THEATRE COMMUNICATIONS GROUP, INC.
CENTERPIECE

FOCUS ON: GOVERNANCE

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FALL FORUM 2002: ARTS ACTIVISM IN CHANGING TIMES

BY JUDY HANSEN

"Theatre Boards in 2002: Arts Activism in Changing Times" was the focus for the Fall Forum held November 15–17, 2002, in New York City. Approximately 120 trustees, managing directors and artistic directors from more than 50 Constituent member theatres were fully engaged in creative and informative sessions throughout the weekend.

The opening night reception was held at the beautiful Rainbow Room. In his introductory remarks, TCG's Ben Cameron urged trustees to move beyond their traditional roles and become "trustee activists," advocating for the value of their theatre within their respective communities. The idea of the trustee activist was echoed by keynote speaker, Richard Florida, as he explained the economic and social value of creativity, using the social theories and statistical data from his recent book, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*.

We were also treated to some extraordinary plenary sessions that ranged from strategic planning to branding to an artistic director panel discussion featuring Chris Coleman from Portland Center Stage, Martha Lavey from Steppenwolf and Michael Wilson from Hartford Stage Company — each artistic director emphasized the importance of using his or her respective theatre's core values as a tool in communicating with the board.

Also particularly relevant in these tight fiscal times was a plenary session with TCG's deputy director Joan Channick interviewing Todd Haimes, artistic director of Roundabout Theatre Company about "Turning the Institution Around." In this fascinating case study, Haimes recalls how the Roundabout transformed from an institution in Chapter 11 to a successful enterprise. The interview will be published as a *Centerpiece* addendum, look for it on TCG's website in February 2003.

What follows in this *Centerpiece* is Florida's keynote speech.

The Rise of the Creative Class

BY RICHARD FLORIDA

My comments are aimed at what Ben so aptly called the "trustee activist," and they're aimed at how maybe we can all be helpful in this changing, I wouldn't say *troubled*, but I'd say very *interesting* and *transitional* time. It's an honor and a privilege to be here with all of you.

Now, you have to understand some of my background and if any of you read the book closely you may know some of it. I was born on the other side of the river — in Newark, NJ. I never thought I'd be addressing anybody in some place like the Rainbow Room. A kid growing up in Newark and then North Arlington (if you watch the *Sopranos* that's my home town they go through), would never expect to be talking to people who do so much in theatre and the performing arts, so it's my honor to be here with you.

My book comes from a lot of different places. It comes from growing up in a place like North Arlington and trying to understand and make sense of the world that I grew up in and why our economy performs the way it does. It comes from living in Pittsburgh for the past 14–15 years of my life — a place with tremendous economic assets and enormously rich artistic and cultural heritage — trying to understand why our greatest export, which used to be steel, is now our talented and creative people. What is helping to shape these currents in our economy?

Well, what is the message in this book? As I said, the book is aimed at trustee activists; it's aimed largely at members of the business and economic community. And aside from playing in a really bad rock band, I have no background in the artistic and cultural community. The subject that I spent my life trying to understand is: Why do some economies in nations and cities and regions grow and why do others decline?

I've always been a student of economic growth. My early work was on the great high-technology centers in Silicon Valley and the area around Boston. My later work was about how you make quality manufacturing products. And Ben nailed it: It's not about quality, it's about value. And we learn this from virtually every product that we use in our day-to-day life. Quality is a no-brainer. You have to have quality — you have to provide value and stimulation, experience and excitement. So my work comes from trying to understand what makes economies grow.

I believe that over the past 100 years, we've been sold a bill of goods. Because here's what the traditional theory said — everyone from Adam Smith to Alfred Marshall, to Karl Marx and Joseph Schneider to their modern day disciples and descendents say basically the same thing: If you want to grow a great economy, all you need to do is invest in technology. People win Nobel Prizes for this basic insight; the key to economic growth is technology. And, sure, some modern day economists have expanded that to say it's knowledge, a human capital. But what my book tried to say, from the point of view of a student of economic growth, is that technology and innovation, entrepreneurship and business formation, the things that business leaders and government officials believe drive economic growth, come from a much more fundamental and basic human characteristic — they come from human creativity. And the point of my book is that technology and entrepreneurship, innovation and business formation are but aspects of that broader human endeavor.

And I say that creativity comes in many forms. There is technological creativity — the creation of new ideas and new inventions that captivate. There is economic creativity — entrepreneurship. And there is artistic, cultural, civic and democratic creativity. And that the truly great places, the places that grow, from Athens to Rome to Florence, to the great European centers of London, Paris, Berlin, to this great city, to San Francisco in the current day — they have all been places which have supported, invested and cultivated creativity in its broadest human dimension. And that's the main point of this book.

