

Is the creative economy our future?

The region is poised at a crossroads—holding on to its industrial history while venturing into a creative economy that may just be the key to its future

BY PEG MCGUIRE

The Taubman Museum of Art is a modern and compelling addition to Roanoke's skyline. Since its debut in November 2008, it's become a signature building for Southwest and Central Virginia, a hallmark of a new era.

Just behind it, trains rumble past on tracks laid by Roanoke's founding families during the city's early industrial days.

The contrast hints at a complex story. The Roanoke region and neighboring New River Valley are poised at a crossroads—holding on to the area's industrial history while venturing into a creative economy that may just hold the key to the area's future.

The new world of a creative economy

In 2003, economist and social theorist Richard Florida defined the creative economy in his book *The Rise of the Creative Class*. The influential book proposed that a growing base of knowledge workers, intellectuals and artists were the source of economic growth for global and national economies. On the heels of his first book, Florida published *Cities and the Creative Class* (2004) and *Flight of the Creative Class* (2007), both of which proposed that cities which attract and retain the creative class prosper, while cities that hold on to the industrial model of economic growth stagnate.

Who is the creative class? And what is the creative economy it generates?

In a creative economy, innovation is paramount and reaches across all industries—from manufacturing and medicine to technology and transportation to the arts and architecture. The people with the

ideas and the know-how to implement them hold the keys to success. It's a broad term: its members include scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers and architects, among others.

They're the "idea people"—and they're what we need for a sustainable and diverse economy, says Stuart Mease, special projects coordinator for the City of Roanoke who was hired in large part to attract such a community. Since his appointment in 2006, Mease has been using technology to reach out to innovative people and businesses. "When new people come into our region, they bring new ideas—and those new ideas can lead to entrepreneurship and new businesses," he says. These new businesses, in turn, attract even more creative minds, and a creative, sustainable economy flourishes.

According to Florida, for communities to attract the creative class, they must exemplify what he calls the Four Ts: Talent (highly skilled, creative thinkers), Tolerance (diversity), Technology (infrastructure that breaks down global walls and supports entrepreneurs) and Territory Assets (the sense of place—outdoor recreation, retail, architecture).

Roanoke is joining other cities across the nation in creating the right conditions to make that happen.

