface of the world we may reside.

There is some truth to both of these ideas. Modern communications have made it possible to do business from anywhere in the world. The world economy is no longer dominated by a few countries, with 90% of the globe relegated to producing raw materials.

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### The World is Spiky

However, it didn't turn out that way. In study after study, we and others have found that, in fact, economic success is becoming more concentrated in a few regions—in the United States and around the world. Far from being flat, the world is spiky. Talent, economic growth and innovation are becoming increasingly concentrated in a few dozen regions around the world. Here are some findings from a few of the numerous studies I've done with my team that demonstrate this spikiness.

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#### **Creative Class**

To begin with, the top creative class cities in the United States in Rise were (in order): Austin, San Francisco, Seattle, Boston, Raleigh-Durham, Portland, Minneapolis, Washington D.C., Sacramento and Denver. These regions are growing and becoming prosperous, even as much of the country fights decline.

#### Where The Brains Are

In 2006 I did a study of where college graduates were locating. We mapped the US and looked at the number of college graduates in each county compared to the national average. In 1970 (the average was 11 per 100) the distribution was fairly even nationwide. Some big cities and



college towns exceeded the national average, and much of the Deep South and some of the Midwest were lower, but the differences weren't dramatic.

But, by 2000 (the average was 24 per 100), the picture had changed dramatically. The regions that were above average had grown, and they were bordered by counties that were average. But the majority of the country had emptied out. Hundreds of rural counties that had been average dropped to way below average. More than that, Rust Belt cities like Cleveland and Detroit had plummeted. There has been an unmistakable migration of educated people to what we've identified as the Creative Class cities.

#### **Going Global**

Starting with the work I did for Flight, I've been exploring economic growth worldwide. Because data is collected differently in every country, it's difficult to get a good handle on the numbers. However, working with cartographer/researcher Timothy Gulden, my team developed four maps showing concentration of economic activity and creativity worldwide. (There's more detail on this in Who's Your City.)

- The first map showed population density, based on the Landscan Global Population Database. As expected, it shows a large concentration in East and South Asia (China and India), Europe, and along the coasts of North and South America.
- The second map targeted economic activity. This was the trickiest one to capture. We used a widely circulated illustration of the world at night, with higher concentrations of light and electricity use serving as a proxy for economic activity. The high points are Japan, two cities in China, Europe, and both coasts of North America.
- The third map measured commercial innovation, based on numbers of patents registered with the US Patent Office and the World Intellectual Property Organization. The highest spikes are Tokyo and Taiwan, followed by a few cities in Europe and in the United States.

• The fourth map located scientific discovery. We looked at where the 1,200 most heavily cited scientists in leading fields lived and worked. This is much more concentrated and is limited to a few cities in Europe, the Northeastern United States and the West Coast, with the San Francisco Bay Area being by far the leading region worldwide.

When you overlay the four maps together, an intriguing pattern appears. With each layer that is added, the pattern becomes increasingly concentrated. At the base, the population is already highly concentrated. Most of the world's people live in a relatively small number of big cities. The distribution of economic activity is even more skewed; many regions, despite large populations, barely register (think India and South America). Innovation and star scientists come from fewer and fewer places still. The world gets spikier and spikier the further you climb up the ladder of economic development, from producing basic goods to undertaking significant new innovations.

What these maps show is that there are about a dozen places in the US, and two or three dozen places worldwide that dominate the global economy. Even the famed globalization of manufacturing is concentrated. We're not in competition with China for manufacturing; we're in competition with Beijing, Shanghai and Hong Kong. We're not in competition with India for software development; we're in competition with Bangalore and Madras.

#### **Mega-Regions**

Another phenomenon is that the world's economic activity is overflowing regional and national boundaries as cities' economic spheres spread and overlap into mega-regions. These large areas such as Bos-Wash running from Boston to Washington, D.C., Greater London encompassing almost all of England, and Mumbai-Poona in India are starting to replace nation states as the world's locus of economic activity. These largely overlap with the maps of economic activity above.



### The Wealth of Place

So far, this discussion has been about economics as they are important to economic development departments. But wait. Didn't we start by talking about where you live? What's the importance of all this to individuals? Well, a lot. If you're thinking of relocating, there are several things you need to consider.

#### Where the Jobs Are

If you're a young person looking for career opportunities, you're aware that old-fashioned company loyalty is history. So finding a job and moving to it isn't a long-term strategy. In today's market, it's more important to find a location with lots of opportunities in your field—what I call a "thick job market." If you're in the creative class fields, these are going to be where there are lots of people like you because, increasingly, companies locate where they can find talented employees rather than the other way around. Furthermore, new companies are started as spin-offs by employees of existing companies, and they hire their peers from those companies or elsewhere.