Well, how did I learn that? I learned that as a very young boy growing up in Newark, NJ, because, like any young boy, I was captivated by what my father did. My father left school at age 13 in Newark to work in a factory called "Victory Optical." It's in the ironbound section of Newark — so called because it's bounded on all sides by train tracks. My dad went to work there at age 13 to help support his family of seven brothers and sisters and his two Italian immigrant parents during the Depression. He took his time off to serve in World War II, and when he came back from the war, he went back to work in the same factory. And he was fortunate. He worked his way up to a regular plant worker, to a foreman, to factory manager. And on some Saturdays, I would pull on his pant's legs and say "Dad, would you take me to the place you work?" And occasionally, he took me to the factory and as we walked through the buzzing and the whirring equipment and watched the chips and plastic pieces flying around, my dad would talk to the Italian workers a little bit in Italian, the Puerto Rican workers a little bit in Spanish, the Germans, the Polish a little bit in their language, and he'd always point out to me — he'd say, "Rich, what makes this factory great isn't the building. It isn't the machines. It isn't the technology. It's the knowledge, the intelligence, the creativity of the people who work here." Well, my dad worked in an eyeglass factory. And a lot of us wear eyeglasses. In fact, I was one of these dorky kids who had to wear eyeglasses at three-years old. And the eyeglasses my father made looked kind of like the ones Elvis Costello wears. The point I'm trying to make here is that creativity exists not just in the arts and culture, not just industries like software and biotechnology.

The eyeglasses I wear today look very different than the eyeglasses my father made. He made eyeglasses that cost eight or nine dollars, and you paid for the material content of the glasses because they allowed you to see a little better. Well, I paid more than 10 times eight dollars — even quite a bit more than that. And I didn't pay for the material; I'm paying for the creative content of these eyeglasses.

My favorite story ever published in the *Wall Street Journal* was two months ago — the one about the "trophy stove." Here are these two yuppies sitting behind their new purchase — the trophy stove. It's the royal blue Viking model with the granite counter top, and on top of it is the Chinese take-out container. Six-thousand bucks for your stove — and you don't cook on it; you look at it. And that's the point — with every single thing we use in our daily lives, the value comes from the creative content.

My book makes one other comment: it says that the ability to support creativity and the ability to create these kinds of industries and high value products doesn't end where the company boundary ends. These innovative industries that capture this creative value grow up in places that have a broader ecosystem. Now here's a person that knows nothing about this sort of thing, stumbling on to this notion of a broader ecosystem. A broadly creative ecosystem.

And in my work I run into a lot of conservative people in business, and they always try to make a very helpful point: They say, "Well, Rich, interesting idea you have. But how do you explain Silicon Valley?" You know, Silicon Valley — out there in the middle of California — is really a bland place. There are strip malls and highways, and acre upon acre of this homogeneous landscape. It looks to them like a classic "Nerd-istan," a place where the nerds like to go. And I thought about this a lot, and the question I ask myself is: Where is Silicon Valley? It's in the weirdest place in the world…California. And where in California is Silicon Valley? It is equidistant between the Haight-Ashbury neighborhood of San Francisco and the Monterey Peninsula. But what do we know about those two places? Were those bland "Nerd-istans?" Who was there before the nerdy scientists and engineers ever got there? Really strange eccentric, interesting and creative people.

I always look back at the example of my hometown, Pittsburgh. I think about the two Steves: Steve Jobs and Steve Wozniak in the year 1970-something, with hair down to their waists, big bushy beards, ripped jeans and Birkenstock sandals, and they invent this thing called "the personal computer," and they say, "Oh, we gotta go get money for it." Can you imagine them walking into the offices of Mellon Bank? They wouldn't have gotten past the receptionists before the security guards threw them out the door. But in Silicon Valley — in this weird place near San Francisco — they were just creative people. And when I interviewed Donald Valentine, the venture capitalist who invested in them, he said, "I didn't care what they looked like. I didn't care about the shell. I knew that the value lay in what was *in* the shell — their creative capacity."

Well, look at any leading technology center. Look at Austin, TX. "Well, it all happened the day Michael Dell moved into the dormitory room in the frat house and invented a cheaper way of making a Dell Computer." Now, come on. What was in Austin, TX, before Michael Dell ever got there? Hippies, Willie Nelson, a place that was artistically and culturally very stimulating — it was a Mecca for people from all over that part of the world.

