

10TH ANNIVERSARY EDITION



THE
RISE
OF THE
CREATIVE
CLASS

Revisited

RICHARD FLORIDA

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PREFACE TO *THE RISE OF THE CREATIVE CLASS, REVISITED*

This book was—and is—my attempt to explain the key underlying forces that have been transforming our economy and culture over the past several decades. When I first started writing it in late 1999 and early 2000, I was struck by how much attention was being paid to surface-level changes; I wanted to focus on the long-lasting and truly tectonic forces that were altering the way we work and live. Our world, it seemed to me, was changing as dramatically as it had since the early days of the Industrial Revolution. It wasn't just the Internet, or the rise of new technologies, or even globalization that were upending our jobs, lives, and communities, though all those things were important. Beneath the surface, unnoticed by many, an even deeper force was at work—the rise of creativity as a fundamental economic driver, and the rise of a new social class, the Creative Class.

Spanning science and technology, arts, media, and culture, traditional knowledge workers, and the professions, this new class made up nearly one-third of the workforce across the United States and considerably more than that in many individual communities. The rise of this new class and of creativity as an economic force were the underlying factors powering so many of the seemingly unrelated and epiphenomenal trends we had been witnessing, from

the ascent of new industries and businesses, to changes in the way we live and work, extending even into the rhythms, patterns, desires, and expectations that structure our daily lives.

In the decade since this book first appeared, a whole series of world-shattering events occurred—from the collapse of the tech bubble and 9/11, to the economic and financial meltdown of 2008—any one of which might have been sufficient to derail or reverse the trends it described. Instead, they have only become more deeply ensconced. By late 2011, the social media site LinkedIn reported¹ that the word most used by its members to describe themselves was—you guessed it—“creative.” As *TechCrunch* put it: “In a time of high unemployment, when traditional skills can be outsourced or automated, creative skills remain highly sought after and highly valuable. We all want to be part of the Creative Class of programmers, designers, and information workers. The term used to mean artists and writers. Today, it means job stability.”² At a time when the US unemployment rate topped 10 percent, the rate of unemployment for the Creative Class did not even hit 5 percent. The Creative Class has become truly global, numbering between one-third to nearly one-half of the workforce in the advanced nations of North America, Europe, Asia, and around the world.

I could go on. But so many of the things that seemed shockingly new and outlandish when I first wrote about them—and that sent my critics into such a lather—are now seen as the norm. My ideas that the talented were beginning to favor cities over suburbs, that urban centers were challenging suburban industrial park nerdistans as locations for talent and high-tech industry, that older cities were starting to regain some of the ground they’d lost to Sun Belt boomtowns—were widely derided as ludicrous when I first began to write about them. Ten years later, they aren’t even controversial.

A decade ago, many critics dismissed as a precious affectation my notion that a vibrant music scene can be a signal that a location has

the underlying preconditions associated with technological innovation and economic growth. What possible pertinence, they sniffed, could such rarified matters have for economic development?

I caught a lot of flak for proposing that diversity—an openness to all kinds of people, no matter their gender, race, nationality, sexual orientation, or just plain geekiness—was not a private virtue but an economic necessity. I earned a certain measure of notoriety for suggesting that a visible gay presence in a city can be seen as a leading indicator for rising housing values and high tech. Some were outraged at the very suggestion and accused me of everything from putting the proverbial cart before the horse to trying to undermine the conventional family, even Judeo-Christian civilization as we have come to know it. Popular opinion now favors gay marriage, and a growing body of research notes the connection between diversity, innovation, and economic growth.

Rereading all the pages I wrote back then about the disappearance of dress codes and the advent of flexible hours, the respect for diversity and the meritocratic values that creative people bring to the workplace and society, I find myself wondering what all of the fuss was about. All of those things are taken for granted, they're so much a part of the cultural moment that it's easy to forget how new and daring they once seemed—and how many pundits were ready to stake their reputations on the certainty that they were only passing trends, that after the next dip in the NASDAQ, people would get their suits out of mothballs and return to business as usual.

I was accused of confusing chickens and eggs when I said that the secret to building better, more vibrant locations was not just attracting companies with handouts and tax breaks, but rather building a “people climate” that could attract the diverse human talents that drive true prosperity. I was roundly derided when I critiqued the conventional menu of downtown renewal through stadium complexes and generic retail districts and malls and countered

instead that a simpler, less expensive path to revival was to improve neighborhood conditions with smaller investments in everything from parks and bike paths to street-level culture that would make people's everyday lives better, improve the underlying quality of place, and signal a community that is open, energized, and diverse. The conventional wisdom insisted that such "frills and frivolities" come about as *products* of economic development, not that they are a way to spur it. Ten years later, forward-looking communities, large and small alike, are busily reclaiming their disused waterfronts and industrial areas and transforming them into parks and green spaces; at the same time, suburbs are seeking to remake themselves into better, more livable communities by adding transit, shoring up their arts and culture scenes, and developing pedestrian-friendly town centers that are filled with the best features of real cities.

