

Warning Concerning Copyright Restrictions

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

This institution reserves the right to refuse to accept a copying order if, in its judgment, fulfillment of the order would involve violation of copyright law.

Printing note: If you do not want to print this page, select pages 2 to the end on the print dialog screen.

ILR Library Circulation

From: Document Delivery - Olin Library <okudd@cornell.edu>
Sent: Wednesday, September 29, 2021 4:55 PM
To: ILR Library Circulation
Subject: Document Delivery Request from Olin, TN1654992

ScanIt Request for - Patron: Marcus Reed
TN: 1654992

ScanIt
Olin/Kroch/Uris Libraries

The following document has been requested through ScanIt.

Location: ILR Library
Call #: HD53 .F46 2002
Title: The rise of the creative class: and how it's transforming work, leisure, community and everyday life
Vol#:
Issue#:
Date: 2002

Article: Preface - page 44

Author:

Pages: p. i - p. 44

Preface, p. ix-xii; Chapter 1, p. 1-17.

- 1.) Please scan this document according to the scanning procedures. Save the PDF file as 1654992.pdf
- 2.) Reply to this message. Please indicate the number of pages scanned: ____
- 3.) If you are unable to fill this request, please check one of the reasons below when replying:

- ☐ In use
- ☐ In process
- ☐ Lost
- ☐ Non-circulating
- ☐ Not owned
- ☐ On order
- ☐ At bindery
- ☐ Lack volume or issue
- ☐ Not on shelf
- ☐ On reserve
- ☐ Poor condition
- ☐ Not found as cited
- ☐ Other (please explain)

Thank you!

ScanIt
OKU Access Services
Cornell University
607-255-4245

- 14 Technology, Talent and Tolerance, 249
- 15 From Social Capital to Creative Capital, 267
- 16 Building the Creative Community, 283
- 17 The Creative Class Grows Up, 315

Appendix, 327

Notes, 353

Acknowledgments, 383

Index, 387

PREFACE

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 you use your creativity as 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, in terms of influence the Creative Class has become the dominant class in society. 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 startup 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. The Lycos technology, which you have probably used to search the Internet, 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 business people. 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 a bigger and better stock 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. 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.

Richard Florida
Pittsburgh, Pennsylvania
February 2002

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 the continent or the oceans in a matter of hours rather than days. 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 even human images, refrigerators to keep things cold, washing machines to clean his clothes automatically, and much more. A massive new super market would replace daily trips to the market with an array of technologically enhanced foods, such as instant coffee or frozen vegetables to put into the refrigerator. 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 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 left. 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, 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 PC, the Internet, CD and DVD players, the cash machine and a wireless phone he could carry with him, 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, while the other might easily conclude that we’d spent the second half of the twentieth century doing little more than tweaking the great waves of the 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, and the 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 or 9 each morning and leave promptly at 5, 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 they 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 ever could have imagined—Asian-, Indian-, and Latin-Americans and others—all 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.” While some of these people would be acting in familiar ways—a woman shopping while pushing a stroller, an office worker having 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 the company more than three years?—and caring yet anti-

social: What happened to the ladies' clubs, Moose Lodges and bowling leagues? While the physical surroundings would be relatively familiar, the *feel* of the place would be bewilderingly different.

Thus, 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 period? 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, while others point to a rosy future based largely on new technology. Yet on one point most of them agree. Most tend to see the transformation as something that's being done to us unwittingly. Some complain that certain factions of society have imposed their values on the rest of us; others say that our own inventions are turning around to reshape us. They're wrong.

Society is changing in large measure because we want it to. Moreover it is changing neither in random chaotic ways nor in some mysterious collective-unconscious way, but in ways that are perfectly sensible and rational. The logic behind the transformation has been unclear to this point because the transformation is still in progress. But lately a number of diverse and seemingly unconnected threads are starting to come together. The deeper pattern, the force behind the shift, can now be discerned.

That 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 than ever, and cultivate it more intensely. The creative impulse—the attribute that distinguishes us, as humans, from other species—is now being let loose 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.

Consider first the realm of economics. Many say that we now live in an “information” economy or a “knowledge” economy. But what's more fundamentally true is that we now have an economy powered by human cre-

ativity. Creativity—“the ability to create meaningful new forms,” as Webster's dictionary puts it—is now the *decisive* source of competitive advantage. In virtually every industry, from automobiles to fashion, food products, and information technology itself, the winners in the long run 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.

Creativity is multidimensional and comes in many mutually reinforcing forms. 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: We constantly revise and enhance every product, process and activity imaginable, and fit them together in new ways. 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 similar fashion, the shared commitment to the creative spirit in its many, varied manifestations 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 while people can be hired and fired, their creative capacity cannot be bought and sold, or turned on and off at will. This is why, for instance, we see the emergence of a new order in the workplace. Hiring for diversity, once a matter of legal compliance, has become a matter of economic survival because creativity comes in all colors, genders and personal preferences. 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 people themselves and by the communities where they locate. Small wonder that we find the creative ethos bleeding out from the sphere of work to infuse every corner of our lives.

At the same time, entirely new forms of economic infrastructure, such as systematic spending on research and development, the high-tech startup company and an extensive system of venture finance, have evolved

to support creativity and mobilize creative people around promising ideas and products. Capitalism has also 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 setting 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 the fantasy of an economy organized around small enterprises and independent “free agents.”³ Companies, including very big ones, obviously still exist, are still influential and probably 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's often been said that in this age of high technology, “geography is dead” and place doesn't matter any more.⁴ Nothing could be further from the truth: Witness how high-tech firms themselves concentrate in specific places like the San Francisco Bay Area or Austin or Seattle. 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. Corporations have historically played a key economic role in matching people to jobs, particularly given the long-term employment system of the post-World War II era. But today corporations are far less committed to their employees and people change jobs frequently, making the employment contract more contingent. In this environment, it is geographic place rather than the corporation that provides the organizational matrix for matching people and jobs. Access to talented and creative people is to modern business what access to coal and iron ore was to steelmaking. It determines where companies will choose to locate and grow, and this in turn changes the ways cities must compete. As Hewlett-Packard CEO Carly Fiorina once told this nation's governors: “Keep your tax incentives and highway interchanges; we will go where the highly skilled people are.”⁵

Creative people, in turn, don't just cluster where the jobs are. They cluster in places that are centers of creativity and also where they like to live. From classical Athens and Rome, to the Florence of the Medici and Elizabethan London, to Greenwich Village and the San Francisco Bay Area, creativity has always gravitated to specific locations. As the great urbanist Jane Jacobs pointed out long ago, successful places are multidimensional and diverse—they don't just cater to a single industry or a single demographic group; they are full of stimulation and creativity interplay.⁶ In my consulting work, I often tell business and political leaders that places need a people climate—or a creativity climate—as well as a business climate. Cities like Seattle, Austin, Toronto and Dublin recognize the multidimensional nature of this transformation and are striving to become broadly creative communities, not just centers of technological innovation and high-tech industry. If places like Buffalo, Grand Rapids, Memphis and Louisville do not follow suit, they will be hard-pressed to survive.