#### **Superstar Cities**

Buying a house is the largest investment most people make. And recently this has been pretty scary, with the rapid run-up of prices and the housing bubble bursting in late 2007. But, interestingly, where your house is matters—a lot. In a 2004 study called *Superstar Cities*, Economist Joseph Gyourko identified 15 US cities that have significantly outperformed the national average in house price growth since 1940. If you're thinking of buying a house, these cities would probably be a better bet as a long term investment than other places. Of the top 15, nine are in the top 10 Creative Class cities (in seven regions, as we treated San Francisco and San Jose as part of the Bay Area, and Seattle and Tacoma as one region).

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#### Love

If you're young and single, chances are you're thinking of finding that one special someone. If you're looking for sheer numbers, a 2007 *National Geographic* map of where singles live showed that cities in the West had more single men than women, and more single women than men live in the East. But, if you're looking for similar interests, then you probably want to look at other factors such as attitudes, openness, and levels of education in a city.

#### Happiness

In 2005 and 2006, I conducted a large-scale Place and Happiness Survey with the Gallup Organization. We surveyed more than 27,000 people in 8,000 communities nationwide and found that on a 1-to-5 scale, place scored 3.63—behind personal life (4.08) and work (3.98), but ahead of finances (3.46). We also identified seven factors of community satisfaction: a good place to raise children, a good place to meet people and make friends, a place with physical beauty, good schools, parks and open space, a safe place, and a good place for entrepreneurs and new businesses.

### **Place Yourself**

In *Who's Your City*, I list a ten-step process for deciding on a new home. Here's an abbreviated version:

#### 1. What's important to you?

What do you like most and least about where you live now? Where are the places you'd most like to live? Is it important to find a job in your field, or are you thinking of a career change? How important to you are outdoor activities and nature? Climate and weather? Cultural activities and the arts?

#### 2. Generate a short list.

A good starting place is Bert Sterling's "Find Your Own Best Place Tool" at www.bestplaces.net, which allows you to compare communities by cost of living, schools, crime, climate and other factors.

#### **3. Do Your Homework.**

Read and gather information. Look at statistics. Read the local papers. Visit and talk to people. I'm working on a web-based Place Finder, which I'll be posting when the book is published.

#### 4. What do they offer?

How do the cities compare in job opportunities? Cost-of-Living? Professional development? Networking opportunities?

#### 5. The Basics.

Are the schools good? The streets safe? Housing affordable? Transportation available, and congestion manageable?

#### 6. Does the place "Get it"?

What is the political leadership like? Not only now, but historically? Are there opportunities for citizen involvement?



#### 7. Values check.

Does the place match your values? Is there tolerance of differences? Do people seem to trust one another? Do people seem to feel free to express their individuality? And how important are these things to you?

#### 8. Does it Light Your Fire?

What are the aesthetics of the place? Does it have parks, old buildings, interesting stores? And which of these matters most to you? Does it seem authentic? Does it have unique neighborhoods or is everything generic? Does it value and preserve its history? Whatever you do for fun, is it available? Arts & culture, music or theater, spectator or participant sports. Find the people who live there and share your interests, and talk to them.

#### 9. Tally it up.

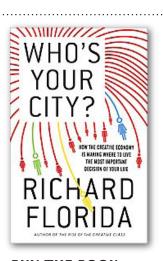
Remember, no place is perfect. Make a chart of what's important to you and compare the places on your short list. Add up the places and compare them. But don't decide based on just numbers. Use your chart to choose places to actually visit.

#### 10. Go There

Do you know people who live in each city? Talk to them. Visit for more than just a weekend. What is the rhythm of the city during the week? Overnight? Is the noise level alright? Are the streets too empty or too crowded? Explore different neighborhoods. A city is more than just its downtown.

This is a lot to think about, but it may be the most important decision of your life. It's worth the work. Choose wisely.

## info



BUY THE BOOK Get more details or buy a copy of Richard Florida's Who's Your City?

#### ABOUT THE AUTHOR

Richard Florida is the Professor of Business and Creativity at the Rotman School of Management, University of Toronto, and the founder of the Creative Class Group, a for-profit think tank that charts trends in business, communities and lifestyles. Florida has held professorships at George Mason University and Carnegie Mellon University, has taught as a visiting professor at Harvard and MIT, and is a former senior scientist with the Gallup Organization. His national best-seller, *The Rise of the Creative Class*, was awarded the Washington Monthly's Political Book Award and *Harvard Business Review*'s Breakthrough Idea Award. Florida's next book, *Who's Your City?*, will be released March 10th, 2008.

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