Hand in hand with the revival of cities and the densification of suburbia, the dawning of the Creative Age has ushered in a newfound respect for livability and sustainability. This, too, is part and parcel of the deeper shift. The quest for clean and green is powered by the same underlying ethos that drives the Creative Economy. Where the green agenda is driven by the need to conserve natural assets, the Creative Economy is driven by the logic that seeks to fully harness—and no longer waste—human resources and talent. The old Fordist industrial system was premised on the exploitation of workers and nature. Workers performed the same boring, exhausting tasks until they burned out. The environment was treated as a source for resources that were scoured out of the ground and as a bottomless receptacle for waste. As human capabilities and potential became greater factors of production in the knowledge-based industries that began to emerge in the 1960s, manufacturing also evolved along a parallel continuum, from zero inventory to zero defects and, ultimately, to zero emissions. Waste became the enemy. The creative ethos demands that we cultivate and utilize all of our natural and human resources.

Whereas some have dubbed the very concept of the Creative Class as elitist and accused me of privileging it over other classes, or derided me as a “neo-liberal” with a naively optimistic faith in the power of markets, I assure you that neither is the case. The key thesis of my argument is as simple as it is basic: every human being is creative. That the Creative Class enjoys vast privileges is true, but to acknowledge that fact is not to endorse it. The essential task before us is to unleash the creative energies, talent, and potential of everyone—to build a society that acknowledges and nurtures the creativity of each and every human being. Creativity is truly a limitless resource; it is something we all share. Scientists like to say that they “stand on the shoulders of giants.” So do we all. As a species, we build on the collective creativity not just of those in our own time but of those who have come before us. Marx long ago said that what made the proletariat a universal class was the collaborative nature of physical labor. But what sets us apart from all other species is our collective creativity, something that is innate in each of us and shared by every one of us.

From that underlying point of view, it’s not just that diversity and inclusion are moral imperatives, which of course they are. They are economic necessities. Creativity *requires* diversity: it is the great leveler, annihilating the social categories we have imposed on ourselves, from gender to race and sexual orientation. This is why the places that are the most open-minded gain the deepest economic advantages. The key is not to limit or reverse the gains that the Creative Class has made but to extend them across the board, to build a more open, more diverse, more inclusive Creative Society that can more fully harness its members’—*all* of its members’—capacities.

Yet as I write these words, all is far from well: the great promise of the Creative Age is not being met.

Just six or so years after the original edition of this book was published, the economy came crashing down. The economic meltdown of 2008 was not just a crisis of Wall Street, of risk-taking by banks,

of wanton financial speculation, and of an economy that had been debt-bingeing on housing and consumer goods, though all of those things were implicated. It was a deeper crisis that ran to the roots of the old Fordist order and the very way of life it engendered. At bottom, the crisis signaled the end of the old order and the beginnings of the new. Here's how the Nobel Prize-winning economist Joseph Stiglitz put it in 2011:

The trauma we're experiencing right now resembles the trauma we experienced 80 years ago, during the Great Depression, and it has been brought on by an analogous set of circumstances. Then, as now, we faced a breakdown of the banking system. But then, as now, the breakdown of the banking system was in part a consequence of deeper problems. Even if we correctly respond to the trauma—the failures of the financial sector—it will take a decade or more to achieve full recovery. Under the best of conditions, we will endure a Long Slump. If we respond incorrectly, as we have been, the Long Slump will last even longer, and the parallel with the Depression will take on a tragic new dimension.³

We are in that strange interregnum when the old order has collapsed and the new order is not yet born. As steep as the levies that the economic crisis exacts, as unfairly incommensurate as the returns to mental as compared to physical labor may be, we can't turn back the clock. The old order has failed. Attempts to bail it out, to breathe new life into it or to somehow prop it back up are doomed to history's dustbin. A new global economic order is taking shape, but it is still confined within the brittle carapace of the old, with all of the outmoded, wasteful, oil-dependent, sprawling, unsustainable ways of life that went along with it.

Like other such epochal transformations, this one is fraught with challenges and difficulties, with winners and losers. In fact, it has intensified and magnified the economic, social, cultural, and

geographic cleavages that already divide the classes—between nations, across regions, and within our cities and metro areas.

Such large-scale transformations occur across long time scales, at least a decade or more, as the economists Kenneth Rogoff and Carmen Reinhart noted in their book *This Time Is Different: Eight Centuries of Financial Folly*. My assessment is that the crisis we are living through is fully comparable to the Panic and Long Depression of the 1870s and the Great Depression of the 1930s, which took the better part of a generation to fully resolve.⁴

If such economic resets are generational events, building more robust, fully articulated social and economic systems takes even longer. Although many focus on the social compact that emerged after the New Deal and World War II, they forget that it was more than a century in the making—and the product of sustained struggle. It can take on the order of seventy, eighty, even a hundred years before social change catches up to economic change and new and more robust institutions are built to undergird more widely shared prosperity. Viewed in retrospect, history always seems like a more linear process than it really was. We forget the detours and false starts and dead ends—the collapse of the Paris Commune in 1871; how Weimar Germany was upended by Hitler's rise; how Trotsky's revolutionary state devolved to Stalin's gulags.

The rise of a new economic and social order is a double-edged sword. It unleashes incredible energies, pointing the way toward new paths for unprecedented growth and prosperity, but it also causes tremendous hardships and inequality along the way. We are in the midst of a painful and dangerous process, and one that is full of unknowns. We tend to forget what a fraught and dangerous business childbirth is. My hope is that by understanding this new order, we can speed the transformation this time around.