Our fundamental social forms are shifting as well, driven by forces traceable to the creative ethos. In virtually every aspect of life, weak ties have replaced the stronger bonds that once gave structure to society. Rather than live in one town for decades, we now move about. Instead of communities defined by close associations and deep commitments to family, friends and organizations, we seek places where we can make friends and acquaintances easily and live quasi-anonymous lives. The decline in the strength of our ties to people and institutions is a product of the increasing number of ties we have. As a retired industrialist who was the head of a technology transfer center in Ottawa, Canada, told me: “My father grew up in a small town and worked for the same company. He knew the same fourteen people in his entire life. I meet more people than that in any given day.”⁷ Modern life is increasingly defined by contingent commitments. We progress from job to job with amazingly little concern or effort. Where people once found themselves bound together by social institutions and formed their identities in groups, a fundamental characteristic of life today is that we strive to create our own identities.⁸ It is this creation and re-creation of the self, often in ways that reflect our creativity, that is a key feature of the creative ethos.

In this new world, it is no longer the organizations we work for, churches, neighborhoods or even family ties that define us. Instead, we do this ourselves, defining our identities along the varied dimensions of our creativity. Other aspects of our lives—what we consume, new forms of

leisure and recreation, efforts at community-building—then organize themselves around this process of identity creation.

Furthermore, when we think about group identity in this new world, we must rethink our notions of class. We often tend to classify people on the basis of their consumption habits or lifestyle choices, or, more crudely, by their income level. For instance, we often equate middle income with middle class. Though I view these things as significant markers of class, they are not its primary determinants. A *class* is a cluster of people who have common interests and tend to think, feel and behave similarly, but these similarities are fundamentally determined by economic function—by the kind of work they do for a living. All the other distinctions follow from that. And a key fact of our age is that more of us than ever are doing creative work for a living.

The New Class

The economic need for creativity has registered itself in the rise of a new class, which I call the Creative Class. Some 38 *million* Americans, 30 percent of all employed people, belong to this new class. 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/or new creative content. Around the 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 scientists, writers or entrepreneurs—share a common creative ethos that values creativity, individuality, difference and merit. For the members of the Creative Class, every aspect and every manifestation of creativity—technological, cultural and economic—is interlinked and inseparable.

The key difference between the Creative Class and other classes lies in what they are primarily paid to do. Those in the Working Class and the Service Class are primarily paid to execute according to plan, while those in the Creative Class are primarily paid to create and have considerably more autonomy and flexibility than the other two classes to do so. There are gray areas and boundary issues in my scheme of things, to be sure. And while 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.⁹ For writers like Daniel Bell and others in the middle to later 1900s, a second big story was the rise of a postindustrial society in which many of us shifted from making goods to delivering services.¹⁰ The big story unfolding now—one that has been unfolding for some time—is the rise of the Creative Class, the great emerging class of our time.

The reason modern society feels so different to our time-traveler is the staggering growth of this class. Over the twentieth century, the Creative Class grew from roughly 3 million workers to its current size, a tenfold-plus increase; since 1980 alone it has more than doubled. Roughly 15 million Americans, more than 12 percent of the workforce, compose the Super-Creative Core of this new class. The Creative Class in the United States today is larger than the traditional Working Class—for instance those who work in manufacturing, construction and transportation industries.

The long sweep of the twentieth century has seen the rise and fall of the Working Class, which peaked at roughly 40 percent of the U.S. workforce between 1920 and 1950 before beginning its long slide to roughly a quarter of the workforce today. The Service Class, which includes fields such as personal care, food service and clerical work, has grown steadily over the same period, doubling from roughly 16 to 30 percent of the workforce between 1900 and 1950 before climbing to more than 45 percent by 1980. With some 55 million members today it is the largest class in terms of sheer numbers.

Although the Creative Class remains somewhat smaller than the Service Class, its crucial economic role makes it the most influential. The Creative Class is also considerably larger than the class of “organization men” described in William Whyte’s 1956 book. Like Whyte’s managerial class, which “set the American temper” in the 1950s, the Creative Class is the norm-setting class of our time. But its norms are very different: Individuality, self-expression and openness to difference are favored over the homogeneity, conformity and “fitting in” that defined the organizational age. Furthermore, 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.

But the sacrifices we will make for money are very different from those once made by Whyte's organization men. Very few of us work for the same large company or organization for life, and we are far less likely to pin our identity or sense of self-worth on whom we work for. We balance financial considerations against the ability to be ourselves, set our own schedules, do challenging work and live in communities that reflect our values and priorities. According to one large-scale survey of people who work in information technology fields—a relatively conservative subgroup of the Creative Class—challenge and responsibility, the ability to work a flexible schedule and a secure and stable work environment all rank ahead of money as the key elements of what people value in their jobs. The upheaval in our private lives is epitomized by one well-publicized statistic: Fewer than one-quarter of all Americans (23.5 percent) accounted for by the 2000 Census lived in a “conventional” nuclear family, down from 45 percent in 1960.¹¹ These profound changes are not, as commonly portrayed, signs of the reckless self-indulgence of a spoiled people. They are undergirded by a simple economic rationality. We live by our creativity, so we try to take care of it and seek environments that allow it to flourish—much as the blacksmith once cared for his forge, and farmers took care of the oxen that drove their plows.

Creativity in the world of work is not limited to members of the Creative Class. Factory workers and even the lowest-end service workers always have been creative in certain valuable ways. Also, the creative content of many working-class 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 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 the last chapter of this book will argue, 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 the creativity of these people, paying them appropriately for it and integrating them fully into the Creative Economy.

Not all is rosy in this emerging mainstream of the Creative Age. With no big company to provide security, we bear much more risk than the corporate and working classes of the organizational age did. We experience and often create high levels of mental and emotional stress, at work and at

home. We crave flexibility but have less time to pursue the things we truly desire. The technologies that were supposed to liberate us from work have invaded our lives. And though the Creative Class does not have a monopoly on creativity, it certainly has cornered the lion's share of the market for it—while segmenting both the labor market and society in new ways. Significant fault lines are appearing as the values, attitudes and aspirations of the Creative Class inexorably clash with those of the other established classes. Our society may well be splitting into two or three separate types of economies, cultures and communities, with deepening divides of education, occupation and geographic location.

