Small Cities' Big Role In Reinventing The Economy

Editor's Note: This post is part of a new special section called "Reinventing America." As part of this effort, Micheline Maynard and more than a dozen other Forbes contributors and staff writers will focus attention on the challenges facing towns, cities and traditional industries across the nation—and highlight the growing number of surprising success stories we’re seeing, too. Over the coming months we’ll have stories, rankings of who’s doing it right (and wrong), and, we hope, great conversations with readers, so please join in.

I’ve lived in a lot of big cities — New York, Chicago, Tokyo, Washington, and of course, Detroit. I learned a lot from all those places, including which subway exit to take (I wish that was an issue in Detroit). But I recently moved back to my hometown, Ann Arbor, Mich., and I found that all the knowledge I picked up in big cities is helping me have a great quality of life in my small one. (You can read more of my thoughts in this essay yesterday for The Atlantic Cities.)

Of course, our major cities are playing a big role in reinventing the nation’s economy, since many ideas, trends, and solutions come from them. But small cities, especially those with a strong knowledge base, are serving as incubators for where American is headed, as well.

Richard Florida, the author of The Rise of The Creative Class, recently looked at where these knowledge-focused jobs are for a new version of his book, The Rise of The Creative Class, Revised. Surprisingly, the nation’s major cities did not perform all that well. The top five cities in the country for creative class jobs are Durham, N.C.; San Jose; Washington, D.C.; Ithaca, N.Y.; and
Boulder, Col. Rounding out the top 10 are Trenton, N.J. (which includes Princeton); Huntsville, Ala.; Corvallis, Ore; Boston, and Ann Arbor, my home town.

Widen out the lens, and the only major American city in the top 20 is San Francisco. New York City ranks 34th; Chicago is 44th, and Los Angeles is 60th. Detroit actually comes in at No. 53, and it has shrunk so much that you probably can put it the medium sized city category, now.

You can argue that cities with vast populations could never score as well as smaller ones because they have many types of jobs, and that the sheer number of government, retail and other types of service positions will dampen down a place’s intellectual mass. But it also suggests that when the country is looking for idea centers for its next phase, it needs to think smaller, not bigger.

Of course, the vast majority of the small cities on Florida’s list are college towns, and that suggests universities also have an important reinvention role to play. One of the reasons Ann Arbor is such an attractive place to live, for me at least, is the kind of minds who come here. That’s benefited the entire community, not just the University of Michigan, and it is an asset to the metropolitan Detroit area, as well.

For me, living in a smaller city was a conscious choice after spending the first part of my career in big places elsewhere. As I wrote in Atlantic Cities, there are some drawbacks. We don’t have good Chinese food, and we don’t have multiple choices of restaurants, cocktail bars and Pilates studios. But we have some of them, and we have unique things, too, like the Zingerman’s food empire. Plus, you have a passionate community of thinkers and doers who are living here in the Midlands, and not in Palo Alto or Cambridge.

I’d argue our smaller cities are going to be the linchpins for our economy the way our big cities were during the 19th and 20th centuries. It will be a different kind of economy, but we’re headed in that direction, anyway.

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