The paradox: talent attracts jobs. And jobs attract talent

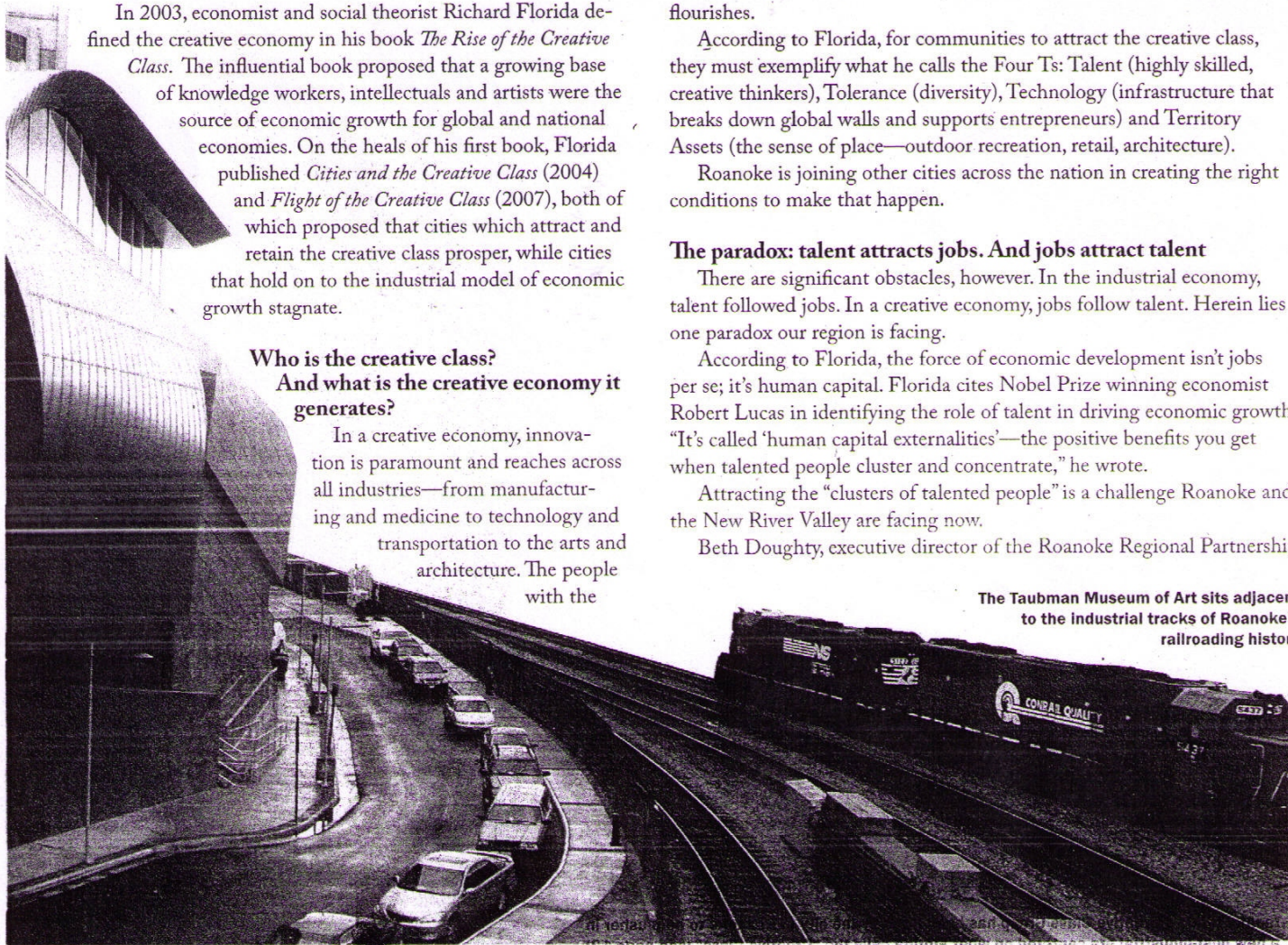
There are significant obstacles, however. In the industrial economy, talent followed jobs. In a creative economy, jobs follow talent. Herein lies one paradox our region is facing.

According to Florida, the force of economic development isn't jobs per se; it's human capital. Florida cites Nobel Prize winning economist Robert Lucas in identifying the role of talent in driving economic growth "It's called 'human capital externalities'—the positive benefits you get when talented people cluster and concentrate," he wrote.

Attracting the "clusters of talented people" is a challenge Roanoke and the New River Valley are facing now.

Beth Doughty, executive director of the Roanoke Regional Partnership

The Taubman Museum of Art sits adjacent to the industrial tracks of Roanoke's railroading history



points to a study by the Pew Research Center that found that more than half of Americans want to live somewhere else.

If talented, creative people are looking to move, area leaders want them to consider Roanoke and the New River Valley. "Research tells us that creative people pick a place first and then launch their careers," Doughty says.

Doughty says that the region has never had a better story to tell. "We have amenities that people want—more favorable economic conditions, outdoor recreational assets, active arts and culture and a superior health care system. People are noticing," she says.

An extensive marketing and public relations campaign is one of the reasons why people are noticing the region. In the past year, the Roanoke Regional Partnership launched a new Web site that features a cost-of-living calculator, links to job sites and regional data. A public relations campaign was also launched that is bringing national attention to the area. Projects such as the Taubman Museum of Art, the Virginia Tech Carilion School of Medicine and technology business growth are being pitched to national media by people like Mease, Doughty and others. New media is also part of the mix with region-specific Facebook and YouTube pages.

"Marketing our renaissance is an important aspect of our strategy," Doughty says.

The unserved workforce

While the region works to attract entrepreneurial and creative talent, Mease points to the issue of the "unserved workforce" already in Roanoke and the New River Valley.

The unserved workforce is made up of people caught in the middle—between the lowest rung

of the workforce (those in the service, manufacturing and trade industries), and the highest rung (highly skilled workers like doctors, lawyers and accountants).

This segment of the workforce is younger, has some form of higher education and good, but not billable, skill sets. They are looking for professional jobs paying between \$25 and \$50K. "These are the people who are leaving our region for larger cities and better opportunities," Mease adds.

