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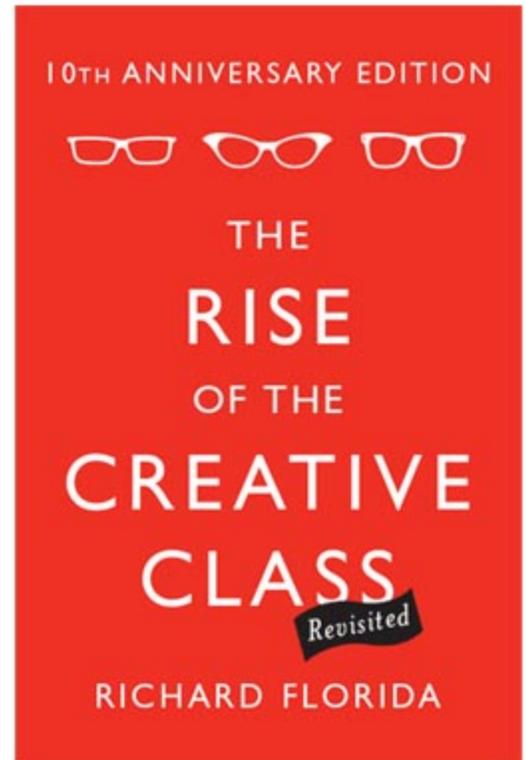
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2/19/2014 @ 9:13PM |346 views

Richard Florida: Economic Trends All Entrepreneurs Should Follow

Richard Florida wears many hats, including being an editor, professor, author and thought leader. He is currently a Senior Editor at The Atlantic and the author of the classic best-seller “[The Rise of the Creative Class](#)“. He is the Director of the Martin Prosperity Institute at the University of Toronto’s Rotman School of Management and a Global Research Professor at New York University. In addition, he is the founder of the [Creative Class Group](#), which works closely with governments and companies worldwide. At The Atlantic, he co-founded and serves as Editor-at-Large for Atlantic Cities, the world’s leading media site devoted to cities and urban affairs. Florida appears regularly on CNN and other news broadcasts and is a regular contributor to the op ed pages of major newspapers and magazines. In the following interview, Florida talks about the latest workplace and economic trends affecting business owners and employees, the impact of technology and automation, why we need a new social compact and gives his best career advice.



Richard Florida

Dan Schawbel: What’s changed in your studies of the creative class from 2002 to 2014?

Richard Florida: The thing that’s surprised me the most is how thorough-going the shift from the old industrial to the new creativity-driven economy has been. In the decade since I delivered [*The Rise of the Creative Class*](#) to its publisher, a whole series of events have occurred, from the collapse of the tech bubble and the attacks of 9/11 to the economic and financial meltdown of 2008, any one of which might have been sufficient to derail or reverse the trends the book described. Instead, they have only become more deeply ensconced.

In late 2011, the social media site [LinkedIn](#) reported that the word most used by its members to describe themselves was—you guessed it—“creative.” The Creative Class has become truly global, numbering between one-third to nearly one-half of the workforce in the advanced nations of the world. At a time when the US unemployment rate topped 10 percent, the rate of

unemployment for the Creative Class did not even hit 5 percent. As [TechCrunch](#) put it: “We all want to be part of the Creative Class of programmers, designers, and information workers. The term used to mean artists and writers. Today, it means job stability.”

I could go on. But so many of the things that seemed shockingly new when I first wrote about them—and that sent my critics into such a lather—are now seen as the norm.

Schawbel: Can you explain some of the trends you’re currently seeing in the economy and how they will impact the workplace for the next few years?

Florida: I think the biggest thing is the tremendous economic gap in our society – rising inequality.

Though it’s taken some knocks, the creative class is doing pretty well. As the economy has begun to recover, the competition for talent has heated up. Companies in Silicon Valley are scrambling to make their campuses more inviting. Companies in New York and San Francisco are creating [flexible new loft spaces](#). Zappos has moved to downtown Las Vegas, where it is [creating a whole new urban ecosystem](#) for entrepreneurial startups. It’s an exciting time for the one third of us who get to work with our minds.

But for the rest of us—anywhere from half to [66 percent](#) of the workforce—things aren’t so rosy. The biggest share of workers by far work in the service sector, which is growing jobs at the fastest clip. Our big challenge is to [upgrade those jobs](#). I’ve been reading [Zeynep Ton’s](#) new book [The Good Jobs Strategy](#). She’s studied dozens of service firms and divided them into two categories—the places that treat their workers like cogs and squeeze them and the places that see them as assets who can improve their productivity and deliver better customer service. The good jobs companies – places like Zappos, Whole Foods, Costco and Trader Joes, among others – pay higher wages, but they have more satisfied customers and earn higher profits.