Still, that new order will not simply or automatically assert itself into existence. It will require new institutions, a new social compact,

and a new way of life to bring it into being. We must turn our attention from housing starts, automobile sales, energy consumption, and other crass material measures to new measurements that reflect a shared and sustainable prosperity that improves human well-being and happiness and restores meaning and purpose to life. We must shift from a way of life that valorizes consumption, in which we take our identities from the branded characteristics of the goods we purchase, to one that enables us to develop our talents and our individuality, to realize our truest selves through our work and other activities. Our fledgling Creative Economy needs to give way to a fully Creative Society, one that is more just, more equitable, more sustainable, and more prosperous: our economic future depends on it.

This time, perhaps for the first time in human history, economic logic is on our side. Prosperity in the Creative Age turns on human potential. It can only be fully realized when each and every worker is recognized and empowered as a source of creativity—when their talents are nurtured, their passions harnessed, and they are appropriately rewarded for their contributions.

A great stumbling block in the United States has been the huge rise in inequality, the bifurcation of the labor market between higher-skilled, higher-wage Creative Class jobs and lower-skilled, lower-pay Service Class jobs in fields like food preparation, home health care, and retail sales, where more than 60 million Americans work, 45 percent of the labor force. This stark divide in economic prospects has been exacerbated by the demise of so many once high-paying Working Class jobs. The only way forward is to make all jobs creative jobs, infusing service work, manufacturing work, farming, and every other form of human endeavor with creativity and human potential. We forget that manufacturing jobs weren't always good jobs. William Blake dubbed England's factories "satanic mills" and Marx bemoaned the tremendous exploitation of the

Working Class. We made them the good jobs that they became through collective effort and by building new institutions, notably the postwar social compacts that afforded workers better pay and established social safety nets for the less fortunate—efforts that were roundly resisted at the time by entrenched interests.

As these pages will show, the United States (along with a few other nations) is actually an outlier when it comes to inequality. Across most of the advanced nations, greater innovation and creativity tend to go hand in hand with *less* inequality. This book's last chapter will argue that a new social compact—a *Creative Compact*—is needed to turn our Creative Economy into a just and Creative Society, in which prosperity is widely shared.

While driven and molded by economic logic, the key institutions and initiatives of the future will be shaped, as they always have, by human agency. They will be the products of political choices, which turn on political power. And the mobilizing force today—the leading force at the beachhead of social, cultural, and economic change—is the Creative Class. The problem until now, as I noted in the original edition, had been that the Creative Class was lacking in class consciousness. In contrast to the industrial Working Class, which was forged around strong ties and hoarded into factories and dense city neighborhoods, the Creative Class is a highly individualized and even atomized social stratum. Thus far, its members have been content with personal betterment, staying fit, developing themselves, renovating their houses and apartments, questing after new experiences. Although Creative Class people are generally liberal-minded, solidarity has not been their strong suit.

Still, the Creative Class stands at the forefront of what the political scientist Ronald Inglehart has termed the transition to a post-materialist politics—a shift from values that accord priority to meeting immediate material needs to ones that stress belonging,

self-expression, opportunity, environmental quality, diversity, community, and quality of life.⁵ Although there are certainly divisions within this new class and its members do not fit neatly into the old left–right spectrum, its values are staunchly meritocratic. Many are offended by inequality of opportunity and repelled by a system that is rigged against so many—and that is so wasteful of natural and human resources. These attitudes and inclinations are political veins that can—and are—being tapped.

The protracted economic crisis and outrageous inequality of our time has stirred up some of these dormant political energies, as witnessed by the uprisings across the Arab world in the spring and summer of 2011 and the incredible resonance of the global Occupy Movement. It’s ironic to remember how “transgressive” some proponents of the New Economy once considered themselves to be. If their grandiose pronouncements about remaking capitalism were mostly fantasies, the insurrectionary forces that the rise of the Creative Class are unleashing are potentially volcanic. As the distinguished historian Eric Hobsbawm noted, those uprisings have more to do with the Creative Class than they do with traditional Working Class movements. “The traditional left was geared to a kind of society that is no longer in existence or is going out of business,” he remarked. “It believed very largely in the mass labour movement as the carrier of the future. Well, we’ve been de-industrialised, so that’s no longer possible. The most effective mass mobilisations today are those which start from a new modernised middle class, and particularly the enormously swollen body of students.”⁶

Of course, traditional Working Class movements still have considerable life in them and must be part of any more general movement for social change. But the driving force of change is the Creative Class—artists and cultural creatives, students, professionals. Although these movements have been propelled by the Internet, by Facebook, Twitter, and other forms of social media, it’s impor-

tant to note that they take shape in space—in real physical places—from Tahir Square to Zucotti Park.

In the original edition of this book, I argued that place would continue to become a more central factor in our economy and our identity, and that it would likely supplant the factory and industrial organizations as the rallying point of class struggle, forming the key axis of cleavage and mobilization in our time. What I could not have predicted is how far-flung and synchronous this new age of mobilization would become. Whether these specific movements ultimately succeed or fail is not the real question. The consortia of place, social media, and the Creative Class will be the fulcrums for future social movements that can provide the energy and force needed for economic and social transformation.