Until our creative economy grows to the point where it's creating jobs for the unserved workforce, the region's leaders will have to create solutions to help these people stay in the area. "Right now, members of the unserved workforce either take a job beneath their skill level, or they go back to school for additional training," Mease says.

The existing creative climate

The idea of establishing and growing a creative economy throughout the region isn't a new concept; area leaders have been watching creative and innovative ideas take root for a while.

At the heart of a creative economy is a talented entrepreneur with an idea. That germ of an idea takes root and grows into a healthy enterprise. And other, smaller businesses pop up to support the healthy enterprise. The economy grows, more talent moves to the region and the process repeats itself again and again.

Cory Donovan, executive director of the NewVa Corridor Technology Council (NCTC), is watching this happen, albeit slowly. NCTC is a not-for-profit organization that "champions a climate for the sustainable success of technology-based business in the region," according to Donovan.

"Moving from an indus-

trial economy to a creative—or knowledge—economy is almost a matter of will for the region and our entrepreneurs," Donovan notes. "We're positioning ourselves as a more creative and innovative region."

Donovan offers the growth of the NCTC as proof. In 2008, the NCTC's membership—made up of mostly small technology firms—rose from 142 to 200 companies. The organization also opened an office in Blacksburg and launched a job board where area companies can post employment opportunities.

"This region has a growing entrepreneurial community that's supportive of one another and companies are hiring for well-paying technology jobs," Donovan says. "We need to start telling people that all this creativity and innovation is happening. There's an energy that's moving us forward."

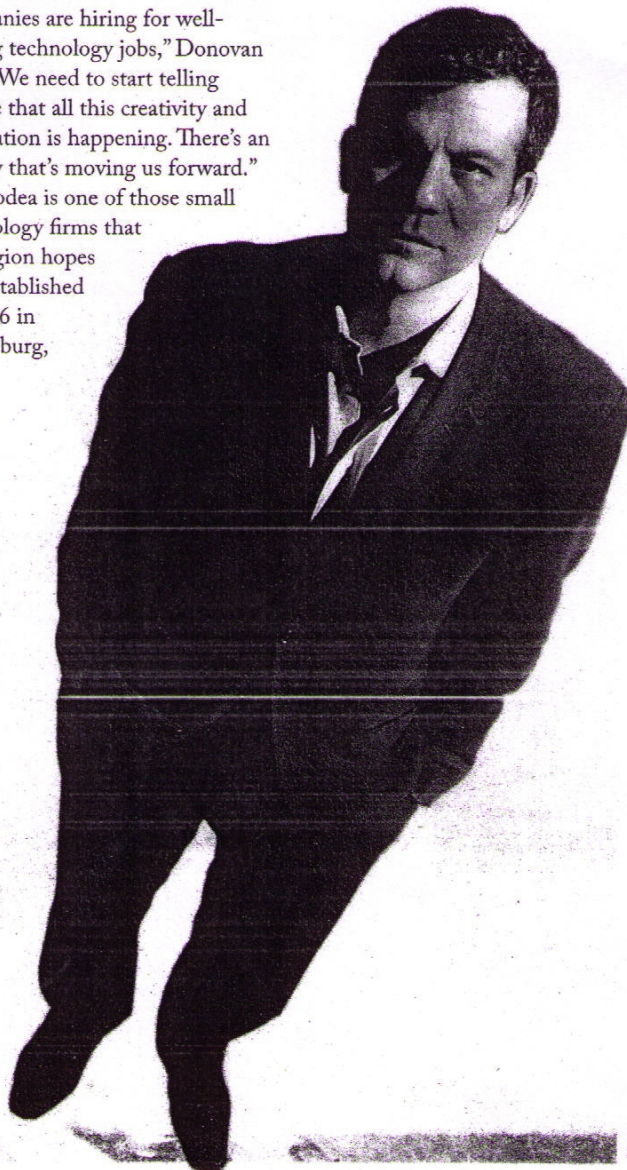
Modea is one of those small technology firms that the region hopes for. Established in 2006 in Blacksburg,

the digital services agency boasts over 30 employees and an impressive client list—Hasbro, Sharp, Advance Auto Parts and Graco, to name a few.

David Catalano, Modea's president, believes that companies can start and grow thriving businesses in Southwest Virginia. "I think that we're making great strides throughout the region," he says. "We're seeing a more creative economy and startups are flourishing."

