In Seeking Creative Class, Basics Still Matter

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Since 2002, Richard Florida's theory of the creative class has attracted the attention of policy makers and urban planners throughout the United States. For city officials and boosters, the take home lesson from Florida's well-publicized national speaking tour is that creative people and more specifically, highly-educated professionals, scientists, computer programmers, designers and artists, now drive economic growth and development.

In order for cities to attract and retain these creative types, it is no longer enough to offer high-paying, reliable jobs. Rather, according to Florida, competitive places must also cater to the needs and desires of this subset of the working population (30 percent, according to Florida's estimates) by supporting the creation of hip, stylish eateries and cafes, art galleries, independently-owned boutiques and eclectic, culturally-diverse urban hangouts. Cities from Denver to Providence to Durham have embraced this logic and made it the centerpiece for urban renewal and economic development by transforming gritty inner-city neighborhoods into vibrant centers of urban life and in the process, converting old industrial spaces into high-end, high-style and in many cases, high-priced downtown condominiums, townhouses and residential lofts. Their main assumption is that creative workers seek creative outlets in all aspects of life and therefore migrate to cities that actively support their preferred life style.

In their rush to attract and retain what is believed to be highly mobile talent, however, city officials — and to a large extent Richard Florida himself — seem to have glossed over a perhaps less exciting, but nonetheless critical component of the creative class story. Embedded in Florida's creative class indices are a more traditional set of indictors for explaining differences in regional economic growth — namely, educational attainment levels of the local population, industrial mix, including a region's relative share of high technology industries and regional performance in technology patenting and entrepreneurship. By featuring the lifestyle choices of creative talent, as well as urban ethnic and cultural diversity, Florida has successfully distanced himself from more established economic theories that emphasize human capital investments and industrial diversification. What he has yet to prove, however, is that creative people are replacing traditional place-based factors as the new drivers of regional growth.

Our research explores the influence of Florida's indicators on U.S. economic growth and development. Step one in this process — outlined here for 14 Southern states — involves unpacking Florida's creative class theory into four component parts: human capital, industrial mix, innovative capacity and creative population. In an effort to round out each group, we have added additional variables to Florida's original list, including share of the population that have earned a high school diploma, earnings from business proprietorships (a proxy for entrepreneurship) and finally, earnings from business services and manufacturing industries.

How do Southern states perform in each category relative to the national average? As Table 1 illustrates, for all indicators[2] except business service earnings, regional averages for the South fall below the national average. The most notable differences exist in three areas, technology patenting, high-tech industrial output (i.e., Richard Florida's tech-pole indicator) and the bohemian index.[3] For high-tech industrial output, average performance for the South is roughly half that of the nation. For all other categories, however, regional and national averages are not significantly different.

How do individual Southern cities perform? Table 2 (online) presents data for the three most populated metropolitan statistical areas (MSA) in each Southern state. For Texas and Florida, we have included all MSAs with more than 1 million residents. Shaded values indicate top performers in specific areas. San Antonio, for example, has the largest share of college graduates for this sub-set of Southern MSAs. Huntsville, home to NASA, outperforms all other cities in patents per 1,000 residents — it also has the highest percentage of earnings from business services. In terms of diverse population, Fort Lauderdale has the highest concentration of same-sex couples, Miami has the largest foreign-born population, and Lawton, Okla., has the largest share of what Florida calls bohemians, that is "artistically creative people," such as musicians, actors, painters, performers and dancers. A subset of cities — namely Atlanta, Austin, Dallas and North Carolina's Research Triangle metro-area — rank consistently high across most categories.

How do city rankings compare when looking at traditional versus creative indicators, that is, when comparing a composite index of human capital, industrial mix and innovation to a similar composite of all creative population measures? Interestingly, city rankings differ substantially across both sets of indicators.