Our time, like all periods of great change and transition, is one that is fraught with difficulty, disruption, and challenge. But ultimately, I am optimistic. Not to be overly deterministic, but the basic logic of economic and social progress is on our side. Human creativity is the most spectacularly transformative force ever unleashed, and it is something that all of us can draw on to one degree or another. If the rise of this new order and new social class poses tremendous challenges, it carries the seeds of their resolution as well.

Overview of the Revised Edition

With all this in mind and a ten-year anniversary looming, Basic Books asked me to revisit the original edition of *The Rise of the Creative Class* and bring it up to date. *The Rise of the Creative Class, Revisited* is not a tweak, but a wholesale revision. My team and I went through every chapter thoroughly and rewrote virtually every word. I have pored over the dozens of academic studies we conducted and the three major books I've written over the intervening decade — *The Flight of the Creative Class*, *Who's Your City?* and *The*

Great Reset—and incorporated their most important insights. I've added citations to countless colleagues whose work complements mine, and I've sought to answer my critics.

With the help of Kevin Stolarick, Charlotta Mellander, and other members of my research team, I have updated all data on the Creative Class and the other classes in Chapter 3, bringing these data forward to 2010 and extending the historical time series back to 1800. Chapter 3 also summarizes a range of new research on the demography of the Creative Class, on specific Creative Class occupations, and other new research that has occurred since the original edition. I have updated all the data on the Creative Class and 3T's of economic development—technology, talent, and tolerance—for all US metros. This material is found in Chapters 11 and 12, which also report a whole range of findings from new empirical studies.

All of the original chapters have been revised and updated, and several have been combined. The original edition's Chapters 2 and 3—The Creative Ethos and The Creative Economy—have been combined into a single Chapter 2; and the original edition's Chapters 7 and 8—The No-Collar Workplace and Managing Creativity—have also been combined into a single chapter, titled simply No-Collar. Several other chapters have new titles.

Five chapters are completely new. Chapter 13, Global Reach, summarizes my own and others' research on the spread of the Creative Class around the world. It provides data on the Creative Class and the 3T's for eighty-two nations and examines the global effects of the Creative Class on innovation, economic competitiveness, inequality, and happiness. The experience of nations, notably those in Scandinavia and Northern Europe, that combine high levels of the Creative Class with low levels of inequality show that a high-road path to prosperity is indeed possible. Chapter 14 draws on a major survey I undertook with Gallup, as well as other qualitative information from case studies and ethnographic research, to deepen

our understanding of the key features and factors that shape “quality of place.”

I devote two new chapters to the persistent and deepening economic, social, and geographic divides that continue to vex our society. Chapter 16 examines *The Geography of Inequality* across US cities and metros, clarifying the roles technology, class, race, and poverty play in shaping it. Chapter 17, *The Inclining Significance of Class*, shows that despite predictions of a more fluid and classless society, class continues to constitute an undeniably powerful force, shaping everything from our economic opportunities and political choices to our health, fitness, and happiness.

Chapter 18, which concludes this book, is new as well. I title it *Every Single Human Being Is Creative* to signal the fundamental importance I place on this core construct. It argues that new institutions are required to rebuild our economy and society, outlining six key principles of a new social compact for our time. If the logic of economic development—which seeks out creativity in its many and varied forms—is on our side, the ongoing social and political mobilization of the Creative Class and other segments of society provides the pragmatic impetus for it.

When all is said and done, a new era of broadly shared prosperity turns on stoking the creative furnaces that lies deep within each and every one of us. Only when we unleash that great reservoir of overlooked and underutilized human potential, will we truly enjoy not just sustained economic progress but a better, more meaningful, and more fulfilling way of life.

PREFACE TO THE ORIGINAL EDITION

This book describes the emergence of a new social class. If you are a scientist or engineer, an architect or designer, a writer, artist, or musician, or if your creativity is a key factor in your work in business, education, health care, law, or some other profession, you are a member. With 38 million members, more than 30 percent of the nation's workforce, the Creative Class has shaped and will continue to shape deep and profound shifts in the ways we work, in our values and desires, and in the very fabric of our everyday lives.

As with other classes, the defining basis of this new class is economic. Just as the feudal aristocracy derived its power and identity from its hereditary control of land and people, and the bourgeoisie from its members' roles as merchants and factory owners, the Creative Class derives its identity from its members' roles as purveyors of creativity. Because creativity is the driving force of economic growth, the Creative Class has become the dominant class in society in terms of its influence. Only by understanding the rise of this new class and its values can we begin to understand the sweeping and seemingly disjointed changes in our society and begin to shape our future more intelligently.

Like most books, this one did not spring to life fully formed. Rather, my ideas evolved gradually from things I saw and heard that seemed to be at odds with conventional wisdom. In my work on regional economic development, I try to identify the factors that make some cities and regions grow and prosper, while others lag

behind. One of the oldest pieces of conventional wisdom in this field says the key to economic growth is attracting and retaining companies—the bigger the company, the better—because companies create jobs and people go where the jobs are. During the 1980s and 1990s, many cities in the United States and around the world tried to turn themselves into the next “Silicon Somewhere” by building high-tech office parks or starting up venture capital funds. The game plan was to nourish high-tech start-up companies or, in its cruder variants, to lure them from other cities. But it quickly became clear that this wasn’t working.