The nation's geographic center of gravity has shifted away from traditional industrial regions toward new axes of creativity and innovation. The Creative Class is strongly oriented to large cities and regions that offer a variety of economic opportunities, a stimulating environment and amenities for every possible lifestyle. The nation's leading creative centers include major East Coast regions like Washington, D.C., Boston and the greater New York region, and leading high-tech centers like the San Francisco Bay Area, Seattle and Austin. These places offer something for everyone—vibrant urban districts, abundant natural amenities and comfortable suburban “nerdistans” for techies so inclined.¹² But large regions do not have an exclusive hold on the members of this new class. Smaller places like Boulder, Colorado and Santa Fe, New Mexico boast significant concentrations of the Creative Class, as do less obvious places like Gainesville, Florida; Provo, Utah; and Huntsville, Alabama.

This remaking of our economic geography is intimately tied to class identity. Today's professionals see themselves as members of a broad creative force, not as corporate officers or organization men. Thus they gravitate to stimulating creative environments—to places that offer not only opportunities and amenities, but openness to diversity, where they feel they can express themselves and validate their identities. They are fleeing older working-class strongholds and in many cases avoiding newer but conservative Sunbelt cities—increasingly opting out of places where tradition is more valued and where the social norms of the organizational age still prevail. In fact, many of these places are being almost entirely abandoned by the Creative Class.

One of the most significant fault lines of our age is the growing geographic segregation of the Creative Class and the other classes. The geographic trends I will describe in this book do *not* favor the tightly knit old-style communities that are so often celebrated in our songs, stories

and sentimental TV commercials. Moreover, a number of serious social commentators in recent years have urged us to recultivate and rebuild the old forms of “social capital” found in these communities. Such efforts are fruitless, since they fly in the face of today’s economic realities. A central task ahead is developing new forms of social cohesion appropriate to the Creative Age.

The Transformation of Everyday Life

Economic shifts are thus altering the structure of everyday life. The rise and decline of the New Economy did not cause these changes, though it did help push them to the surface and make them more noticeable. In a deeper and more pervasive way, the September 11, 2001, tragedy and subsequent terrorist threats have caused Americans, particularly those in the Creative Class, to ask sobering questions about what really matters in our lives. What we are witnessing in America and across the world extends far beyond high-tech industry or any so-called New Economy: It is the emergence of a new society and a new culture—indeed a whole new way of life. It is these shifts that will prove to be the most enduring developments of our time. And they thrust hard questions upon us. For now that forces have been unleashed that allow us to pursue our desires, the question for each of us becomes: What do we really want?

I have spent the past several years conducting research on the changing attitudes and desires of the Creative Class and the other classes, as well as the key factors that have brought new attitudes to the fore. I have interviewed and conducted focus groups with people across the United States and elsewhere. I have visited companies and communities of all kinds in my attempts to determine what is going on. And with teams of colleagues and graduate students, I delved deeply into statistical correlations to develop more substantial evidence of the fundamental trends and patterns. Based on my research, I would describe several dimensions of the transformation that I see, corresponding to several basic categories of human existence: work, lifestyle, time and community. In each case, the changes reflect a society in which the creative ethos is on the rise.

The No-Collar Workplace

Artists, musicians, professors and scientists have always set their own hours, dressed in relaxed and casual clothes and worked in stimulating en-

vironments. They could never be forced to work, yet they were never truly not at work. With the rise of the Creative Class, this way of working has moved from the margins to the economic mainstream. While the no-collar workplace certainly appears more casual than the old, it replaces traditional hierarchical systems of control with new forms of self-management, peer recognition and pressure and intrinsic forms of motivation, which I call *soft control*. In this setting, we strive to work more independently and find it much harder to cope with incompetent managers and bullying bosses. We trade job security for autonomy. In addition to being fairly compensated for the work we do and the skills we bring, we want the ability to learn and grow, shape the content of our work, control our own schedules and express our identities through work. And companies of all types, including large established ones, are adapting to this change by striving to create new workplaces that are more amenable to creative work. In this, they have no choice: Either they will create these kinds of environments or they will wither and die.

The Experiential Lifestyle

Because we identify ourselves as creative people, we increasingly demand a lifestyle built around creative experiences. We are impatient with the strict separations that previously demarcated work, home and leisure. Whereas the lifestyle of the previous organizational age emphasized conformity, the new lifestyle favors individuality, self-statement, acceptance of difference and the desire for rich multidimensional experiences. David Brooks has argued in his clever book *Bobos in Paradise* that the new culture represents a blending of bourgeois and bohemian values.¹³ But we have done more than blend these two categories; we have transcended them completely so that they no longer even apply. Spurred on by the creative ethos, we blend work and lifestyle to construct our identities as creative people. In the past, people often literally “identified” themselves through several basic social categories: occupation, employer and family status (husband, wife, father, mother). Today, the people in my interviews identify themselves through a tangle of connections to myriad creative activities. One person may be simultaneously a writer, researcher, consultant, cyclist, rock climber, electronic/world music/acid jazz lover, amateur gourmet cook, wine enthusiast or micro-brewer. The people in my interviews report that they have little trouble integrating such multiple interests and personae. This kind of synthesis is integral to establishing a unique creative identity.

It's almost impossible to be a nonconformist today because conformity is no longer an issue. But at the same time, this more open attitude toward lifestyle forms a deep and growing division between the Creative Class and the more traditional classes.

The Time Warp

Creative people always have experienced and even cultivated a blurring of time. Writers, artists, musicians, scientists and inventors often have erratic and irregular schedules, working from home and seemingly playing at work. Now more of us do as well. How we organize and use time is changing in ways that go far beyond simplistic notions of the "overworked American" or the 24/7 workday. The core issue is not when we work or the number of hours we put in, but that our use of time has intensified. We pack every second—whether at work or at leisure—full of creative stimuli and experiences. And as we do so, our conception of time has completely morphed. The old boundaries that told us when we should do certain things have faded into oblivion. We in fact work at times when we are supposed to be off and play when we are supposed to be working. This is because creativity cannot be switched on and off at predetermined times, and is itself an odd mixture of work and play. Writing a book, producing a work of art or developing new software requires long periods of intense concentration, punctuated by the need to relax, incubate ideas and recharge. So too does designing a new marketing campaign or investment strategy.

A whole new social construction of time is thus emerging—and not only in how we use our time from day to day, but in how we use it over the course of a life. Careers, for instance, now tend to be front-loaded. Rather than climb the corporate ladder as they grow older, people now often pack their most intense and productive creative work into their younger years, when their potential for advancement and sheer physical energy are at a peak. Meanwhile the time-consuming obligations of marriage and children are deferred: The average age of women at childbearing in the United States recently topped thirty for the first time in history. Not only have the midlife crisis and midlife career change become more prevalent, they are being augmented by the "quarter-life" and "three-quarter-life" changes as people of all ages continue to seek new outlets for their creative capacities.