Catalano believes that Virginia Tech is an important piece of the puzzle, not only because

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Richard Florida is founder of the Creative Class Group advisory services firm and author of several best-selling books that pose a new and intriguing approach to economic development. Florida's Creative Class Group has been hired by the city of Roanoke to help usher in a new post-industrial era centered on what Florida calls the "Creative Class" (see page 12)

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of the thought leadership that comes from a large university and research center, but because of the talent that decides to stay in the region after graduation. "Blacksburg is a melting pot of talent and ideas," he says. "The talent coming across my desk is impressive."

Catalano and his two business partners made the conscious decision to start their business in Southwest Virginia. "All three of us are transplants," he says. "Only two of us went to school at Virginia Tech. Our third partner moved here specifically to start the business."

Catalano says the decision came easily. They liked the area, the pace of life and the low cost of living and doing business. "We knew that we could accomplish great things in Southwest Virginia," he comments. "For us,

the decision to start our business here was easy."

Roy Baldwin, director for the Roanoke Regional Small Business Development Center, helps entrepreneurs get their ideas off the ground.

"The creative economy is our future," Baldwin says. "What's happening in the global economy may put a damper on creatives, but that won't last long. People

"This region has a growing entrepreneurial community that's supportive of one another and companies are hiring for well-paying technology jobs...It's just that people don't know about it"

—Cory Donovan, NCTC

aren't going to sit still—especially creatives. They'll grab onto opportunity and run."

When these people start running, Baldwin wants the region to be ready with the support necessary to support their new ventures—part of which is openness to new ideas. "We have to get over

the notion that change is bad," he says. Creative people move here with their own ideas and they see things that we don't. We should listen to their ideas and grab a hold of them."

Creative connectors

Last month, Roanoke, working with the Creative Class Group, the consulting company founded by Richard Florida, issued a call for

30 "Creative Connectors" to take part in the Creative Communities Leadership Project (CCLP), a two-day workshop followed by a yearlong commitment to projects critical to the region's creative economy.

Roanoke is one of three cities chosen by the Creative Class Group for the two-day workshop. The other two cities for 2009 are Vancouver, British Columbia, and Bloomington, IL.

According to Mease, the Creative Connectors in Roanoke will take the lead on projects that will make the city more livable, desirable and innovative.

Area business, civic and community leaders will choose the Creative Connectors. Participants will take part in a two-day conference at the end of March that will identify projects important to the community. The Creative Connectors will then work five hours per week on the projects for the rest of the year. "The goal is to have people from the community define what they want for Roanoke," Mease says.

The city government will not decide what projects the Creative Connectors take on, Mease says. "They are community driven."

The CCLP will be facilitated by the Creative Class Group and will cost the city of Roanoke \$25,000.

Steven Pedigo, director of communications and research for the Creative Class Group, will lead the sessions. "The people chosen as Creative Connectors will become catalysts for the ideas generated in the two-day workshop," Pedigo says. "It's a unique program that will identify three or four ideas that will help the region become a desirable place for innovation, creativity and entrepreneurship."

The workshop will revolve around Florida's concept of the 4 T's—talent, tolerance, technology and territory assets. "We take a look at the region's strengths and weaknesses and identify what the community wants and needs," Pedigo says. "By the end of the first day, we'll have 200 ideas. By the end of the second day, we'll have narrowed those thoughts down to a few key catalysts that will propel the community forward."

Pedigo has also led Creative Connectors workshops in El Paso, Texas and Tacoma, WA. In both cities, the Creative Connectors identified key issues that were important to attract and retain the creative class in their cities.

In El Paso, for example, the Creative Connectors identified technology as a barrier to the city's creative pursuits. Working with local government and private enterprise, the Creative Connectors were able to establish a city-wide WI-FI network. "This alone helped entrepreneurs conduct business wherever, whenever," Pedigo says.

Pedigo observes that one idea is often a catalyst for more progressive projects. "We find that one catalyst leads to another," he says. "After that, change comes quick."

Indeed, Florida's affiliation with the Roanoke area in itself is a significant milestone: Partnership with the Creative Class project just might yield the buzz the region needs to finally put it on the national map.

(Peg McGuire is a freelance writer based in Roanoke.)