



IN DEPTH

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## Fifteen years ago he helped propel the U.S. urban revival. Now he's plumbing its dark side.

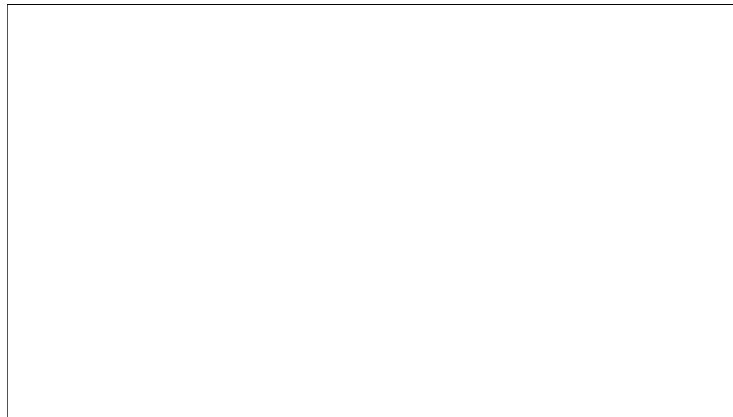
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It's been 15 consequential years since urban evangelist Richard Florida first helped popularize and propel the U.S. urban renaissance with his gospel of the creative class. It held that the tech-consumed, enterprising hip young people flocking back to cities were the nation's new economic driver, and that luring more of them to every burgh was the key to broad prosperity.

It turns out that Florida was half-right. And we're all living with the repercussions.

If you're one of the lucky ones, the data-driven precept the rock-star academic defined and prescribed in his book "The Rise of the Creative Class" — a theory adopted by mayors like New York's Michael Bloomberg and Miami's Manny Diaz — has worked to a T.

ADVERTISING



Young creatives have clustered in once-forlorn neighborhoods from Brooklyn to San Francisco, kicking them back to life with their proclivity for art and artisanal dining, cool bars, authentic architecture, design-savvy loft conversions and, most significantly, for launching innovative start-ups that today draw the whale's share of U.S. venture-capital investment.

But it's no secret that success has been a two-headed Hydra for cities. Along with it, Florida acknowledges in a new book that explores the dark side of the urban revival, has come a "staggering" level of social and economic inequality in which winners take all and losers fall farther behind.

The phenomenon manifests itself in rising housing costs in hot neighborhoods as new urbanites compete for limited places to live and luxury condos replace affordable rentals, pricing out all but the most affluent. The poor and the middle and working classes, meanwhile, are cut off from economic opportunity as they're pushed out to the margins, accentuating racial and economic segregation, Florida writes in "The New Urban Crisis."

The result has been the increasingly obvious enclaves of deep economic distress side-by-side with bastions of striking affluence, the shrinking of the middle class and the bitter political resentments that helped elect President Donald Trump.

The trend doesn't operate just within individual cities, he says. Wealth, investment, talent, innovation and remunerative jobs are increasingly concentrated in "superstar cities" and tech hubs such as New York, Los Angeles and San Francisco, leaving hollowed-out industrial relics like Akron, Flint and his native Newark at an ever-greater disadvantage.

"We are two countries," said Florida, a University of Toronto professor who maintains a winter perch on South Beach, where he wrote much of the book while a fellow at Florida International University's Urban Studios. "We're too divided. And that's what really worries me."

It's a crisis comparable in scope, if not in its particulars, to the collapse of cities in the '60s and '70s, when urban dwellers decamped for the suburbs by the millions, Florida argues. Like its bestselling predecessor, "The New Urban Crisis" is underpinned by reams of data breezily and readably presented, but its conclusions in contrast seem daunting.

Florida, a whiz at developing metrics with his team at the Toronto school's Martin Prosperity Institute, which he leads, came up with an index to rank cities by the gravity of their urban crisis. The metric combines wage and income inequality, economic segregation and housing unaffordability. According to the index, the most successful, booming big cities face the most severe crises — Los Angeles, New York and San Francisco, among others.