Seattle is also a favorite example. Paul Allen — depending on the day, the second or third richest man in the world, co-founder with Bill Gates of Microsoft — he decides that he is going to make a contribution to the Seattle community. What is the cultural institution he invests in? He creates the Experience Music Project — a museum devoted to the legacy of the idol of both of our boyhoods — Jimi Hendrix. Why does Paul Allen do this? Because if a young African American musician who grew up in Seattle could blur the boundaries of rhythm and blues and psychedelic music and soul and create a studio called Electric Ladyland, using the latest technology to enhance and stimulate and project his creativity, then maybe a geeky little nerdy kid like Paul Allen can create something new like a computer company. It wasn't Andrew Carnegie or John D. Rockefeller or the great robber barons that stimulated Paul Allen's creativity. It was a popular musician: Jimi Hendrix. And that's the point of the book — in order to grow as an economy, we need to invest in that broad ecosystem that creates this kind of stimulation.

So creativity is the source of economic wealth, that's point number one.

Point number two: we have gone through the most sweeping economic transformation of the past century, and few of us even know about it. A hundred years ago, 40 percent of us worked on farms. Less than five percent of us worked in anything remotely like a creative field. By the year 1920, we had gone through a then-remarkable transformation. People left the farms and went to work in the factories, and by the year 1920, more than 40 percent of us were working in the factories, with many fewer of us working on the farms. But still less than five percent worked in anything remotely like a creative field. Still as late as the year 1950, when nearly 50 percent of us worked in industry, less than 10 percent of us worked in the creative fields. In the past 20 years, we have seen an economic transformation as great as the Industrial Revolution. Today, more than a third of the economy is concentrated in the creative sector. It is larger and more powerful in numbers and percents than the industrial or manufacturing sector.

People in the creative sector work in science, engineering, technology, biomedicine, information technology and software. They work in research, development and education. They also work in professional fields: law, advertising, marketing, graphic design and health care. And rounding out this great sector are people who work in the culturally creative fields: artists, poets, actors and actresses, performers and directors. All together, 38 million people work in the creative sector. We compose a new class.

Just as the Industrial Revolution brought with it a new class — the working class — the rise of the creative sector brings with it the rise of a new class: the creative class. And it is the rise of this new class that is dramatically reshaping how companies, communities and regions compete and win the economic game.

You see, we're going through a population re-sort. You see it every day in your communities — because unlike all the previous economic factors of production, members of this creative class are not tied to the soil. They are not linked to the land. You can't mine creative people out of the ground. You can't pump them out of a well. We are a highly mobile bunch and we're fickle and we're finicky and we can vote with our feet. And we are picking to locate in the kinds of places that allow us to be creative, that stimulate us, and that are open to the kinds of people that we can be and want to be that validate our identities as creative people. That's what's going on.

For those of you who come from a business background may be asking, "Who is this guy Florida? What does he know about business?" Let me give you two examples of people you might believe if you are discounting what I say. The first is Jack Welch. I got to meet him about six months ago, when he and I were giving presentations at *Information Week*'s annual meeting. And my dear friend Bob Evans, editor of *Information Week*, keyed Jack up with a softball question. He said "Jack, tell us about what was the competitive differentiator for General Electric when you were CEO. And how much did it have to do with your investment in information technology?" And Jack said almost the exact thing my father told me. He said, "It has nothing to do with technology. When they bring me the $20-million elephant project, I chase the guy out of the room. The key to GE's success was our ability to attract, maintain and mobilize the most intelligent, knowledgeable and talented people."

Better yet, two years ago I got to address the 50 governors at their annual meeting in Washington, DC. And preceding me as a presenter was Carly Fiorina, the CEO and chairperson of Hewlett Packard. And she said, "Governors, keep your tax packages, keep your financial incentive packages, keep your highway interchanges. We don't need your great football and baseball stadiums. When we make a location decision, we only have one condition in mind. We go to where the highly skilled and creative people are."

So, the key to economic competition is not simply attracting firms and jobs and generating technology. In the older environment we thought we could build great regions if we just attracted a company and created the jobs and then people would move there. What Carly Fiorina was saying, is that the key is having the ecosystem that can attract the creative and talented people.