I saw this firsthand in the mid-1990s with Lycos, a Carnegie Mellon spin-off company. Lycos’s Internet search technology was developed in Pittsburgh. But the company eventually moved its operations to Boston to gain access to a deep pool of skilled managers, technologists, and businesspeople. These departures were happening repeatedly, in Pittsburgh and elsewhere. All too often the technologies, the companies, and even the venture capital dollars flowed out of town to places that had bigger and better stocks of talented and creative people. In a curious reversal, instead of people moving to jobs, I was finding that companies were moving to or forming in places that had the skilled *people*.

Why was this happening? This was the basic puzzle that ultimately led to this book. Frustrated by the limits of the conventional wisdom and even more by how economic development was actually being practiced, I began asking people how they chose where to live and work. It quickly became clear to me that people were not slavishly following jobs to places. Their location choices were based to a large degree on their lifestyle interests and these, I found, went well beyond the standard quality-of-life amenities that most experts thought were important.

Then came the real stunner. In 1998 I met Gary Gates, then a doctoral student at Carnegie Mellon. While I had been studying

the location decisions of high-tech industries and talented people, Gates had been exploring the location patterns of gay people. My list of the country's high-tech hotspots looked an awful lot like his list of the places with the highest concentrations of gay people. When we compared the two lists with greater statistical rigor, his Gay Index turned out to correlate very strongly with my measures of high-tech growth. Other measures I came up with, like the Bohemian Index—a measure of the density of artists, writers, and performers in a region—produced similar results. My conclusion was that rather than being driven exclusively by companies, economic growth was occurring in places that were tolerant, diverse, and open to creativity—because these were places where creative people of *all* types wanted to live. While some in academe were taken aback by my findings, I was amazed by how quickly city and regional leaders began to use my measures and indicators to shape their development strategies.

As I delved more deeply into the research, I came to realize that something even bigger was going on. Though most experts continued to point to technology as the driving force of broad social change, I became convinced that the truly fundamental changes of our time had to do with subtler alterations in the way we live and work—gradually accumulating shifts in our workplaces, leisure activities, communities, and everyday lives. Everything from the kinds of lifestyles we seek to the ways in which we schedule our time and relate to others was changing. And yes, there was a common thread: the role of creativity as the fundamental source of economic growth and the rise of the new Creative Class.

Despite the giddy economic euphoria so prevalent in the late 1990s, it became increasingly evident to me that the emerging Creative Economy was a dynamic and turbulent system—exciting and liberating in some ways, divisive and stressful in others. My thinking was reinforced by earth-shaking events that occurred while I was

writing this book. First came the bursting of the stock-market bubble, the rapid fall of technology stocks, and the subsequent recession of 2000. This put an end to the naive optimism of the so-called New Economy and to the always unfounded notion that new technology is a magic elixir that will make us rich, eliminate our economic problems, and cure pressing social ills. The NASDAQ's plummet was an early signal that it was time for people to get serious.

Then came the tragic events of September 11, 2001. For me and for many others, the stunning attack on the United States was a potent wake-up call. In addition to showing us how vulnerable we are, it brought home the message that too many of us, particularly the members of the Creative Class, had been living in a world of our own concerns—selfishly pursuing narrow goals with little regard for others or for broader social issues. We had grown complacent, even aimless, but also discontent at having become so.

Here I found myself confronting a great paradox. Even as I was chronicling their rise and impact, it struck me that the members of the Creative Class do not see themselves as a *class*—a coherent group of people with common traits and concerns. Emerging classes in previous times of great transition had pulled together to forge new social mechanisms and steer their societies. But not this group. We thus find ourselves in the puzzling situation of having the dominant class in America—whose members occupy the power centers of industry, media, and government, as well as the arts and popular culture—virtually unaware of its own existence and thus unable to consciously influence the course of the society it largely leads.

The Creative Class has the power, talent, and numbers to play a big role in reshaping our world. Its members—in fact, all of society—now have the opportunity to turn their introspection and soul searching into real energy for broader renewal and transformation. History shows that enduring social change occurs not during economic boom times, like the 1920s or 1990s, but in periods of crisis

and questioning such as the 1930s—and today. The task before us is to build new forms of social cohesion appropriate to the new Creative Age—the old forms don't work, because they no longer fit the people we've become—and from there, to pursue a collective vision of a better and more prosperous future for all.

This is easier said than done. To build true social cohesion, the members of the Creative Class will need to offer those in other classes a tangible vision of ways to improve their own lives, either by becoming part of the Creative Economy or, at the very least, by reaping some of its rewards. If the Creative Class does not commit itself to this effort, the growing social and economic divides in our society will only worsen, and I fear that we will find ourselves living perpetually uneasy lives at the top of an unhappy heap.

It's time for the Creative Class to grow up and take responsibility. But first, we must understand who we are.

INTRODUCTION

CHAPTER 1

The Transformation of Everyday Life

Something's happening here but you
don't know what it is, do you, Mr. Jones?

—*Bob Dylan*

Here's a thought experiment. Take a typical man on the street from the year 1900 and drop him into the 1950s. Then take someone from the 1950s and move him Austin Powers-style into the present day. Who would experience the greater change?