The Creative Community

Creative people have always gravitated to certain kinds of communities, such as the Left Bank in Paris or New York's Greenwich Village. Such communities provide the stimulation, diversity and a richness of experiences that are the wellsprings of creativity. Now more of us are looking for the same thing. Even if the community we choose isn't quite the kind of place where Gertrude Stein would live, it tends to meet a lot of the same basic criteria: a place that enables us to reflect and reinforce our identities as creative people, pursuing the kind of work we choose and having ready access to a wide range of lifestyle amenities. In place of the tightly knit urban neighborhoods of the past or alienated and generic suburbs, we prefer communities that have a distinctive character. These communities are defined by the impermanent relationships and loose ties that let us live the quasi-anonymous lives we want rather than those that are imposed on us.

The key to understanding all of these shifts lies in seeing them as part of a more global change—as thickly interwoven strands of a single underlying transformation that is affecting every dimension of our lives. This transformation is the shift to an economic and social system based on human creativity. Most people would never suppose that changes in our tastes for work, lifestyle and community might be driven by such basic economic changes. I argue that they are.

Romanticizing the Future, Glorifying the Past

After reading scores of books and countless articles on today's social changes, I have come to the conclusion that much of the time we are locked in a misleading and fruitless debate. The two sides in this debate amount to little more than flip sides of the same coin, opposing mythologies steeped in outdated ideologies, equally short-sighted and misleading.

On one side is an eclectic group of commentators with a utopian faith in the power of technology to cure virtually all social and economic ills. According to techno-futurists like George Gilder and Kevin Kelly, the combination of new technology and unfettered market forces promises to deliver us from the mundanities of everyday work and life and lead us toward an ever more prosperous and liberated future.¹⁴ Greater numbers of people are able to manage their careers as virtual "free agents," to use Dan Pink's phrase, moving from job to job or project to project at will, free

from bureaucratic incompetence and the inanities of everyday office life.¹⁵ More and more people will live “virtual” lives, coming together in on-line communities of like-minded individuals. There will be less and less need to shop or go to the movies when anything we desire can be delivered to our homes from a giant on-line mall. We can escape the constraints of geography; escape harsh, dirty and congested cities; and give up long commutes in favor of working from wherever we happen to be.¹⁶

Juxtaposed to this view are those who believe technology and unbridled market forces are making us work harder and faster, leaving us less time to enjoy each other and our interests, destroying human connections and damaging our neighborhoods and communities. If the techno-utopians romanticize the future, these techno-pessimists glorify the past. Unfettered hypercapitalism is leading to the end of work and the demise of high-paying, secure jobs, according to social critics like Jeremy Rifkin.¹⁷ Worse yet, the elimination of such jobs destroys an important source of social stability, argues Richard Sennett, casting people adrift, corroding our collective character and damaging the very fiber of society.¹⁸ The workplace is evolving into an increasingly stressful and dehumanizing “white-collar sweatshop” in Jill Fraser’s view, beset by long hours and chronic overwork.¹⁹ In the eyes of the cultural critic Tom Frank, business has become an all-powerful and hegemonic cultural force, as entities like MTV and The Gap turn alternative-culture symbols into moneymaking devices.²⁰ Neighborhoods, cities and society as a whole are losing the strong sense of community and civic-minded spirit that were the source of our prosperity, argues Robert Putnam.²¹ In his nostalgia for a bygone era of VFW halls, bowling leagues, Cub Scout troops and Little League, Putnam contends that the demise of these repositories of “social capital” is the source of virtually all of our woes.

Despite their obvious ideological differences, all of these viewpoints suggest that forces beyond our control are exogenously reshaping our work, communities and lives. All, as a result, underestimate the extent and power of the ongoing social changes at work today. By insisting that these social changes are somehow imposed on us, all of these commentators avoid the real question of our age: Why are we *choosing* to live and work like this? Why do we want this life, or think that we do?

In an insightful essay, the economic historian Paul David points to the limits of this kind of thinking.²² It is not technology per se that powers long-run economic growth. Technology is certainly important, but the sources of growth are more complicated and messy. Long-run growth re-

quires a series of gradually accumulating changes in the organizational and institutional fabric of society, taking place over perhaps half a century. These changes are not dictated by technology; rather they are the result of incremental shifts in human behavior and social organization. We have been going through such a process of social adaptation, organizational readjustment and changing personal expectations. At first glance, these recent changes seem centered on new forms of information and biotechnology, much as the Industrial Revolution seemed to be powered by new machines and new forms of energy. But upon closer examination, the current transformation, like its predecessor, turns out to be broader.

The deep and enduring changes of our age are not technological but social and cultural. They are thus harder to see, for they result from the gradual accumulation of small, incremental changes in our day-to-day lives. These changes have been building for decades and are only now coming to the fore.

CHAPTER 2

The Creative Economy

Powering the great ongoing changes of our time is the rise of human creativity as the defining feature of economic life. Creativity has come to be valued—and systems have evolved to encourage and harness it—because it is increasingly recognized as the font from which new technologies, new industries, new wealth, and all other good economic things flow. As a result, our lives and society have begun to resonate with a creative ethos. An ethos is defined as the fundamental spirit or character of a culture, and it is our commitment to creativity in its varied dimensions that forms the underlying spirit of our age. To grasp the spirit and character of the emerging Creative Age, this chapter takes a closer look at creativity itself: what it is, and where it comes from. In order to structure the arguments that follow, I start with three basic points.

First, creativity is essential to the way we live and work today, and in many senses it always has been. As the economist Paul Romer has said, the biggest advances in standards of living—not to mention the biggest competitive advantages in the marketplace—have always come from “better recipes, not just more cooking.”¹ Second, human creativity is not limited to technological innovation or new business models. It is multifaceted and multidimensional; it is not something

that can be kept in a box and trotted out when one arrives at the office. Creativity involves distinct habits of mind and patterns of behavior that must be cultivated on both an individual basis and in the surrounding society. The creative ethos pervades everything from our workplace culture to our values and communities, reshapes the way we see ourselves as economic and social actors and molds the core of our very identities. It reflects norms and values that both nurture creativity and reinforce its role. Furthermore, it requires a supportive environment—a broad array of social, cultural, and economic stimuli. Creativity is thus associated with the rise of new work environments, lifestyles, associations, and neighborhoods, which in turn are conducive to creative work. Such a broadly creative environment is critical for generating technological creativity and the commercial innovations and wealth that flow from it.