There's only one question left. No one in my whole God-darn field of economic growth ever stopped to ask the question, "Why do we people choose the places we do to live and work?" One great misunderstanding is that this perspective might seem to be elitist. The comment in the book is that although 38 million of us are paid to be creative — every single human being is creative. That's the real challenge. Not only how to attract and maintain the members of this creative class, but how to harness the creative energy of every single human being. So my book is an attempt to try to understand why certain communities can mobilize, harness, attract and retain this energy while others may not.

Let me first give you a few examples on how the rise of the creative age is changing some of our behaviors. There is a whole section in my book on lifestyle, and it is a subject that greatly interests me. When my dad came home from the factory, he would have a particular recreation regime that he would go through. He would go to the fridge and get a can of beer, pop it open and watch a ball game. Now, why would my dad do that? He worked with his hands and his brawn all day. He wanted nothing to do with any other kinds of physical stimulation. I try to imagine my dad coming home from work and taking off his pants and putting on a pair of sophisticated boxer shorts and a pair of running shoes. Can you imagine my father in 1960 jogging down the street in his boxers in New Jersey? They would have put him in the insane asylum. Now, I come home and put on my titanium suit with a funny Martian helmet and goggles. I can only imagine doing this in 1967 in North Arlington.

Where does this come from? Well, people say that's a lifestyle shift. It all originated in California. No! Think. Creative people have always done odd things like this. Why? Because we work with our heads, with our creativity, we replenish ourselves through our physical activity. It's a change in the nature of the way we work. Because we contribute our minds and our knowledge into an economic space, we then need physical release.

What about the changes in the workplace? The workplace is changing dramatically. I spent the day today at one of the greatest toilet bowl companies in the world — American Standard. Why was I there? Because they realize that American Standard is a creative company, and they are getting their lunch eaten by European companies that design better faucets and more interesting toilets. They realize that their workers are literally numbed by the working conditions they offer. That they need to be able to attract more designers and design more interesting products. And putting people in corporate-cube land doesn't stimulate their creativity.

Well, during the 1990s we had a funny idea — that we would somehow motivate creative people by using money. Creative people are not intrinsically motivated. This great experiment from Silicon Valley to Seattle to Austin in using money is one of the most crazy, silliest and most counterproductive things we've done. The reason people started to migrate away from large companies was not about the money, it was about an alternative where they could be themselves and be creative. In my research I was able to go back and read the entire field of the psychology of creative work. Theresa Amabile, the most important psychologist writing on creativity had this to say: "You cannot use financial rewards to motivate creativity. Creativity is an intrinsic process, it comes from within." For artists, actors, performers, directors, scientists, inventors, entrepreneurs who start businesses, it's not about making money: it's about feeding a passion. Using financial rewards to motivate creativity will be counter-productive: Welcome to the world of Enron and WorldCom. Need I say more? We have perverted the incentives for creative people, channeling their energy to unproductive directions. Peter Drucker, one of my great idols, writing in the year 1999, at the height of the so-called new economy boom, has this to say, “Bribing the knowledge workers on whom these industries depend will not work.” The key to harnessing their creative energy is to treat them as volunteers whose commitment to your organization is contingent. That goes double for your board and for your people in the nonprofit community. And what drove Drucker to this insight was watching the passion and excitement of people in the nonprofit community. It’s about working in an environment where you are valued and validated.

I want to spend a little time on the role of community and place. What are the kinds of places creative people are seeking out? And what are the kinds of places harnessing the creative energy of all their people and the ones that are going on to become economically more prosperous and competitive? My third point is that place has become the fundamental organizing unit of this creative age. Geographic place has replaced the corporation as the fundamental organizing unit of our time.

Why would I say that? Think of what a corporation does. It creates wealth; it pays salaries and incomes. Hopefully, it provides contributions to the artistic, cultural and scientific communities. How does it do this? It attaches a human being to a job. A corporation attaches a human being to a task, and in the great golden age of the corporation, my father’s generation, this was a very simple thing to do, because the human beings stayed in the corporation for life. My father, from the age of 13 to the age of 65, stayed with one company. Well, the average American, we know, stays on the job for about three years and the average American under age 30 stays with any given job for less than a year. How do you connect the person to the task? What was Carly Fiorina really saying about Hewlett Packard? The key is a place that provides a thick, vibrant pool of creative people that a company can access, and a thick and vibrant set of economic opportunities for people to access. The places that have this thick labor-pooling market attract the companies, retain the companies and grow the companies.