Not far behind them, at Number Six? The Miami metro area, which encompasses Miami-Dade, Broward and Palm Beach counties. Though South Florida hasn't seen the sort of tech-related boom or the sky-high housing prices that helped propel its companions onto the crisis list, the Miami metro "suffers from a relatively severe case," Florida's team concluded.

That's primarily because of its low-wage, service-based economy, in which low-income neighborhoods co-exist with some of the wealthiest communities in the nation, Florida says. Half the Miami metro's workforce is in service employment, a proportion far greater than in other big cities, and many struggle to meet housing costs.

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## **MIAMI RANKS NO. 2 IN THE U.S. FOR INCOME INEQUALITY. INTERNATIONALLY IT'S EQUIVALENT TO ZIMBABWE.**

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Metro Miami, in fact, ranks second for income inequality on Florida's list of U.S. cities over 1 million population, putting it on a par internationally with Zimbabwe, and 10th on his ranking by segregation of the wealthy class.

"It's terribly, terribly divided," Florida said.

Those grim assessments are quite a turnaround for Florida, long the target of critics who complained that his relentlessly upbeat approach ignored precisely the sort of predictable downsides his new book describes. Florida has been promoting the new book and its conclusions at conferences, think tanks and public forums across the country, drawing extensive coverage that sometimes might as well carry a headline saying "Richard Florida repents."

If not exactly a *mea culpa* tour, the circuit and the book reflect a recognition, no matter how belated, that it didn't all turn out as Florida expected. To be fair, though, Florida has been addressing the inequality issue since at least the revised, 10th anniversary edition of "Rise" in 2012.

"I think people like honesty, like the fact that I'm honest enough to admit the world changed," Florida said in an interview. "I took my critics seriously."

And his research has now thoroughly persuaded him that the same clustering of talent and enterprise that's essential to prosperity and the urban revival is also largely to blame for its ugly underside.

The point of "The New Urban Crisis," he says, is to diagnose the problem precisely and offer a way past it. The solution, he concludes, lies not in curbing the revival, but in ensuring that more people can share in it. That will mean pushing metro areas and their leaders to adopt a higher minimum wage and expand affordable housing and public transit while allowing denser development in central cities and inner suburbs.

What hasn't changed, Florida says, is his conviction that America's economy depends on the success of its cities.

"The past decade *has* been quite successful. The urban revival is great and important. That's because cities are engines of innovation and economic growth," Florida said. "But the clustering also causes all kinds of problems. The point is not to throw the baby out with the bathwater. We don't need to be gloomy about the urban revival. We need to be wise about it."

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**WE DON'T NEED TO BE GLOOMY ABOUT THE URBAN REVIVAL. WE NEED TO BE WISE ABOUT IT.**

Richard Florida

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“I’m trying to make a case, a wake-up call to city leaders and mayors. The next 10 years is about how do we make this inclusive. I don’t have all the answers. I’m an academic. I hope this book shapes the debate.”

At least one city that embraced Florida’s creative class theory is taking heed.

At a panel with Florida that drew 500 people earlier this month, Washington, D.C., mayor Muriel Bowser said the capital city benefitted greatly from growth and redevelopment driven in part by his ideas. But in March she unveiled an Agenda for Inclusive Prosperity to spread those benefits to the many who’ve been left out.

“While we are booming in many ways, we are a city that’s becoming inaccessible to people in many ways,” she said, according to the Washington Post.

Florida also hopes to bring his expertise to bear to help boost the fortunes of his winter home. The Knight Foundation announced this month that it’s putting \$1.2 million into a joint project by FIU and Florida’s Creative Class Group, a private consultancy, that will conduct extensive research and devise strategies to tackle the city’s economic deficiencies.

The Miami Future Urban Initiative, to be based at Mana Wynwood, will issue quarterly reports and convene public meetings to discuss findings and recommendations, said Matt Haggman, Knight’s Miami program director.

“The assumptions we have about Miami are often not true. The city is changing so much,” Haggman said. Having someone who can really shine a light and help us think in new ways will be really, really helpful.”

Florida said Miami has lots going for it beyond tourism — a growing notice among global cities, an expanding medical field, a big media, music and entertainment industry catering to Latin America, a growing number of corporate headquarters for companies doing business in Latin America, and a steady flow of immigrants who supply the city with a significant number of its creatives and college graduates.