The third, and perhaps the most critical, issue is the ongoing tension between creativity and organization. The creative process is social, not just individual; forms of organization are necessary. But organizations can and frequently do stifle creativity. A defining feature of life in the early to mid-twentieth century—a period referred to as the Organizational Age—was the dominance of large-scale and highly specialized bureaucracies. Writing in the 1940s, the economist Joseph Schumpeter deplored the stifling effect of large organizations on creativity. In his landmark book *Capitalism, Socialism and Democracy*, Schumpeter noted that capitalism's great strength had long been the "function of entrepreneurs" who "revolutionize the pattern of production." And then he gloomily predicted its demise. "Technological progress is increasingly becoming the business of teams of trained specialists who turn out what is required and make it work in predictable ways," he wrote. The perfectly bureaucratized giant industrial unit not only ousts the small or medium-sized firm and "expropriates" its owners, but in the end

it also ousts the entrepreneur.² In an interview I conducted in 2000, a young woman described this chilling effect in stark and memorable terms: "Where I grew up, we were conditioned to play the roles that we were dealt. We were not encouraged to create and build our visions, but rather to fit into the visions of a select few. I like to say that we were 'institutionalized' individuals—because institutions defined our lives."³

The ascent of creativity as an economic force over the past few decades has brought new economic and social forms into existence that mitigate this tension to a certain degree, but they have not fully resolved it. Everything from the rise of the entrepreneurial start-up company and the formal venture capital system to the loosening of traditional cultural norms regarding work and life reflects attempts to elude the strictures of organizational conformity. But this doesn't mean that creativity has won the day or that large organizations are going the way of the dinosaurs. We still need large organizations to do many things; bureaucracies continue to play dominant roles in our society. Whereas one person can write brilliant software, it takes large organizations to consistently upgrade, produce, and distribute that software. Large organizations may be more nimble and flexible than they once were, but they are still evolving, still developing new ways to foster creativity while providing a structure in which to produce and manage work.

Our new creative economic system is far from fully formed. Furthermore, it is not a panacea for the myriad social and economic ills that confront modern society. The emerging Creative Economy will not magically alleviate poverty, eliminate unemployment, overcome the business cycle, and lead to greater happiness and harmony for all. In some respects, left unchecked and without appropriate forms of human intervention, this creativity-based system may well make some of our problems worse.

Creative Dimensions

Creativity is often viewed as a rather mystical affair. Over the past few decades, however, systematic studies have considerably enlarged our understanding of it. Researchers have observed and analyzed creativity in subjects ranging from eminent scientists and artists to preschoolers and chimpanzees. They have pored through the biographies, notebooks, and letters of great creators of the past; modeled the creative process by computer; and tried to get computers to *be* creative.⁴ Occasionally but notably, they have studied its workings across entire human societies. From this body of literature I will abstract several main themes that surface repeatedly. As we trace these themes and begin to see what creativity really is, we will also begin to get a deeper sense of how and why the creative ethos has emerged with such force in our lives today.

Let's start with the basics. Creativity is not the same as "intelligence." One study summarized the difference this way: "Many studies recognize creativity as cognitive ability separate from other mental functions and particularly independent from the complex of abilities grouped under the word 'intelligence.' Although intelligence—the ability to deal with or process large amounts of data—favors creative potential, it is not synonymous with creativity."⁵

Creativity involves the ability to synthesize. Albert Einstein captured this nicely when he characterized his own work as "combinatory play." It is a matter of sifting through data, perceptions, and materials to come up with combinations that are new and useful. A creative synthesis might result in such different outcomes as a practical invention, a theory or insight that can be applied to solve a problem, or a work of art that can be appreciated aesthetically.⁶

Creativity requires self-assurance and the ability to take risks. In her book *The Creative Mind*, Margaret Boden noted that creativity

requires the combination of passion and confidence. "A person needs a healthy self-respect to pursue novel ideas, and to make mistakes, despite criticism from others," she wrote. "Breaking generally accepted rules, or even stretching them, takes confidence. Continuing to do so, in the face of skepticism and scorn, takes even more."⁷

Small wonder that the creative ethos marks a strong departure from the conformist ethos of the past. Creative work in fact is often downright subversive, because it disrupts existing patterns of thought and life. It can feel unsettling even to its creator. One famous definition of creativity is "the process of destroying one's gestalt in favor of a better one." Schumpeter wrote about the "creative destruction" that transforms existing industries and creates entirely new ones. The economic historian Joel Mokyr notes: "Economists and historians alike realize that there is a deep difference between *homo economicus* and *homo creativus*. One makes the most of what nature permits him to have. The other rebels against nature's dictates. Technological creativity, like all creativity, is an act of rebellion."⁸ *

Yet creativity is not the province of just a few select geniuses who can get away with breaking the mold because they possess super-human talents. It is a capacity inherent to varying degrees in virtually all of us. According to Boden, who sums up a wealth of research: "Creativity draws crucially on our ordinary abilities. Noticing, remembering, seeing, speaking, hearing, understanding language, and recognizing analogies: all these talents of Everyman are important."⁹ And she explodes the idea of the lone "creative genius."

The romantic myth of "creative genius" rarely helps. Often it is insidiously self-destructive. It can buttress the self-confidence of those individuals who believe themselves to be among the chosen few (perhaps it helped Beethoven to face his many troubles). But it undermines the self-regard of those who do not. Someone who believes that creativity is a rare or special power cannot

sensibly hope that perseverance, or education, will enable them to join the creative elite. Either one is already a member, or will never be. Monolithic notions of creativity, talent, or intelligence are discouraging in the same way. Either one has got "it" or one hasn't. Why bother to try if one's efforts can lead only to a slightly less dispiriting level of mediocrity? . . . A very different attitude is possible for someone who sees creativity as based in ordinary abilities we all share, and in practised expertise to which we can all aspire.¹⁰

Creativity is multidimensional and experiential. Simonton writes that "creativity is favored by an intellect that has been enriched with diverse experiences and perspectives," and that it is "associated with a mind that exhibits a variety of interests and knowledge."¹¹ The varied forms of creativity that we typically regard as different from one another—technological creativity (or invention), economic creativity (entrepreneurship), and artistic and cultural creativity, among others—are in fact deeply interrelated. Not only do they share a common thought process, they reinforce each other through cross-fertilization and mutual stimulation. This is one reason that historical and present practitioners of different forms of creativity have tended to congregate and feed off one another in teeming, multifaceted creative centers—Florence in the early Renaissance; Vienna in the late 1800s and early 1900s; the many fast-growing creative centers across the United States today.