However, there are lots of things that go into making these great creative centers. And people are voting with their feet. We are seeing a massive migration — one that is both exciting and troubling, as members of this creative class move to certain regions and abandon other regions. What are these people moving to? I said economic opportunity, but good jobs are not enough. There are three other things that creativity requires. Creative people require a creative environment. Whether it is London, Paris, Greenwich Village or Haight-Ashbury, it has always been that way, but creative people used to be a small group. Now they are more than a third of the work force.

Creative people want a stimulating creative environment. But so many people who work in my field misunderstand that. They keep thinking, “We can be a major league city if we have a major league stadium.” Only one single person I interviewed in the course of writing this book said that they’d move for a major league stadium. Yet, communities are willing to spend a billion dollars or more on two- and three-stadium complexes, because we have to be major league. That’s not what excited people. What excites people is a raw, creative energy. And let me just say, it’s not just the symphony and the ballet and the museums, it’s also raw street-level individual and informal arts. It’s everything. One of my interviewees said that a community needs an “audio-identity.” But I just boil this down in the book to one indicator.

I’m a social scientist — I have to strap on the white lab coat and work in a university. So we invented the “Bohemian Index” — a measure of you, and musicians, visual artists, poets and others. And when we put this alongside all the traditional economic measures, we were shocked. Because our silly little Bohemian Index predicted rates of innovation and technology and economic growth better than any of the other more traditional economic measures. We just replicated this analysis for Canada. The results for Canada are stronger than the results for the United States. Places that are culturally vibrant, as measured through this one simple indicator, have been direct producers of culture, and they are the kinds of places that are innovative and economically vibrant and grow fast.

A creative environment is one piece of the puzzle — the other part is diversity. That has been the most controversial subject that the book has broached. Diversity. Creativity requires diversity. I cannot believe the giant collective stroke we had during the 1940s and 50’s, when we thought creativity came in one social type: a middle-aged white man like me. Creativity defies gender, race, ethnicity and appearance. Isn’t it the most amazing human-leveling factor of all time? That creativity comes in all shapes, sizes, genders, sexual orientations and incomes? And you know, still, when I talk to chambers of commerce, and the boards of directors, they still blanch at this insight? So we invented our indicators.

The first few indicators were somewhat benign — but they got worse and worse as we went along. The first was an index of the melting pot. Do you know that in Silicon Valley more than a third of those who created new businesses were foreign born? They are new Americans. And the melting-pot index predicted economic growth very well. And then we had an index of interracial couples, which worked very well. Then we decided that we had to sell books. So in an age of Dr. Ruth and Dr. Phil, I came back from Harvard, where I was studying the location of high-tech kinds of people.

When I came back to Carnegie Mellon, they said, “You have to meet Gary Gates.” And I said, “Well, why do I want to meet Gary?” And they said, “He’s studying the location of gay people.” And I’m thinking, what would we have in common? And, of course, Gary said, “You picked your five favorite cities, which also happen to be the five gayest cities in America.” An incredible eye opener. So Gary and I set to work for two years. And you want to hear misinterpretation of findings — “Florida is insane! He thinks actors and gays equal economic growth! That can’t be, there aren't enough actors and gays to add up." Or my favorite, in a Midwestern state, when I gave an address to a group, they said, "Professor Florida, your work is undermining the Judeo-Christian tradition." My favorite recently was this email that was wonderfully complimentary, until it started to turn bad: "Professor Florida, we understand the 'bohemian' and gay thing, but don't you think your correlation is curious? If you found that child molesters equaled economic growth, would you report that?" Well, this is the kind of stuff I have to deal with every day. No! We're not saying that bohemians and gays equal economic growth. What we're saying is that an environment and ecosystem, a habitat, that is open to culturally innovative people, artistically innovative people, is also the same kind of environment that will be open to economically and technologically innovative people.

There really isn't much difference between Andy Warhol, Albert Einstein and Thomas Edison. Each one of those people took risks, every day. Each one of those people tried to change the way a certain constituency thought — and they needed an ecosystem that valued risk and innovation. Not one that said in order to get ahead, you must fill your slot with hypocrisy. Artistic and cultural pursuits are entrepreneurial acts, and in many ways, entrepreneurial acts are artistic and cultural acts. That's why we all occupy the same social space. So diversity is important.

Creative people value authenticity — they value something real, not only in artistic performance and persona, but also in the very neighborhoods in which they live and work. The guy at American Standard told me, "You know, it's really interesting, Rich, I think about my kids in their late twenties and thirties, and they're all buying and renovating old houses. Why is that?" I said, "That's very easy for me to understand. You have people who are highly mobile, moving to new communities with no extended families. They are moving to new communities where they have to plug-in. The old historic structures and neighborhoods filled with a diversity of people give them a sense that there is a community around them. So they want to be in authentic places, and artistic and cultural activities can contribute to this."

