

*Florida, "Revenge of the Squelchers," pp. 1-9
http://www.americancity.org/article.php?id_article=39

Along the Amtrak ride north of Baltimore, a 875,000 square foot Rite Aid distribution warehouse has sprouted from cornfields. Some might point to this as a sign of healthy market growth. But considering that \$7.1 million in taxpayer money went to help build the warehouse—and hundreds of millions more may come in the future in the form of new roads and subsidies to transport workers from distant Baltimore neighborhoods—it sounds a lot more like state-sponsored socialism than the free market.

building the civic infrastructure necessary to attract and retain people and businesses. As governments take a serious look at his ideas, billions of dollars spent on subsidies of politically-connected industries hang in the balance.

From the right, consider what Steven Malanga of the neo-conservative Manhattan Institute has to say:

From the left, Joel Kotkin and Fred Siegel write the following in *Blueprint*, a magazine associated with the Democratic Leadership Council:

I am a political independent, fiscal conservative, social liberal, and believer in vigorous international competition and free trade.

Jane Jacobs has a word for this kind of person. What distinguishes thriving cities from those that stagnate and decline is a group of people she calls the "squelchers." Squelchers, she explains, are those political, business, and civic leaders that divert human creative energy by posing roadblocks and saying "no" to new ideas.

Between 1990 and 2000, the creativity leaders actually generated three times as many jobs as the lowest-ranked regions, 2.32 million versus 850,000 jobs. Controlling for the fact that the leading regions employ more people, the leaders still generated jobs at more than twice the rate of the others, 22 percent versus 11 percent. According to Stolarick's analysis, the leading creative regions continued to perform better in recent years, contradicting Malanga's claim that their earlier performance was an unsustainable by-product of the tech boom.

A region may well create lots of jobs, but what really matters is the quality of those jobs—the wealth they generate and the salaries they pay. Stolarick's analysis found that the leading regions on my Creativity Index added more than \$100 billion in total wages between 1999 and 2002, more than five times the \$20 billion added by the lowest ranked regions. Workers in the leading creative regions averaged more than \$5000 more in wages and salaries than those in the lowest-ranked regions, \$40,091 versus \$34,383.

Given these trends, which city would you put your money on to be an economic powerhouse fifty years from now: Las Vegas, a region typically held up as a model of recent growth by my critics, which could easily go the way of Atlantic City after the 1920s, or San Francisco, which boasts Stanford, Berkeley, and a long legacy of technological and cultural innovation? It's true that between 1990 and 2000, Las Vegas ranked first in population growth and third in job growth, but in per capita income growth, it ranked a lowly 294th out of some 315 U.S. regions.

Malanga's real goal is to denigrate all forms of public policy, while promoting the traditional right-wing notion that tax cuts, privatization, and unfettered free markets will not only generate economic growth, but also solve virtually every urban ill. This is utter nonsense. The broad consensus among serious urban economists is that tax rates have at best a minor effect and that real growth stems from the

improved productivity and higher rates of innovation produced by concentrations of skilled human capital.

It unequivocally states that large, top-down government development projects, like stadium-building efforts and massive downtown revitalization plans, are a major part of the problem. Like Jane Jacobs, I argue that real economic development is people-oriented, organic, and community-based.

What typically come first, these critics argue, are the jobs. Once a region has those, then the people—as well as the amenities, lifestyle, and tolerance—follow. One conventional economic developer recently put it this way: “Create the jobs and diversity will follow.”

This kind of thinking does not square with reality. My research and other recent studies have shown that many people choose location first and then look for jobs in those locations. A 2002 survey of four thousand recent college graduates reported in the Wall Street Journal found that three-quarters of them identified location as more important than the availability of a job when selecting a place to live.

The jobs-versus-people question is a false dichotomy.

critics suggest that growth does not occur in diverse, urban places that welcome what Kotkin calls “singles, young people, homosexuals, sophists, and trendoids,” but rather in sprawling, sunny suburbs with a penchant for “family values.”

