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The Buffalo Mega-Region: Bigger Than We Know

By Richard Florida - SPECIAL TO THE NEWS

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There's great excitement brewing in Toronto, where I live, over the fact that the Bills are coming to play eight "home" games (five regular season and three preseason) there over the next five years.

As a longtime Bills fan and former Buffalo resident — I lived off Elmwood Avenue and taught at the University at Buffalo in the early 1980s, during which time I braved the cold Buffalo winters to have some of the greatest football experiences of my life — I have to admit I was one of the first in line to get my tickets. Rumors swirl that Toronto interests eventually will acquire the Bills and move the team north. For some, this is a signal that Buffalo, once the wealthier and more vibrant of the two cities, will lose not just its home team but its big-league status — yet another signal of the once-great industrial mecca's fading glory.

Instead of bemoaning Buffalo's loss or cheering Toronto's gain, the binational Bills actually point the way to a better future. In fact, when asked at a major meeting of Buffalo area leaders several years ago (and well before I moved to Toronto) what I would suggest to revitalize the region, I blurted out, "become a part of Tor-Buff-Chester" — a clunky moniker for the economic powerhouse region stretching from my new hometown to Buffalo and Rochester.

The reason so many commentators and urban experts are down on Buffalo is that they are looking at it from a highly local perspective. Looking only at Buffalo and its surrounding suburban areas, they see the loss of manufacturing and the outward movement of young and talented people.

In a recent essay in the *City Journal*, Harvard University professor Edward Glaeser, the brilliant young urban economist, argued that Buffalo should stop cooking up mega-projects aimed at revitalization and itself go about shrinking in the smartest way possible. In a vibrant and engaging talk to Buffalo community leaders in April, Glaeser stressed that it would be nearly impossible for Buffalo — or any region really — to counteract the powerful economics and demographics that are shaping the globalization of manufacturing and causing the shift of young and talented people to bigger, more vibrant cities and metro areas.

All of this sounds reasonable when you look at Buffalo as an isolated island. But the picture changes dramatically when one begins to think of Buffalo in the context of the economic powerhouse that is the mega-region.

The fact of the matter is that Buffalo is a key node in one of the world's most economically potent mega-regions — stretching from the high-tech center of Waterloo on the west, through Toronto, Buffalo and Rochester, over to Ottawa and on to Montreal. Tor-Buff-Chester is currently home to about 22 million people and more than \$530 billion in economic output, making it the fifth-largest megaregion in North America and the 12th largest in the world.

This is important, because mega-regions have replaced the nation-state as the economic drivers of the global economy. These are places like Bos-Wash (the Boston-New York-Washington corridor), Chi-Pitts (running from Chicago through Detroit and Cleveland and over to Pittsburgh), Nor-Cal (around San Francisco and the Silicon Valley), Cascadia (which stretches from Portland through Seattle and Vancouver), Europe's Am-Burs-Twerp (from Amsterdam to Brussels and Antwerp), Lon-Leed-Chester (around London) and Asia's greater Tokyo, Seoul and Shanghai.

Clunky sounding or not, the 10 largest mega-regions account for 43 percent of the planet's economic activity and more than half of its patented innovations and star scientists. They generate all those pioneering breakthroughs while housing only 6.5 percent of the planet's population. And to take an even broader overhead view, the top 40 mega-regions produce 66 percent of the world's economic activity and more than 80 percent of its patented innovations and most-cited scientists, still while being home to just 18 percent of the world's population.

Tor-Buff-Chester is one of the world's very biggest mega-regions, bigger than the San Francisco-Silicon Valley megaregion, Greater Paris, Hong Kong and Shanghai, and more than twice the size of Cascadia in the Pacific Northwest. Its economic might is equivalent to more than half of all of Canada's. If it were its own country, it would number among the 16 biggest in the world, with economic output bigger than that of Sweden, the Netherlands or Australia.

Being able to run a great think tank — the Martin Rotman Prosperity Institute — in this great mega-region is what moved me back to it. I know both Buffalo and Toronto pretty well. During my time in Buffalo, I endured some large snowstorms, lived in the terrific Elmwood neighborhood, ate my share of real chicken wings and beef on weck and took in as many Bills and Sabres games as I could.

At that time, Buffalonians always would remind me of how, during the 1940s, '50s and '60s, it was Buffalo with its manufacturing muscle and exciting downtown that was the more energetic, stronger city while Toronto rolled up the sidewalks at 10 p. m.

Times change, and these days Toronto has become the engine of the mega-region. Greater Toronto is growing at a fantastic clip, adding thousands of immigrants and

115,000 people a year. But it's also clear that Buffalo's economic hemorrhaging has stabilized. Despite shedding 17 percent of its manufacturing jobs between 2001 and 2005, the region's manufacturing sector actually expanded its output by 3.5 percent, according to a study by UB's Institute for Local Governance and Regional Growth. The same report shows an increase in creative-class jobs in information technology, financial and business services, which I define as ones where people use their minds to create economic value.

What this means for Buffalo is simple: It needs to develop its position in the mega-region. The fact that the largest group of the 6,300 immigrants who arrived in Buffalo between 2003 and 2006 were Canadian is an indication of the already growing connections within it. But Buffalo more and more needs to define its advantages and its niches.