At first glance the answer seems obvious. Thrust forward into the 1950s, a person from the turn of the twentieth century would be awestruck by a world filled with baffling technological wonders. In place of horse-drawn carriages, he would see streets and highways jammed with cars, trucks, and buses. In the cities, immense skyscrapers would line the horizon, and mammoth bridges would span rivers and inlets where once only ferries could cross. Flying machines would soar overhead, carrying people across continents and oceans in a matter of hours rather than days or weeks. At home, our 1900-to-1950s time-traveler would grope his way through a

strange new environment filled with appliances powered by electricity: radios and televisions emanating musical sounds and moving images, refrigerators to keep things cold, washing machines to clean his clothes automatically, and much more. A massive new supermarket would replace daily trips to foodmongers, offering an array of technologically enhanced foods, such as instant coffee and frozen vegetables that come overcooked and oversauced in a box. Life itself would be dramatically extended. Many once-fatal ailments could be prevented with an injection or cured with a pill. The newness of this time-traveler's physical surroundings—the speed and power of everyday machines—would be profoundly disorienting.

On the other hand, someone from the 1950s would have little trouble navigating the physical landscape of today. Although we like to think that ours is the age of boundless technological wonders, our second time-traveler would find himself in a world not all that different from the one he came from. He would still drive a car to work. If he took the train, it would likely be on the same line leaving from the same station. He could probably board an airplane at the same airport. He might still live in a suburban house, though a bigger one. Television would have more channels, color pictures, and bigger, flatter screens, but it would basically be the same, and he could still catch some of his favorite 1950s shows on reruns. He would know how, or quickly learn how, to operate most household appliances—even the personal computer, with its familiar QWERTY keyboard. In fact with just a few exceptions, such as the Internet, CD and DVD players, the cash machine, and wireless phones, computers, and entertainment systems that slip into his pocket, he would be familiar with almost all current-day technology. Perhaps disappointed by the pace of progress, he might ask: “Why haven't we conquered outer space?” or “Where are all the robots?”

On the basis of big, obvious technological changes alone, surely the 1900-to-1950s traveler would experience the greater shift,

whereas the other might easily conclude that we'd spent the second half of the twentieth century doing little more than tweaking the great innovations that had so transformed its first half.¹

But the longer they stayed in their new homes, the more each time-traveler would become aware of subtler dimensions of change. Once the glare of technology had dimmed, each would begin to notice their respective society's changed norms and values, the different ways in which everyday people live and work. And here the tables would be turned. In terms of adjusting to the social structures and the rhythms and patterns of daily life, our second time-traveler would be much more disoriented.

Someone from the early 1900s would find the social world of the 1950s remarkably similar to his own. If he worked in a factory, he might find much the same divisions of labor, the same hierarchical systems of control. If he worked in an office, he would be immersed in the same bureaucracy, the same climb up the corporate ladder. He would come to work at 8:00 or 9:00 AM and leave promptly at 5:00, his life neatly segmented into compartments of home and work. He would wear a suit and tie. Most of his business associates would be white and male. Their values and office politics would hardly have changed. He would seldom see women in the workplace except as secretaries, and almost never interact professionally with someone of another race. He would marry young, have children quickly thereafter, stay married to the same person and probably work for the same company for the rest of his life. In his leisure time, he'd find that movies and TV had largely superseded live stage shows, but otherwise his recreational activities would be much the same as they were in 1900: taking in a baseball game or a boxing match, maybe playing a round of golf. He would join the clubs and civic groups befitting his socioeconomic class, observe the same social distinctions, and fully expect his children to do likewise. The tempo of his life would be structured by the values and norms of

organizations. He would find himself living the life of the “company man” so aptly chronicled by writers from Sinclair Lewis and John Kenneth Galbraith to William Whyte and C. Wright Mills.²

Our second time-traveler, however, would be quite unnerved by the dizzying social and cultural changes that had accumulated between the 1950s and today. At work he would find a new dress code, a new schedule, and new rules. He would see office workers dressed like folks relaxing on the weekend, in jeans and open-necked shirts, and be shocked to learn that some of them occupy positions of authority. People at the office would seemingly come and go as they pleased. The younger ones might sport bizarre piercings and tattoos. Women and even nonwhites would be managers. Individuality and self-expression would be valued over conformity to organizational norms—and yet these people would seem strangely puritanical to this time-traveler. His ethnic jokes would fall embarrassingly flat. His smoking would get him banished to the parking lot, and his two-martini lunches would raise genuine concern. Attitudes and expressions he had never thought about would cause repeated offense. He would continually suffer the painful feeling of not knowing how to behave.

Out on the street, this time-traveler would see different ethnic groups in greater numbers than he could ever have imagined—Asian, Indian, Afro and Latin Americans, and others—mingling in ways he found strange and perhaps inappropriate. There would be mixed-race couples, and same-sex couples carrying the upbeat-sounding moniker “gay.” Although some of these people would be acting in familiar ways—a woman shopping while pushing a stroller, an office worker eating his lunch at a counter—others, such as grown men clad in form-fitting gear, whizzing by on high-tech bicycles, or women on strange new roller skates with their torsos covered only by “brassieres,” would appear to be engaged in alien activities.

People would seem to be always working and yet never working when they were supposed to. They would strike him as lazy and yet obsessed with exercise. They would seem career conscious yet fickle—doesn't anybody stay with a company more than three years?—and caring yet antisocial: What happened to the ladies' clubs, Moose Lodges, and bowling leagues? Why doesn't everybody go to church? Even though the physical surroundings would be relatively familiar, the *feel* of the place would be bewilderingly different.