This line of criticism implies that a place must either be family-friendly or gay-and-bohemian-friendly, but can't be both. This is divisive thinking; it's also inaccurate.

Kotkin cites McAllen, Texas, and the California cities of Fresno and Riverside as fast-growing, family-friendly cities. Among the 331 metro areas in the United States, McAllen ranks first in the percentage of households with children headed by gay parents, while Fresno and Riverside rank 8th and 21st, according to Gary Gates of the Urban Institute. Apparently in these places, “family” means more than Ward, June, Wally, and the Beaver.

only 23.5 percent of Americans now live in a standard nuclear family with two parents and children at home. Appealing only to traditional families and bashing everyone else may make good propaganda for the culture wars, but as a development strategy, it's a pretty narrow approach: any region or politician that does so stands to alienate a lot of talented people.

Our findings have an eerie resonance in today's heated debate over gay marriage. The states and cities that have already or are currently trying to restrict gay rights tend to rank at the very bottom of such lists.

the suburbs are the source of much growth. ---- these innovative peripheries must be understood in relation to the thriving urban centers and the open and tolerant cultures in which they are embedded. -
- successful regions offer many options, including thriving suburbs with affordable housing, safe streets, and good schools. --- Consider the effects of sprawl. Virtually the entire literature on urban economics emphasizes that cities are based on urbanization economies.

conomists Dora Costa and Matthew Hahn finds that high-skill, high-earning “power couples” are disproportionately concentrated in larger urban areas which offer more amenities. Cities from Minneapolis and Chicago to Boston, Seattle, and Toronto have enjoyed long-run economic success despite cold, rainy weather.

some critics dismiss the advantage of places like San Francisco, Boston, Seattle, and Austin as mere flash-in-the-pan products of the 1990s dot-com bubble. But these places have been experiencing quality growth for decades. Using IRS data to compare who's moving out to who's moving in, the statistician Robert Cushing has found that these regions are losing low-income people but gaining high-income people. He found, for example, that families moving from Austin, a high-tech boomtown, to slower-growth Kansas City in the 1990s earned an average of \$25,912 a year. Those going in the other direction, from Kansas City to Austin, earned over \$65,000.

the change we are going through today is similar in scale and scope to the shift from an agricultural to an industrial society, with sweeping implications for the way we work and live, the way we organize our time, the structure of family and community, and the function of cities. some 30 percent of the workforce—are part of the creative class, engaged in science and engineering, research and development, technology-based industries; in the arts, music, culture, aesthetic, and design; or in the knowledge-based professions of health care, finance, and law.

I argue that culture operates not by constraining the range of human creative possibilities, but by enabling and mobilizing them. An expansive, open culture which does not discriminate, does not force people into "boxes," allows them to be themselves and to validate their varied identities; it unleashes human creative potential, and in doing so, spurs innovation, entrepreneurship, and economic development.

FLORIDA'S OWN Criticisms and concerns

The same dynamics that fueled the movement of creative people between U.S. regions now operates on a global scale, and other nations are stepping up their ability to compete many assume that the United States to have an unbeatable edge, its position is much more tenuous than commonly thought.

As the creative economy takes root in places like San Francisco, Boston, and New York, it generates tremendous pressure on housing prices, forcing artists and low-income workers out of their communities and further increasing socioeconomic inequality.

stress and anxiety is markedly higher across all income and class groups in regions with high Creativity Index scores.

On the one hand, relegating vast numbers of people to do rote work amounts to systemic waste that is both morally negligent and economically inefficient. We must find ways to make service and manufacturing jobs more creative and thus less deadening for the people who hold them. On the other hand, creativity is the great leveler. It cannot be handed down, and it cannot be "owned" in the traditional sense. It defies gender, race, ethnicity, sexual orientation, and outward appearance. We cannot know in advance who the next Andy Warhol, Billie Holiday, or Paul Allen will be, or where they will come from. Yet our society continues to encourage the creative talents of a minority, while neglecting the creative capacities of many more.