As Table 3 illustrates, the highest-ranked

Table 1: Southern vs. National Averages

		South Averages	U.S. Averages
	Population (2003)	578,327	738,562
Human Capital	College Graduates (as a % of total population)	22.1%	23.6%
	High School Graduates (as a % of total population)	79.1%	81.5%
Innovation	Earnings from Proprietorships (%, 1986)	9.4%	9.5%
	Total Patents per 1000 (1986)	0.09	0.16
Industrial Mix	Earnings from Business Services (%, 1986)	3.0%	3.4%
	Earnings from Manufacturing (%, 1986)	18.9%	21.3%
	Tech Pole 2000	0.23	0.53
Creative Population	Melting Pot 2000	0.06	0.07
	Gay Index 2000	0.80	0.83
	Bohemian Index 1990	0.85	0.93
	Creative Class 1998	0.26	0.27

Southern creative city, Miami, drops to 39th place when factoring in more traditional variables. In contrast, Huntsville, Ala., which ranks seventh on the traditional list due in part to its strong performance in technology patenting and business services, drops to 18th place on the creative population list. Similarly, Tulsa, Okla., drops from eighth to 26th place when moving from the traditional to creative list, and Baton Rouge drops from ninth to 23rd.

Despite these differences across the South, there is some overlap. Austin, for example, ranks second and third for traditional and creative categories, respectively. Similarly, Dallas, Atlanta and Houston are high performers in both areas. This overlap is captured by a rank order correlation coefficient of .69. As this value indicates, there is a significant relationship between both lists of cities. Still, it is not sufficiently large enough to guarantee that high concentrations of creative people will result in equally strong performance in the traditional factors of economic development.

Are these different rankings really that important? They are if one set of factors is found to have a stronger influence on economic growth. Step two of our analysis tests for this relationship at both the national and regional level by looking at the impact of traditional and creative indictors on per capita income levels and job growth. While a more detailed description of our findings for the U.S. South will be presented in a future issue of *SouthNow*, preliminary results do suggest a strong, positive relationship between economic growth and the more traditional measures of human capital, innovation and industrial diversification. In contrast, creative population indicators demonstrate little or no additional growth effects. In fact, in the case of one measure, the melting-pot index, per capita income levels decline as the share of foreign-born in U.S. cities rises.

Florida recommends that cities adopt a supportive and tolerant strategy for attracting and retaining creative thinkers. This advice is important on one level, as it encourages city planners to consider the quality of life of current (and future) residents. The fact that this advice is translated into urban renewal strategies that target a small, elite subset of the working population, is often justified on the grounds that this "class" drives economic growth and development.

The economic benefits from creative talent deepening is believed to spill over into the larger community through new and better jobs and more globally competitive industries. While appealing, this "rising tides" logic has yet

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Table 3: Metro Rankings: Traditional vs. Creative