Although the first time-traveler had to adjust to some drastic technological changes, it is the second who experiences the deeper, more pervasive transformation. It is the second who has been thrust into a time when lifestyles and worldviews are most assuredly changing—a time when the old order has broken down, when flux and uncertainty themselves seem to be part of the everyday norm.

The Force Behind the Shift

What caused this transformation? What happened between the 1950s and today that did not happen in the earlier interval? Scholars and pundits have floated many theories, along with a range of opinions on whether the changes are good or bad. Some bemoan the passing of traditional social and cultural forms; others herald a rosy future based largely on new technology.

The real driving force is the rise of human creativity as the key factor in our economy and society. Both at work and in other spheres of our lives, we value creativity more highly and cultivate it more intensely than we ever have before. The creative impulse—the attribute that distinguishes us, as humans, from other species—is now being unleashed on an unprecedented scale. The purpose of this book is to examine how and why this is so, and to trace its effects as they ripple through our world.

Many say that we now live in an information economy or a knowledge economy. But what's more fundamentally true is that for the first time, our economy is powered by creativity. Creativity—"the ability to create meaningful new forms," as *Webster's* dictionary puts it—has become the decisive source of competitive advantage. In virtually every industry, from automobiles to fashion, food products, and information technology itself, the long-run winners are those who can create and keep creating. This has always been true, from the days of the Agricultural Revolution to the Industrial Revolution. But in the past few decades we've come to recognize it clearly and act upon it systematically.

Dean Keith Simonton, a leading scholar of the subject, describes creativity as the act of bringing something useful, that works, and is non-obvious into the world, or as he succinctly puts it, that is the "conjunction of novelty, utility and surprise."³ It is a mistake to think, as many do, that creativity can be reduced to the creation of new blockbuster inventions, new products, and new firms. In today's economy, creativity is pervasive and ongoing: it drives the incremental improvements in products and processes that keep them viable just as much as it does their original invention. Moreover, technological and economic creativity are nurtured by and interact with artistic and cultural creativity. This kind of interplay is evident in the rise of whole new industries, from computer graphics to digital music and animation. Creativity also requires a social and economic environment that can nurture its many forms. Max Weber said long ago that the Protestant ethic provided the underlying spirit of thrift, hard work, and efficiency that motivated the rise of early capitalism. In a similar fashion, the shared commitment to the creative spirit in all its many manifestations is what underpins the new creative ethos that powers our age.

Thus, creativity has come to be the most highly prized commodity in our economy—and yet it is not a "commodity." Creativity comes

from people. And it annihilates the social categories we have imposed on ourselves. A Creative Economy requires diversity because every human is creative—creativity cannot be contained by categories of gender, race, ethnicity, or sexual orientation. And though people can be hired and fired, their creative capacity cannot be bought and sold, or turned on and off at will. Thus, our workplaces have changed and continue to do so. Schedules, rules, and dress codes have become more flexible to cater to how the creative process works. Creativity must be motivated and nurtured in a multitude of ways, by employers, by creative people themselves, and by the places we live. Capitalism has expanded its reach to capture the talents of heretofore excluded groups of eccentrics and nonconformists. In doing so, it has pulled off yet another astonishing mutation: taking people who would once have been viewed as bizarre mavericks operating at the bohemian fringe and placing them at the very heart of the process of innovation and economic growth. These changes in the economy and in the workplace have in turn helped to propagate and legitimize similar changes in society at large. The creative individual is no longer viewed as an iconoclast. He—or she—is the new mainstream.

In tracing economic shifts, I often say that our economy is moving from an older corporate-centered system defined by large companies to a more people-driven one. This view should not be confused with the unfounded and silly notion that big companies are dying off. Nor do I buy into the fantasy that our economy is being reorganized around small enterprises and independent “free agents.”⁴ Companies, including very big ones, obviously still exist, are still influential, and almost certainly always will be. I simply mean to stress that as the fundamental source of creativity, people are the critical resource of the new age. This has far-reaching effects—for instance, on our economic and social geography and the nature of our communities.

It has often been said that in this age of globalization and modern communication technology, “geography is dead,” “the world is flat,” and place no longer matters.⁵ Nothing could be further from the truth. Place has become the central organizing unit of our time, taking on many of the functions that used to be played by firms and other organizations. Access to talented and creative people is to modern business what access to coal and iron ore was to steel-making. It determines where companies will choose to locate and grow, and this in turn changes the ways that cities must compete. As I once heard Carly Fiorina tell this nation’s governors when she was CEO of Hewlett-Packard: “Keep your tax incentives and highway interchanges; we will go where the highly skilled people are.”⁶ In this environment, it is geographic place rather than the corporation that provides the organizational matrix for matching people and jobs.

The New Class

The economic need for creativity has registered itself in the rise of a new class, which I call the Creative Class. More than 40 million Americans, roughly one-third of all employed people, belong to it. I define the core of the Creative Class to include people in science and engineering, architecture and design, education, arts, music, and entertainment whose economic function is to create new ideas, new technology, and new creative content. Around this core, the Creative Class also includes a broader group of *creative professionals* in business and finance, law, health care, and related fields. These people engage in complex problem solving that involves a great deal of independent judgment and requires high levels of education or human capital. In addition, all members of the Creative Class—whether they are artists or engineers, musicians or computer sci-

entists, writers or entrepreneurs—share a common ethos that values creativity, individuality, difference, and merit.