But it’s also economically hamstrung by its relatively small middle class and its lack of public transit, he said.

“If you don’t get transportation right, you can’t scale (up). You’re going to be stuck,” Florida said. “We keep punting on this stuff. But it *is* a crisis.

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**IF YOU DON'T GET TRANSPORTATION RIGHT, YOU CAN'T SCALE (UP).**

Richard Florida

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“There is stuff to build on. We just haven’t had a robust set of conversations. I hope with this effort to change that. We need to embrace our role as a global city.”

But if Trump — whom Florida detests — makes good on his promise to go after immigrants, Florida said, Miami could be in big trouble. Given Trump’s hostility to cities, he argues, his presidency could presage a dark period for cities, which depend heavily on federal assistance for affordable housing and transportation.

Trump’s surprising election prompted a last-minute rewrite of portions of Florida’s new book, which had assumed new urban-friendly initiatives by a Hillary Clinton administration, to incorporate what may be its most radical recommendation: “Devolution,” meaning the redirection of power, decision-making authority and funding from the federal government to mayors and cities.

That’s something both liberals and conservatives could agree on, Florida says. And it could be the only way forward for cities to overcome a new age of crisis.

“It was a big ‘aha’ for me,” Florida said. “We’re not going to get federal money. We’re going to have to figure out a way to make it happen on our own.”

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**URBAN CRISIS INDEX**

The following table ranks large metro areas according to their Urban Crisis Index scores. Created by urbanist Richard Florida, the index factors in wealth disparity, high housing costs and economic segregation. South Florida ranks as the 6<sup>th</sup> worst in the nation.

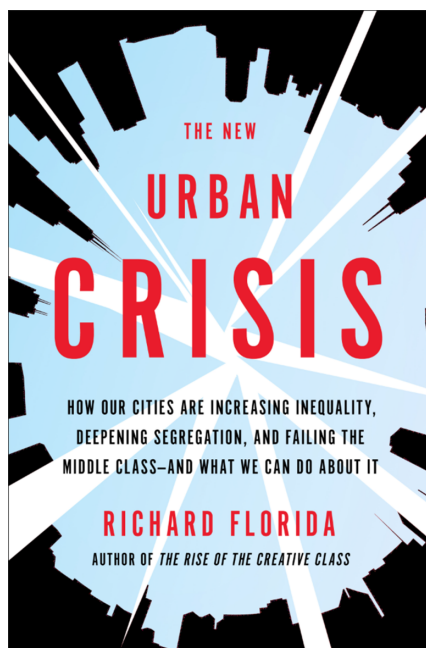
Rank	Metro area	Score
1	Los Angeles-Long Beach-Santa Ana, CA	0.972
2	New York-Northern New Jersey-Long Island, NY-NJ-PA	0.967
3	San Francisco-Oakland-Fremont, CA	0.922
4	San Diego-Carlsbad-San Marcos, CA	0.884
5	Chicago-Naperville-Joliet, IL-IN-WI	0.878
6	<b>Miami-Fort Lauderdale-Pompano Beach, FL</b>	<b>0.875</b>
7	Boston-Cambridge-Quincy, MA-NH	0.874
8	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	0.852
9	Austin-Round Rock, TX	0.845
10	Memphis, TN-MS-AR	0.842

### A WIDE GAP

In “The New Urban Crisis,” urbanist Richard Florida ranks the Miami metro area (including Broward and Palm Beach) as the nation’s 6th most distressed million-plus population when it comes to income and wage inequality, income segregation and housing unaffordability. The following helps explain why:

Miami metro area characteristics:

- Ranks in the nation’s Top 10 for the number of billionaires (31)
- Ranks No. 10 in the nation for segregation of the wealthy
- Ranks No. 2 in the nation for income inequality. Internationally it's equivalent to Zimbabwe
- Is home to the fourth-richest neighborhood in the country, Hammock Oaks in Coral Gables, with a mean household income of \$596,851
- Is home to the fourth-priciest neighborhood in the country, Fisher Island, with a median home value of \$2,928,092





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