

## Madison360: A decade later, Madison still makes the 'creative class' grade



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Ten years ago next month, I was in the audience when keynote speaker [Richard Florida](#) foresaw a bright future for Madison in remarks to the annual dinner of [Downtown Madison Inc.](#), the city's downtown booster club.

Anyone who tracks urban trends will recognize Florida's name, or at least the term "creative class," which gained him international attention and refers to an emergent cohort of knowledge workers, artists and intellectuals whose presence he argues is pivotal to the economic vitality of today's cities.

Florida, an economist and social scientist now based in Toronto, told a Madison reporter then that cities "must offer high technology, talent and tolerance for diversity. Be a kind of place like Madison is, with a great university and open to creative people of all types. Have not only a beautiful natural and physical environment, but you must have exciting things to do, art galleries, music scenes, outdoor recreation."

Florida's 2002 bestseller, "The Rise of the Creative Class," has sparked many debates about the relative importance of creativity to the economic health of cities. In his new book, "The Rise of the Creative Class -- Revisited," Florida reiterates, updates and expands on his bottom line: "Cities need a people climate as much, and perhaps even more, than they need a business climate."

In Madison's private sector, the archetype of this creative class worker is most prominent at Epic Systems, the privately held health-care software giant. Epic's giant campus is in Verona, but many of its young high-tech employees commute from Madison's isthmus because they prefer the urban lifestyle.

I was reminded of Florida recently when I came across [his article](#) headlined "America's Best Places for a Raise Since the Great Recession" on The Atlantic website, where Florida is a senior editor. He is also on the faculty at the University of Toronto and New York University.

In this ranking, Madison is 93rd out of 368 metropolitan areas for biggest raises, with an increase averaging \$6,180 over five years. Not off-the-charts, but still tops among 12 metropolitan areas in Wisconsin. While the upper Midwest as a whole fared poorly, Madison again scored well on Florida's key variable, which is the percentage of the workforce in creative-class jobs.

The pay-raise ranking led me to [Florida's new book](#), released this summer, with an eye to finding out how his views have evolved and where Madison ranks today compared to 2002.

In his newest rankings, Madison is 19th among 361 metropolitan areas in the percentage of creative class workers at 38.3 percent, a total of nearly 124,000. Just 17.5 percent of Madison-area workers, roughly 57,000, are in working-class jobs, and 44 percent, nearly 142,000, have service industry jobs.

In the 2002 ranking, Madison was also 19th in creative-class workers, but the actual number has increased 66 percent over that decade, from about 74,500. As a percentage of the workforce, Madison's creative class has grown about 6 percent over that decade.

Among Midwestern metro areas in the new rankings, only two are higher: Ann Arbor, Mich., home of the University of Michigan, is 10th at 41.3 percent; and Rochester, Minn., home of the Mayo Clinic, is 12th at 39.9 percent.

The list of who qualifies for creative class status is extensive: professionals in computers, math, architecture, engineering, science, education, training, libraries, arts design, entertainment, sports and media. It also includes managers and professionals in financial, legal, health-care and high-end sales and sales management roles.

In another of Florida's measures, Madison is 21st on the "creativity index of all metros," also unchanged since 2002. The city finishes in front of both Los Angeles and the New York metropolitan area. This index combines what Florida calls the three T's: the creative-class "talent" metric above, as well as measures of technology and tolerance.

"Technology" is measured by the concentration of high-tech workers plus a city's record for technical innovation. Madison is 17th on this ranking, no doubt driven by the University of Wisconsin-Madison and its status as a world-class research institution.

The tolerance variable measures the size of gay and lesbian populations as well as measures of racial integration and the number of foreign-born residents. On this index, Madison is 67th.

Florida has defended his thesis from critics in recent years, including against a writer who moved to Madison, left disappointed, and penned [a critique](#) titled “The Fall of the Creative Class,” dismissing Florida as “the prophet of prosperous cool.” Florida [responded in detail](#) that the author relied on questionable studies and “cherry-picked” criticisms by others.

Florida’s latest 400-page book acknowledges his varied critics: “A decade ago, many critics dismissed my notion that a vibrant local music scene can signal that a place has the underlying preconditions associated with technological innovation and economic growth.

“I caught a lot of flak for proposing that diversity and openness to all kinds of people, no matter their gender, race, nationality, sexual orientation, or just plain geekiness was not just a private virtue but an economic necessity. I earned a certain measure of notoriety for suggesting that a visible gay presence in a city can be seen as a leading indicator for rising housing values and high tech.”

He continued: “I was accused of confusing chickens and eggs when I said that the secret to building better, more vibrant locations was not just attracting companies with handouts and tax breaks, but building a ‘people climate’ -- and not with stadiums and generic malls, but with parks and bike paths and street-level culture that would make people’s everyday lives better, improve the underlying quality of place, and signal a community that is open, energized, and diverse.”