The key difference between the Creative Class and other classes lies in what its members are primarily paid to do. Members of the Working Class and the Service Class are primarily paid to do routine, mostly physical work, whereas those in the Creative Class are paid to use their minds—the full scope of their cognitive and social skills. There are gray areas and boundary issues in my scheme of things, to be sure. And though some may quibble with my definition of the Creative Class and the numerical estimates that are based on it, I believe it has a good deal more precision than existing, more amorphous definitions of knowledge workers, symbolic analysts, or professional and technical workers.

The class structure of the United States and other advanced nations has been the subject of great debate for well over a century. For a host of writers in the 1800s and 1900s, the big story was the rise, and then the decline, of the Working Class, which peaked at roughly 40 percent of the US workforce before beginning its long slide to roughly one in five workers today.⁷ For writers like Daniel Bell and others in the mid to later twentieth century, a second big story was the rise of a postindustrial society, in which many of us shifted from making goods to delivering services.⁸ The Service Class, which includes such fields as personal care, food services, and clerical work, is the largest class today, with some 60 million members, more than 45 percent of the entire US workforce. The big story unfolding now—and it has been unfolding for some time—is the rise of the Creative Class, the great emerging class of our time.

Although the Creative Class remains somewhat smaller than the Service Class, its crucial economic role makes it the most influential. The Creative Class is dominant in terms of wealth and income, with its members earning nearly twice as much on average as members

of the other two classes and as a whole accounting for more than half of all wages and salaries.

Creativity in the world of work is not limited to members of the Creative Class. Factory workers and even the lowest-end service workers have always been creative in valuable ways. Also, the creative content of many Working and Service Class jobs is growing—a prime example being the continuous-improvement programs on many factory floors, which call on line workers to contribute their ideas as well as their physical labor. On the basis of these trends, I expect that the Creative Class, which is still emergent, will continue to grow in coming decades, as more traditional economic functions are transformed into Creative Class occupations. And, as I will argue in the last chapter of this book, I strongly believe that the key to improving the lot of underpaid, underemployed, and disadvantaged people lies not in social welfare programs or low-end make-work jobs, nor in somehow bringing back the factory jobs of the past, but rather in tapping their innate creativity, paying them appropriately for it, and integrating them fully into the Creative Economy.

The Creative Class is the norm-setting class of our time. And the norms of the Creative Class are different from those of more traditional society. Individuality, self-expression, and openness to difference are favored over the homogeneity, conformity, and “fitting in” that defined the previous age of large-scale industry and organization. Our private lives are different than they once were. During the *Leave It to Beaver* era of the 1950s and early 1960s, roughly eight in ten Americans lived in married households, but by 2010, less than half did. In 1960, almost half of all Americans were part of a nuclear family, with a mom, a dad, and kids in the house; by 2010, that number had fallen to just one in five. These profound changes are not, as commonly portrayed, signs of the reckless self-indulgence of a spoiled people. They are undergirded by powerful economic forces that are reshaping our society and our lives.

The Creative Class is also the key force that is reshaping our geography, spearheading the movement back from outlying areas to urban centers and close-in, walkable suburbs. A relatively mobile class, it is much more concentrated in some cities and metros areas than in others. As of 2010, the Creative Class composed more than 40 percent of the workforce in larger metro areas like San Jose, the fabled Silicon Valley, greater Washington, DC, and Boston, as well as smaller college towns such as Durham, North Carolina; Ithaca, New York; and Boulder and Ann Arbor. These places are prospering, distinguished by a new model of economic development that takes shape around the 3T's—technology, talent, and tolerance. The most successful and prosperous metros excel at all three.

Not all is rosy in this emerging mainstream of the Creative Age. People today bear much more personal risk than did the corporate and working classes of the Organizational Age—as has become all too obvious with the onset of the economic crisis. Stress levels, too, are high. The technologies that were supposed to liberate us from work have invaded our lives. Our increasingly unequal society has become deeply divided, sorted, and segmented by level of education, the kinds of work we do, and where we live, and this in turn shapes ever more divisive culture wars and politics. One of the most significant fault lines of our age is the growing geographic segregation of the Creative Class and the other classes.

Although the immediate occasion for the crash of 2008 was the bursting of the real estate bubble, economic historians will see it as the last crisis of the old Fordist industrial order—the tipping point when an outmoded, exhausted set of social and institutional structures could no longer contain or harness the productive power of the new Creative Age. We have seen this happen before—in the earth-shattering religious, political, intellectual, and social upheavals that accompanied the shift from feudalism to capitalism; in the catastrophic Panic and Long Depression of 1873, which coincided

with the rise of modern industry; and in the Great Depression of 1929, which followed the rise of mass-production capitalism.

These powerful economic and social shifts are altering the structure of everyday life. As witnessed by our two time-travelers, the deepest and most enduring changes of our age are not technological, but economic, cultural, and geographic. These changes have been building for decades and are only now coming to the fore, driven by the rise of the Creative Economy and of the Creative Class.