One other point, coincident with the rise of the creative sector and in some degree, related to it, is a whole new demography in our society. I grew up in a *Leave It to Beaver* family, with a working dad, a mom who worked part-time and two boys. You know how many Americans live in a *Leave It to Beaver* family today? Seven percent. This is the group that cities across the country are competing for. That giant seven percent. Do you know how many people live in a nuclear family, with a mom and dad, and kids at home? 23 percent. In New York City, 66 percent of the residents are single.

We have also had large increases in our gay population, and an extraordinary large number of the gay population has children. People are getting divorced; they are postponing marriage until their late twenties, or, if they are highly educated, their mid-thirties. That means the nature of the pool of people that places are competing for consists not just of one homogeneous family type — they are competing for a multitude of family types. And different kinds of people are attracted to different kinds of exciting places, and places that win have opportunities for all.

You probably have one question left that I'd like to try and address. You might be thinking, "Well this theory sounds really interesting, but isn't it really a theory about how these people choose places to live? Isn't it true that, now that the economy's gone south, all of us are going to have to strap on our suits and ties, and go get a job at a big company, and put our dreams on the back burner, and get down to the hard work of making a living? Isn't everybody going to move out of these creative centers, wherever they are, and move back to these heartland places where they can get the good jobs?" My answer is, "No. Not at all." In fact, my answer is that the theory fits this new reality much better than it fit the false reality, the false attitudes of the past decade.

See, we just lived through the 1920s. The 1990s were the 1920s. What happened in the 1990s and the 1920s? Think back. The rise of whole new modes of organizing industry — new manufacturing industries: steel, automobiles, electric power and great industrial complexes. What happened in the 1990s? Software, the personal computer and the Internet — both led to a rapidly rich society. "We're going to have a great big party." The Hamptons became the beacon, the Mecca. *The Great Gatsby* and all of that.

And how are we going to power these "new" economies? Well, government couldn't do it, of course. And our existing economic institutions weren't going to do it. What is the great god of these kinds of economic transformations? The stock market. We put all of our faith in the stock market. And if we only believed hard enough that the stock market would transform everything, we could make a killing in the market, get our equity-based compensation and retire to do all the creative things we really wanted to do. And what happens when you try to power a creative economy using greed? Welcome to the 1930s, or welcome to the year 2001. When the speculation starts in earnest, and when the guy at the coffee shop starts telling you whether he should buy the software, the Internet or the biotech, you know the house of cards is gonna collapse sooner or later. And it did. And you got Enron and WorldCom, and there's more coming. And you know it, because you live in these places and you look at your retirement account and you look at it go down every month. So we know we are in a tough time in our economy.

So what happens after the '90s? What happened in the 1930s? Wake up! It is the year 2002, and we are living in the 1930s. What happened in the '30s? Did everyone abandon Pittsburgh and Detroit and Buffalo and these great industrial cities, abandon the factory and move back to the farm? Did we all go back to work in the agricultural sector? No! What we did started at a very slow and gradual way. (Look, we have Calvin Coolidge in the White House, but I'm not talking about that.) We began to make local investments, state investments and national investments, not in the agricultural past. We began to invest in all of the rudimentary things that would build a strong industrial economy — better housing, better roads, better schools, after the war in research and development, great endowments in the arts and culture. We began to build all the kinds of infrastructure investments that led to the golden age of American industry. This didn't happen by happenstance. But it didn't come out of the first initial boom of the 1900s and 1920s. It came only in the wake of a catastrophic collapse, and fortunately we are not going through quite the same level of it today. But what do we have to do? We have to begin to convince people that this whole pattern of powering a creative economy by greed was the wrong way to go. It was economically counter-productive.

People like Bill Gates and Paul Allen and Steve Jobs, and great venture capital funds, were built on the backs of great researchers and scientists and engineers in communities with vibrant, artistic, cultural environments, but people who work in those fields can't even afford to buy a home there. Now, how do you turn that around? You begin to make the case that growing creative centers requires capturing and harnessing creative talent and rewarding the creativity of each and every individual, not just the Bill Gateses and Andy Warhols. We have to reward all of the creative value that is provided by individuals. That is the task ahead of us. Because, if we don't, we will mire in exactly the position we are in today.

— Richard Florida is the author of The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life *(Basic Books, 2002) and is also the Professor of Regional Economic Development at Carnegie Mellon University.*

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