Florida’s thesis so resonates in a place like Madison that I contacted him, asking a series of Madison-centric questions. He emailed detailed answers. They follow in edited form:

### **Is Madison, as a mid-sized university town, as well-positioned as it was when you spoke here a decade ago?**

“Absolutely... Universities are veritable hubs for the creative economy, which draws on their scientific and research capacities and the highly educated, talented, and entrepreneurial people they have in such abundance.”

He pointed to his three “T”s of technology, talent, and tolerance: “All of them are written into a university community’s DNA. Cutting-edge research in science and technology gives rise to entrepreneurial startups. Academic culture is by nature meritocratic, which means that it fosters a high level of tolerance for all kinds of people -- including the oddball types that come up with some of our greatest ideas.

“Universities draw their students and faculty from all over the world; they are not just bastions of tolerance, they are the Ellis Islands of the creative age. The venture capitalist John Doerr once said that we should staple a green card to the diplomas of every foreign student. We should.

“In addition, college towns like Madison and its neighbor Ann Arbor force us to revise our dismal views of the rust belt. Though it’s just a stone’s throw from Detroit, Ann Arbor’s ranking on the creative index is four -- and Boulder (Colo.), another college town, is number one. Though Wisconsin and Michigan may be struggling when it comes to manufacturing, Madison and Ann Arbor are looking a lot like Austin did a decade ago.” (He didn’t say so, but Austin,

Texas is a state capital and home to a major university, a city that has experienced explosive high-tech growth in recent years.)

**Madison has changed a great deal since 2002 with an influx of more poor people who have altered the landscape. What are the implications of that?**

“It makes it more challenging, certainly. Inequality is a national problem that has gotten worse as the creative economy has gotten bigger. That said, we find that it is not the creative economy per se that is driving inequality, though it plays a role in it.

“Mostly it is entrenched poverty. Unskilled workers actually do marginally better in creative centers, where wages are higher; unfortunately, higher housing costs often eat up the difference.

“Still, there is this worsening divide between the haves and have-nots. Some of the most creative cities are also the most divided economically. Madison’s Gini coefficient, the standard measure of (economic) inequality, is .436, which is less than the U.S. average with .450 and much less than big cities like New York, Los Angeles or Chicago. It’s about the same as the Twin Cities.

“We know from our research that class and income increasingly structure virtually every aspect of our culture; our worsening class divides reflect the ongoing transformation of the economy and the unparalleled geographic sorting that is going along with it.

“This is why it’s so critical that low-skill, low-wage service class jobs -- in which more than 60 million Americans, 47 percent of our workforce toil -- be upgraded. Madison should not only focus on nurturing its creative class, it must tap into the creativity of *all* its workers -- including the people who take care of our old people and children, man the cash registers in retail establishments, and serve us our food.

“Home to a leading university, a center of talent and technology and tolerance, Madison can help lead the way towards a more equitable future that invests in and harnesses the creativity of everyone. This is an issue of equity and social justice, but it also makes little sense to waste human talent.”

**What should Madison leaders who agree with you and are immersed in economic development think about today?**

“They should think about the creativity of every single human being. That’s why I wrote (the new book). We have to move beyond the idea of a creative elite and start harnessing the creativity of each and every human being. That is Madison’s and this whole nation’s greatest and most urgent challenge.

“Engaging and maximizing the creativity of every worker is critical to ensuring future economic growth, as well as an equitable future. We cannot simply write off the production and service sectors -- they employ two-thirds of us... Every job can and must be ‘creatified;’ every worker must be empowered to harness his or her talents and put them to use.”

## **Why do you think policymakers have not adopted strategies to better foster creative development?**

“At the federal level they certainly haven’t. In the last few years, we all got too focused on the idea that all growth is good growth. Rather than supporting creativity and innovation, we became obsessed with growth for growth’s sake, especially in the housing sector, which swelled until it burst. More output is not a good in and of itself; that idea is a holdover from the industrial age and no longer holds true in an epoch when knowledge, innovation, creativity, and human potential increasingly drive the economy.

“But mayors and cities have begun to make a real start, working pragmatically, not ideologically, to realize their full creative and economic potentials. One thing I’ve often noticed is that mayors are too caught up in forging real solutions to real problems to play the kinds of partisan games that have gridlocked our national politics.

“Of course they need to do more. It’s my hope that government officials, economic development professionals and city leaders alike will focus their all on fully harnessing our untapped creative potential. Not only is this the road to overall prosperity; it will bring more meaning to our lives and experiences.”

### **Madison360**



# Paul Fanlund

Paul Fanlund is the editor of The Capital Times, the fifth editor in its history. A long-time Madisonian, he was a State Journal reporter and editor before taking a business job with Madison Newspapers for six years. He joined the Cap Times in 2006. With Madison360, he offers insights into the Cap Times and CT-fueled sites such as 77Square.com and Madison.com sports, and shares information, observations and links to help readers better engage in our always interesting city.