Stimulating and glamorous as it may sometimes be, creativity is in fact hard work. Both Thomas Edison (a paragon of technological creativity) and George Bernard Shaw (a cultural creative) liked to say that genius is 90 percent perspiration and 10 percent inspiration.¹² Or as the journalist Red Smith once said of the demands of his craft: "There's nothing to writing. All you do is sit down at the typewriter and open a vein." Here we have an inventor, a playwright, and a sportswriter sounding a common theme: the

creative ethos is built on discipline and focus, sweat and blood. As Boden put it: "A person needs time, and enormous effort, to amass mental structures and to explore their potential. It is not always easy (it was not easy for Beethoven). Even when it is, life has many other attractions. Only a strong commitment to the domain—music, maths, medicine—can prevent someone from dissipating their energies on other things."¹³

Creativity can take a long time before it bears fruit—there are many stories of great mathematicians and scientists mulling a problem for months or more, only to be finally "illuminated" while stepping onto a bus or staring into a fireplace—but even this apparent magic is the result of long preparation. Thus Louis Pasteur's famous dictum: "Chance favors only the prepared mind." Or as Wesley Cohen and Daniel Levinthal have put it in their studies of firm-based innovation: "Fortune favors the prepared firm."¹⁴

Because of the all-absorbing nature of creative work, many great thinkers of the past were people who "formed no close ties." They had lots of colleagues and acquaintances, but few close friends and often no spouse or children. In fact, muses the psychiatrist Anthony Storr, "if intense periods of concentration over long periods are required to attain fundamental insights, the family man is at a disadvantage." Quoting the famous bachelor Isaac Newton on his process of discovery—"I keep the subject constantly before me, and wait till the first dawns open slowly by little and little into the full and clear light"—Storr notes that "If Newton had been subject to the demands of a wife for companionship or interrupted by the patter of tiny feet, it would certainly have been less easy for him."¹⁵

Surely some creative people are inspired by money, but studies find that truly creative individuals, from artists and writers to scientists and open-source software developers, are driven primarily by internal motivations, by the intrinsic rewards and satisfactions of their pursuits. Too much pressure from the outside might even

inhibit them. In a study of motivation and reward, Harvard Business School psychologist Teresa Amabile observed, "Intrinsic motivation is conducive to creativity, but extrinsic motivation is detrimental." It appears that when people are primarily motivated to do some creative activity by their own interest and enjoyment of that activity, they may be more creative than when they are primarily motivated by some goal imposed upon them by others.¹⁶

Although creativity is often viewed as an individual phenomenon, it is an inescapably social process. Even the lone creator relies heavily on contributors and collaborators. Successful creators have often organized themselves and others into teams for systematic effort. When Edison opened his laboratory in Menlo Park, New Jersey, he called it an "invention factory" and announced his intention to produce "a minor invention every ten days and a big thing every six months or so."¹⁷ The artist Andy Warhol similarly dubbed his Manhattan studio The Factory. Warhol liked to cultivate a public image of bemused indifference, but he was a prolific organizer and worker—mobilizing friends and colleagues to publish a magazine and produce films and music, pursuing his own art all the while.

Creativity flourishes best in a unique kind of social environment: one that is stable enough to allow for continuity of effort, yet diverse and broad-minded enough to nourish creativity in all its subversive forms. Simonton identifies four key characteristics of the times and places where creativity flourishes the most: "domain activity, intellectual receptiveness, ethnic diversity, [and] political openness." In a study of the history of Japanese culture—a culture that has been "highly variable in its openness to outside influences"—Simonton found that "those periods in which Japan was receptive to alien influx were soon followed by periods of augmented creative activity."¹⁸

One final cautionary note: Mokyr, a historian, notes that technological creativity has tended to rise and then fade dramatically

at various times and places, when social and economic institutions turn rigid and act against it. Spectacular fade-outs occurred, for instance, in late medieval times in the Islamic world and in China. Both societies, which had been leaders in fields from mathematics to mechanical invention, then proceeded to fall far behind Western Europe economically. When one takes the long view of human history, Mokyr writes, one sees that "technological progress is like a fragile and vulnerable plant, whose flourishing is not only dependent on the appropriate surroundings and climate, but whose life is almost always short. It is highly sensitive to the social and economic environment and can easily be arrested."¹⁹ A continual outpouring of creativity "cannot and should not be taken for granted," Mokyr warns—even today. Creativity doesn't automatically sustain itself over long periods, but requires constant attention to and investment in the economic and social forms that feed the creative impulse. This is all the more reason to study the institutions of the Creative Economy closely, so that we can understand their inner workings and nourish them appropriately.

The Ultimate Source of Creativity

Creativity is not only inherent in humans, it is literally what distinguishes us, economically speaking, from other species. "We produce goods by rearranging physical objects, but so do other animals, often with remarkable precision," notes the economist Paul Romer. "Where people excel as economic animals is in their ability to produce ideas, not just physical goods. An ant will go through its life without ever coming up with even a slightly different idea about how to gather food. But people are almost incapable of this kind of rote adherence to instruction. We are incurable experimenters and problem solvers."²⁰

"We are not used to thinking of ideas as economic goods," he continues, "but they are surely the most significant ones that we produce. The only way for us to produce more economic value—and thereby generate economic growth—is to find ever more valuable ways to make use of the objects available to us." Ideas, he notes, are especially potent because they are not like other goods, such as mineral deposits and machines, which deplete or wear out with use.²¹ A good idea, like the concept of the wheel, "can be used over and over again" and in fact grows in value the more it is used. It offers not diminishing returns, but *increasing returns*. Moreover, an idea can be built upon. As other people apply their own creativity to a new scientific theory or product design, they can tinker with it, improve it, and combine it with other ideas in growing proliferations of new forms. This is what has happened in recent centuries. The early 1900s were a time when waves of invention—the accumulated fruits of that creativity—were being harnessed, mass-produced, and widely promulgated through society as never before. What we are living through now is the next step. Now it is not just the fruits or artifacts of creativity, but creativity itself that is being harnessed on a truly massive scale and promulgated as never before.

Today we like to think that we clearly understand creativity as a source of economic value. Many commentators, for instance, trumpet the point that "intellectual property"—useful new knowledge embodied in computer programs, or patents, or formulas—has become more valuable than any kind of physical property. It's no surprise that we litigate over intellectual property and argue about the proper means of protecting it as fiercely as miners battled over claims during the California Gold Rush. But as Lawrence Lessig has powerfully argued, our penchant for overprotecting and overlitigating intellectual property may well serve to constrain and limit the creative impulse.²² In the long run, we cannot forget

what the fundamental cornerstone of our wealth is. Although useful knowledge may reside in programs or formulas, it does not originate in them, but in people. The ultimate intellectual property—the one that really replaces land, labor, and capital as the most valuable economic resource—is the human creative faculty.

Karl Marx had it more than partly right when he foresaw that workers would someday control the means of production. This is beginning to happen to a certain degree, although not as Marx thought it would, with the proletariat rising up and taking over factories. If workers control the means of production today that is because it is inside their own heads; they *are* the means of production. Thus, the ultimate "control" issue is not who owns the patents or whether the creative worker or the employer holds the balance of power in labor market negotiations. While those battles swing back and forth, the ultimate control issue—the one we have to stay focused on, individually and collectively—is how to keep the creative furnaces that burn inside each and every human being fully stoked.

Creativity Versus Organization

This brings us back to one of the core tensions or contradictions of our time—that between creativity and organization. Creative people come in many different forms. Some are mercurial and intuitive in their work habits, others methodical. Some prefer to channel their energies into big, radical ideas; others are tinkerers and improvers. Some like to move from job to job, whereas others prefer the security of a large organization. Some are at their best when they work in groups; others like nothing better than to be left alone. Moreover, many people don't fall at the extremes—and their work and lifestyle preferences may change as they mature.