MSA	Traditional Ranking	MSA	Florida's Rankings
Dallas, TX (PMSA)	1	Miami, FL (PMSA)	1
Austin-San Marcos, TX (MSA)	2	Fort Lauderdale, FL (PMSA)	2
Raleigh-Durham-Chapel Hill, NC (MSA)	3	Austin-San Marcos, TX (MSA)	3
Houston, TX (PMSA)	4	Dallas, TX (PMSA)	4
Atlanta, GA (MSA)	5	Houston, TX (PMSA)	5
San Antonio, TX (MSA)	6	Atlanta, GA (MSA)	6
Huntsville, AL (MSA)	7	Raleigh-Durham-Chapel Hill, NC (MSA)	7
Tulsa, OK (MSA)	8	Orlando, FL (MSA)	8
Baton Rouge, LA (MSA)	9	West Palm Beach-Boca Raton, FL (MSA)	9
West Palm Beach-Boca Raton, FL (MSA)	10	Nashville, TN (MSA)	10
Oklahoma City, OK (MSA)	11	Tampa-St. Petersburg-Clearwater, FL (MSA)	11
Fort Lauderdale, FL (PMSA)	12	New Orleans, LA (MSA)	12
Fort Worth-Arlington, TX (PMSA)	13	Fort Worth-Arlington, TX (PMSA)	13
Orlando, FL (MSA)	14	Charlotte-Gastonia-Rock Hill, NC-SC (MSA)	14
Nashville, TN (MSA)	15	Richmond-Petersburg, VA (MSA)	15
New Orleans, LA (MSA)	16	Lexington, KY (MSA)	16
Birmingham, AL (MSA)	17	Birmingham, AL (MSA)	17
Tampa-St. Petersburg-Clearwater, FL (MSA)	18	Huntsville, AL (MSA)	18
Lexington, KY (MSA)	19	Greensboro-Winston-Salem-High Point, NC (MSA)	19
Columbia, SC (MSA)	20	Jackson, MS (MSA)	20
Knoxville, TN (MSA)	21	San Antonio, TX (MSA)	21
Jackson, MS (MSA)	22	Columbia, SC (MSA)	22
Little Rock-North Little Rock, AR (MSA)	23	Baton Rouge, LA (MSA)	23
Richmond-Petersburg, VA (MSA)	24	Jacksonville, FL (MSA)	24
Shreveport-Bossier City, LA (MSA)	25	Oklahoma City, OK (MSA)	25
Hattiesburg, MS (MSA)	26	Tulsa, OK (MSA)	26
Memphis, TN-AR-MS (MSA)	27	Norfolk-Virginia Beach-Newport News, VA-NC (MSA)	27
Charlotte-Gastonia-Rock Hill, NC-SC (MSA)	28	Louisville, KY-IN (MSA)	28
Charleston-North Charleston, SC (MSA)	29	Memphis, TN-AR-MS (MSA)	29
Jacksonville, FL (MSA)	30	Little Rock-North Little Rock, AR (MSA)	30
Roanoke, VA (MSA)	31	Biloxi-Gulfport-Pascagoula, MS (MSA)	31
Lawton, OK (MSA)	32	Macon, GA (MSA)	32
Louisville, KY-IN (MSA)	33	Charleston-North Charleston, SC (MSA)	33
Norfolk-Virginia Beach-Newport News, VA-NC (MSA)	34	Lawton, OK (MSA)	34
Owensboro, KY (MSA)	35	Knoxville, TN (MSA)	35
Fayetteville-Springdale-Rogers, AR (MSA)	36	Roanoke, VA (MSA)	36
Charleston, WV (MSA)	37	Mobile, AL (MSA)	37
Mobile, AL (MSA)	38	Augusta-Aiken, GA-SC (MSA)	38
Miami, FL (PMSA)	39	Greenville-Spartanburg-Anderson, SC (MSA)	39
Greensboro-Winston-Salem-High Point, NC (MSA)	40	Huntington-Ashland, WV-KY-OH (MSA)	40
Wheeling, WV-OH (MSA)	41	Fayetteville-Springdale-Rogers, AR (MSA)	41
Fort Smith, AR-OK (MSA)	42	Charleston, WV (MSA)	42
Augusta-Aiken, GA-SC (MSA)	43	Shreveport-Bossier City, LA (MSA)	43
Biloxi-Gulfport-Pascagoula, MS (MSA)	44	Hattiesburg, MS (MSA)	44
Macon, GA (MSA)	45	Wheeling, WV-OH (MSA)	45
Greenville-Spartanburg-Anderson, SC (MSA)	46	Fort Smith, AR-OK (MSA)	46
Huntington-Ashland, WV-KY-OH (MSA)	47	Owensboro, KY (MSA)	47

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to offer credible evidence of this relational dynamic. Until it does, policy makers and planners, especially those responsible for improving lagging economic regions of the U.S. South, should remain on the traditional path — that is, promoting the economy through more direct investments in quality education and training, new business creation and technology deepening. ■

[1] Project collaborators at the Department of City and Regional Planning, UNC-Chapel Hill include Mary Donegan, Josh Drucker, Harvey Goldstein and Emil Malizia.

[2] Human capital variables were generated from the 1990 U.S. Census and describe the percentage of the population aged 25 and older by education levels. The high school graduate category also includes GED equivalency earners. We used data from the Regional Economic Accounts of the Bureau of Economic Analysis to generate data on the share of earnings from business proprietorships and from establishments categorized as business services and manufacturing. We used data from the U.S. Patent and Trademark Office to generate commercial utility patents granted per 1000 population.

[3] The following indices were developed by Richard Florida: Creative Class is the percentage of the MSA's workforce in creative professional and super-creative core occupations. Creative professional occupations include: management occupations; business and financial operations occupations; legal occupations; healthcare practitioners and technical occupations; high-end sales and sales management. Super-creative core occupations include computer and mathematical occupations; architecture and engineering occupations; life, physical, and social science occupations; education, training, and library occupations; arts, design, entertainment, sports, and media occupations. TechPole is a combination of an MSA's high-tech industrial output as a percentage of total US high-tech industrial output and the MSA's location quotient of high-tech industrial output. The Bohemian and Gay Indices are location quotients for artistically creative people in MSA and those who identify as gay male partners, respectively. The Melting Pot Index is the percentage of foreign-born in the MSA. (We are grateful to Richard Florida and Kevin Stolarnick for these data.)