One of them is surely affordable housing. Housing prices in Toronto have skyrocketed in recent years, and young people, artists, musicians and immigrants have begun to be forced out of the city. Buffalo has the urbanity, the edginess, the authenticity and the cheap space that can and does appeal to younger creatives.

A mega-region needs to think and act like a megaregion, not like a bunch of separate cities with empty space between them. For instance, Tor- Buff-Chester needs regional investments in transportation. Mega-regions benefit from having global hub airports like Toronto's Pearson or New York's JFK, but the best way to get around one once you're there is not by plane or car but by fast rail. Europe already has this one figured out.

More important, it is imperative for local leaders to band together to get a handle and fix growing delays at the border. Making the border work efficiently and without delay and hassle will only make the megaregion and the Buffalo region stronger.

Internally, there are several things that Buffalo can do to improve its economic status and bolster what I refer to as its people climate, making the region more attractive to people as well as to industries and businesses. In a large-scale Place and Happiness Survey we did with the Gallup Organization in 2005, my research team surveyed more than 27,000 people in 8,000 communities nationwide and found that where you live matters as much as your job and personal life when it comes to determining your level of happiness. Place — the “where” of your life — even scored higher than financial health and educational attainments.

The survey also zeroed in on five key characteristics of our communities that matter to our happiness. What we found can be thought of as the urban equivalent of the psychologist Maslow's classic “hierarchy of needs,” where as people and our societies become better off, we progress up a ladder from basic security to self-realization. I call it the place pyramid.

At the bottom of the place pyramid are the basics — a great region needs to have good roads, solid infrastructure, low crime, good schools and health care.

The next level is opportunity. Regions need to provide jobs, economic opportunity, civic and social opportunity, a healthy economy and the ability to plug in, meet people and make friends.

The middle level is leadership — not just a visionary mayor and a business community that invests and cares, but a place where citizens and residents can engage in community efforts and contribute.

But there are two additional factors that form the apex of the pyramid.

One is openness to all kinds of people. In our Place and Happiness Survey, we asked people, “How would you rate your community as a place to live for the following kinds of people: Families with children, racial and ethnic minorities, gays and lesbians, immigrants, seniors, people living below poverty, young singles and recent college graduates looking for work?”

With every amount of tolerance extended to these groups, the overall happiness of the community increased! This is not because we value diversity as an abstract value per se, but because many people are drawn to open communities on the assumption that these are places where they can be themselves and prosper.

What surprised me most about this survey was the following: Guess what group came in at the bottom of the list; what group was deemed to have the toughest time? Not immigrants or gays. At the bottom, alongside “people living below the poverty line” was “recent college graduates looking for work.” Nearly 45 percent of people surveyed nationwide said their communities were either “bad” or “very bad” places for recent graduates, while just 7.3 percent said they were “very good.”

This is startling because people are most mobile when they’re young. Recent college graduates in their early to mid- 20s are three and a half times more likely to move than people in their 30s, and five times more likely to move than people in their 40s or early 50s. Numerous studies have shown that places that attract young, educated people not only tend to retain them, but get a considerable economic boost. Greater New York, for example, attracted some 285,000 young college graduates during the early part of the 2000s, a number roughly equivalent to the entire population of the City of Buffalo.

But Buffalo has considerable assets here. For one, it is a college town. UB, Buffalo State and Canisius are talent magnets, attracting young people from greater New York City and across the country. In fact, colleges and universities are the Ellis Islands of the creative economy, attracting young talented people from all over the world.

What has driven the development of high-tech Silicon Valley over the past several decades has been its ability to attract and retain entrepreneurs from all over the world. Anywhere from one-third to half of all Silicon Valley start-ups over that period count a foreign-born person among their core founding team. Buffalo needs to increase its efforts to attract, retain and place the students who are selecting it as a destination.

A recent Buffalo News article by Charity Vogel mentioned the problem of young people leaving town, and she quoted one as saying, “Most of the time it’s jobs, but a lot of the time it’s nothing major. They just go.” This impulse to skip town has a lot to do with how welcoming and vital a place feels — or doesn’t feel.

But to get them to stick around after college, a city must stay ahead of the curve in the competition for talent. Once people reach the age of 30, they tend to settle and have kids; it’s much easier to retain them after graduation than it is to lure them back once they’re gone.

At the top of the pyramid is quality of place. This includes the “look and feel” of a community — its natural environment, its lakes and waterfronts, its green space, its trails and parks, its built environment, its historic architecture, its authentic neighborhoods, the energy of its various neighborhoods and communities. We found that the higher people rate this aesthetic dimension of their community, the higher the level of community satisfaction overall.

Buffalo has a spectacular waterfront, some of the most stunning urban parks, incredible arts and cultural institutions, remarkable architecture, historic homes and authentic neighborhoods. This is an area where — with the appropriate leadership, focus and upgrading — Buffalo can really sing. And the region can offer that alongside housing prices that are still affordable for artists, creative young people, empty-nesters and working families.

The key to the future is to focus on and strengthen your internal assets while linking to and leveraging your position as the key American hub of one of the world’s largest and most dynamic mega-regions. If you can do that, Buffalo can move beyond the current debate on how much it should shrink and begin to grow and prosper again.