What all of these people have in common is a need for organizations and environments that will allow them to be creative—that value their input, challenge them, have mechanisms for mobilizing resources around ideas, and that are receptive to both small changes and the occasional game changer. Companies and places that can provide this kind of environment, regardless of size, will have an edge in attracting, managing, and motivating creative talent. The same companies and places will also tend to enjoy a flow of innovation, reaping competitive advantage in the short run and evolutionary advantage in the long run.

Although certain environments promote creativity, others most certainly kill it. Adam Smith noted this as early as 1776, in *The Wealth of Nations*. In his famous description of the pin factory, Smith praised the division of labor, a concept that allowed pins to be made efficiently by splitting the process into eighteen distinct steps, with each worker or group of workers typically doing only one step. “The man whose whole life is spent in performing a few simple operations,” he also noted, “has no occasion to exert his understanding or to exercise his invention,” adding: “He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment.”²³

In their insightful book *The Social Life of Information*, John Seely Brown and Paul Duguid describe the inherent tug-of-war between the ways that organizations generate knowledge and creativity, and the means by which they translate those assets into actual products and services.²⁴ Creativity comes from individuals working in small groups, which Brown and Duguid refer to as “communities of practice.” These communities emphasize exploration and discovery. Each develops distinctive habits, customs, priorities, and insights that are the secrets of its creativity and inventiveness. But process

and structure are required to link these communities to one another, transfer knowledge, achieve scale, and generate growth. Practice without process becomes unmanageable, but process without practice damps out the creativity required for innovation; the two sides exist in perpetual tension. Only the most sophisticated and aware organizations are able to balance these countervailing forces in ways that lead to sustained creativity and long-run growth.

This fundamental tension between organization and creativity is reflected in a remarkable dialogue between two of the greatest chroniclers of everyday life in the mid-twentieth century, William Whyte and Jane Jacobs. Whyte’s classic book, *The Organization Man*, published in 1956, documented the stifling effect of organization and bureaucracy on individuality and creativity.²⁵ A journalist at *Fortune* magazine, Whyte showed how the big corporations of the time selected and favored the type of person who goes along to get along, rather than someone who might go against the grain. The result, he wrote, was “a generation of bureaucrats.” Even research and development, though lavishly funded, was becoming bureaucratized: “Money, money everywhere . . . but not a cent to think.” Whyte’s organization man had an average workweek of fifty to sixty hours, was more interested in work than in his spouse, and depended on the corporation for his very identity. He often lived in prepackaged suburban developments like Park Forest, Illinois, a place Whyte studied exhaustively. The new suburban communities were seen as more progressive and liberating than the old small towns. But as Whyte showed, they came to exert strong pressures of their own for social adaptation and conformity. In Park Forest, as in the corporations for whom many of its upwardly mobile residents worked, the idiosyncratic individual was quickly stigmatized.

In contrast, Jacobs’s monumental work, *The Death and Life of Great American Cities*, published just five years later in 1961, celebrated the creativity and diversity of urban neighborhoods like her own Greenwich Village in New York City.²⁶ The creative

community, Jacobs argued, required diversity, an appropriate physical environment, and a certain kind of person to generate ideas, spur innovation, and harness human creativity. In contrast to the conformity, homogeneity, and insularity that Whyte had deplored, Jacob's neighborhoods were veritable fountainheads of individuality, difference, and social interaction. The miracle of these places, she argued, was found in the hurly-burly life of the street, which provided the venue for a more or less continuous conversation, a source of both civility and creativity. People of all classes and educations, with all kinds of ideas, were constantly jostling against each other and striking intellectual sparks. Jacobs documented in painstaking detail the way this worked in and around Hudson Street, where she lived, a neighborhood of tenement apartments and town houses, shops, and bars, among them the famed White Horse Tavern, where workers, writers, musicians, and intellectuals gathered for relaxation, conversation, and the occasional new idea.

What made Hudson Street so fertile was its combination of physical and social environments. It had short blocks that generated the greatest variety in foot traffic. It had a wide diversity of people, from virtually every ethnic background and walk of life. It had broad sidewalks and a tremendous variety of types of buildings—apartments, stores, even small factories—which meant that there were always different kinds of people outside and on different schedules. There were lots of old, underutilized buildings, ideal for individualistic and creative enterprises ranging from artists' studios to small entrepreneurial businesses. Hudson Street also fostered and attracted exemplars of a certain type of person: Jacobs's all-important "public characters." These people—shopkeepers, merchants, and neighborhood leaders of various sorts—were the antitheses of Whyte's organization men. Utilizing their positions in social networks, they connected and catalyzed people and ideas, playing critical roles in resource mobilization.

Ironically but not surprisingly, Jacobs and Whyte were the closest of friends. When asked in March 2001, on the fortieth anniversary of the publication of *The Death and Life of Great American Cities*, to name her most admired contemporaries, Jacobs had this to say: "Holly Whyte, William H. Whyte. . . . He was an important person to me and he was somebody whose ideas, yes, were on the same wavelength. And it was through Holly that I met my . . . publisher. . . . I told him what I wanted and he agreed to publish it and gave me a contract."²⁷

This bond is also evident in their work. Whyte lamented the rise of organizational society and the alienation, isolation, and conformity it engendered. Jacobs showed the possibility of an alternative, a setting where difference, nonconformity, and creativity could thrive. Who at the time could have guessed what verdict history would render? For much of the past half century, intelligent observers of modern life believed it was Whyte's world that had triumphed. But now it appears that Jacobs's world may well be carrying the day. Not only are urban neighborhoods similar to Hudson Street reviving across the country, but many of the principles that animated Hudson Street are diffusing throughout our economy and society. Personal lives and workplaces, whole industries and geographic regions are beginning to operate on the principles of constant, dynamic, creative interaction.

The Rise of the Creative Economy

I certainly agree with those who say that the advanced nations are shifting to information-based, knowledge-driven economies. The always-prescient Peter Drucker, who outlined the rise of the so-called knowledge economy, was one of the first and most noted exponents of this view: "The basic economic resources—'the means of production,' to use the economist's term, is no longer capital,

nor natural resources . . . nor 'labor.' It is and will be knowledge," he wrote.²⁸ Yet rather than knowledge, I see creativity—the faculty that enables us to derive useful new forms from knowledge—as the key driver of today's economy. In my formulation, knowledge and information are merely the tools and the materials of creativity. Innovation, whether in the form of a new technological artifact or a new business model or method, is its product.

None of this is totally new, of course; human beings have been engaged in creative activities since antiquity, often with spectacular results. But what we are doing now is mainstreaming these activities; building an entire economic infrastructure around them. Scientific and artistic endeavors, for instance, have become industries unto themselves, and they have combined in new ways to create still newer industries. The joint expansion of technological innovation and creative content work has increasingly become the motor force of economic growth.