Schawbel: When do you think America will get out of its economic turmoil? What can be done to get us to where we were and is that even possible?

Florida: I call what we’re going through a [Great Reset](#). Lots of economists, [Robert J. Gordon](#) at Northwestern, Tyler Cowen, even [Larry Summers](#) say we’ve exhausted our innovative capacity and that we are in effect headed towards secular stagnation. That’s the same thing that economists said during the Great Depression. But guess what. The 1930s were the most [innovative decade of the 20th century](#). We are seeing an uptick in innovation already. In their new book [The Second Machine Age](#), [Erik Brynjolfsson](#) and [Andrew McAfee](#) say we are on the cusp of a second industrial revolution, powered by digitization. We are creating new systems of technologies, new infrastructures, and whole new economic systems. Like me, they see a lot of positives and also a lot of big challenges. [Robots](#) are taking away more manufacturing jobs. Inequality is growing. We have to take hold of this and build new institutions that can cope with these challenges.

But the time frame for this is bigger than the next news cycle, or the next Congressional election. Great Resets are generational events, they take two or three decades. It took the better part of a

century before the institutions evolved that tamed the excesses of industrial capitalism and turned the proletariat into the middle class. I hope we can accelerate that process this time around.

Schawbel: What is your new idea for a social compact as illustrated in the 10th anniversary of your book?

Florida: We need to remember that the so-called golden age of growth in the US economy, the period between the end of the Second World War and the end of the Nixon era, was a product not just of the marketplace, but of man-made institutions and laws. Thanks to them, factory jobs like the one my father had paid high enough wages that he could buy a house in the suburbs and send my brother and me to college.

We need a [new social compact](#) for this new post-industrial creative age. First, society needs to invest in developing the full creative potential of every human being. Second, we need to make openness and diversity a part of our economic agenda. Inclusiveness is more than a moral virtue—it is a growth imperative. It's a great thing that other countries send their best and their brightest to the US for their educations. We should do our best to keep them here.

As for our own young people, they need an education system that encourages, not squelches, all kinds of creativity, including entrepreneurial creativity. We need to stop paring back the social safety net and expand it. People no longer work for one company for their whole lives, so they can't depend on employers to pay for their health insurance. Obamacare is just a start.

Our cities are our great growth engines; we need to invest in them. We have to build them denser and more efficient, and we have to provide them with more green spaces and sustainability. We need to better connect our cities and our suburbs with transit, and we need to connect our metro regions to each other with high-speed rail.

Schawbel: What are your top three pieces of career advice?

Florida: I think Steve Jobs said it best. He said, I'd rather be a pirate than be in the Navy. I never fit the corporate model myself. I wanted to be a rock-and-roll guitar player, but when that didn't pan out I found a career in research and writing. It was self-motivating, challenging, creative, flexible, and fun—sort of like a career in music might have been. Back then, being a professor was one of the very few options outside of corporate America. Things are much more fluid now, there are a lot more options.

So my biggest piece of advice is to follow your dreams, whatever they are, and tailor them to where the economic opportunities lay. I have run into too many students who told me they were miserable when they did things just for the money. Do what you love but find out how to make it economically viable. If they call that selling out then go ahead and do it.

I never expected any kind of economic success. I went into a career of research and writing because I genuinely love it. I loved it just as much when I was a graduate student with negative income, and I'll love it just as much when I am retired.

Of course things are a lot more volatile today. Whole fields are being offshored and superannuated by technology; companies are much less loyal to their workers. But we were in the middle of a recession when I came out of graduate school too, and there were hiring freezes at universities across the country.

Here are three things you can do:

Gain the Skills the Market Wants. Identify the skills you need and the ones that the market wants. I could have chose history or political science or geography as a field of study, I chose urban planning so I could have marketable skills if a job in academia did not pan out. And by skills, I don't mean just formal education, I mean skills like marketing, sales, communications, writing, public speaking—skills you can use no matter what your career turns out to be.

Be flexible. Make multiple bets and don't be afraid to take chances if your intuition urges you to. But out of those bets, focus on the ones that are successful. Venture capitalists make lots of bets but they double down on the ones that pay off.

Most of all, resilience is key. When things go wrong, process the lessons and move on. Nothing worth doing comes easily. The two keys to success are persistence and resilience. I forget who said this, but as the old adage goes, innovation is one percent inspiration and 99 percent perspiration. It is the ability to bounce and be resilient and not give up that counts.

And here's my last tip: *be true to yourself.* You'll be much happier and likely more successful too.

Dan Schawbel is a workplace speaker and the New York Times best-selling author of [Promote Yourself](#). Subscribe to his [free monthly newsletter](#) for more career tips.