As far as I can tell *BusinessWeek* was the first to introduce the concept of the Creative Economy, in August 2000.²⁹ Not long afterward, John Howkins documented its global impact in his aptly titled book *The Creative Economy*,³⁰ though he used the term in a somewhat different sense than I do. Whereas I define the Creative Economy in terms of occupations, Howkins defines it to include fifteen creative industry sectors such as software, R&D and design, and creative-content industries like film and music. These industries produce intellectual property in the form of patents, copyrights, trademarks, and proprietary designs.³¹

The Creative Factory

Not just the start-up company, the research laboratory, and the artist's studio, but the factory itself can be and often is an arena for

creative work. In fact, my studies of high performance factories in the 1980s and 1990s served as the inspiration for my theory of the Creative Class. Given the chance factory workers are often the ones who come up with basic improvements in productivity and performance.³² I saw this time and again in my studies of Japanese and US factories. Even in areas such as environmental quality, it was line workers doing little things—like putting in drip pans—who were the key to making factories greener and more productive at the same time.³³ Today more and more factory jobs require creativity as a condition of employment. In many advanced manufacturing plants, even candidates for entry-level assembly jobs must pass a battery of tests screening them for aptitudes such as problem solving and the ability to work in self-directed teams.³⁴ Increasing numbers of factory workers no longer touch the products they make but essentially monitor, control, and at times program the computers that run the production processes.³⁵ The manager of a fully automated steel mill in the American Midwest summed it up best when he told me: "The result is the rise of the creative factory, where factory workers contribute their ideas and intellectual talent as well as their physical labor."

I first came to understand the enormous power of creativity at work not from economic textbooks or from my research, but very early in life, from my father, Louis Florida. Born to Italian immigrant parents in Newark, New Jersey, he quit school at age fourteen and took a job in a factory that made eyeglass frames to help support his family during the Great Depression. After fighting in World War II—he was one of those who stormed the beaches at Normandy—he returned to his previous line of work at a place called Victory Optical. By the early 1960s, when I was a small boy, he had worked his way up from laborer to a supervisory post. On some Saturdays he had to put in a few hours at work; occasionally, he would give in to my pants-tugging pleas and let me tag along. My

eyes ablaze with curiosity, we drove through Newark's sprawling, industrial Ironbound Section, so called because it was latticed with railroad lines, to the giant brick factory. Inside the plant, I would race on small legs to keep up with my father as he strode past the presses, the lathes, the vats of plating solutions, and huge bins of eyeglass frames of every kind. The energy was incredible; it was a phantasmagoria of rapidly moving people, set amid the sounds of whirring machines and foreign-accented English, and the smells of cutting fluids, melted plastic, and finely shaved metal chips.

My father and his colleague Karl, a German-born machinist, would talk about the latest machinery from Italy and Germany and the advanced production systems used by their European competitors. But my father would always remind me that the real productive power of the factory came not from its machines and presses but from the intelligence and creativity of its workers. "Richard," he would say, "the factory does not run itself. It is those incredibly skilled men who are the heart, soul, and mind of this factory."

My most vivid lesson on that score occurred when I was a Cub Scout and I entered my first Pinewood Derby, a racing event for small model cars. Each scout was given the same basic materials to work with: a rectangular block of wood, plastic wheels, and metal axles. The instructions were to fashion a car from the materials supplied, and not to add additional weight in excess of five ounces. The cars would race by rolling down a sloped track. The week before my first race, I worked on the car with my father. We basically fastened the wheels to the block of wood, added a coat of paint and showed up. Suffice it to say, we were badly beaten. Our primitive clunker literally fell apart, its wheels flying in all directions, as the sleek cars of the other scouts flew by. Those sharp-looking cars fascinated me, and I made my father promise to help me build one.

The next year we set to work early, designing a streamlined racer. We started by talking to the machinists and machine-tool designers

at Victory Optical, taking the car to the factory on weekends to seek their advice. We honed that block of wood into an efficient aerodynamic design. We added a precise amount of lead weight, per the guidelines, to gain additional speed. We fashioned a little test track. In trial runs, the front axle began to crack under the strain of repeated impact with the stopping barrier at the bottom. With the help of the machinists, we developed an innovative solution, carving a bit of wood from the rear of the car and gluing it to its nose to protect the axle. We added a metallic paint job, decals, a roll bar, and the *pièce de résistance*—a little plastic driver. The finished car looked like a Formula One racer. With the collective ingenuity of Victory Optical in our corner, we went on to win every Pinewood Derby championship for the remainder of my Cub Scout career, at which point the dynasty passed along to my younger brother's racers. The creativity of the workers in the eyeglass-frame factory was multidimensional: it could be applied to my world, too.

My father's factory also taught me about the consequences of bad management—and the squelching of creativity—in the age of high Fordism. For years, the Victory Optical plant had been an exception to the Organizational Age rule: it was operated entirely by foremen and self-made managers like my father, who had worked their way up from the shop floor. These managers had tremendous respect for the ideas of the factory workers. I can remember the workers looking at samples of the latest designer eyeglass frames from overseas and coming up with their own designs to improve on the high-priced imports. Then, in the late 1960s and 1970s, the plant owners began to hire college-educated engineers and MBAs to oversee the factory's operations. With considerable book knowledge but little experience in the actual workings of the factory, these new recruits proposed complex new ideas and systems that inevitably failed and, at worst, brought production to a grinding halt. Their ideas not only were ineffective but created growing animosity

among the workforce. The bitter standoff between workers and management finally became intolerable. One day in the late 1970s, when I was at college, my father called me on the phone and said, "Today, I quit."

At the time, I was a little skeptical about my father's version of events: could college-educated experts really have ruined his factory? I was a college student myself, after all, trying to use education to move up the socioeconomic ladder. But within a couple of years, I realized how right he had been. As the workforce grew more demoralized, problems mounted. Skilled people quit. Machinists left in droves. The foremen and supervisors who had come up from the floor quickly followed. Without their storehouse of knowledge and institutional memory, the factory could not operate. Less than three years after my father's departure, Victory Optical was bankrupt. The huge, vibrant factory that had captivated me in my youth was shuttered, vacant, abandoned. It was as heartbreaking as it was ironic. Just when the leading edge of the corporate world had begun moving toward the creative factory concept—the concept that Victory had been run by all along—Victory had moved in the opposite direction: back to the past, to the deadening paradigm that delegated creativity to the men at the top and denied it to the rank and file.

The image of the factory as an arena for rote physical labor alone has always been wrong. It never gave a complete picture of the economic activity that went on inside. Workers have always used their intellects and creative capabilities to get things done. And though they were stifled for long periods in many industries, factory workers today are coming to be valued more for their ideas about quality and continuous improvement than for their ability to perform routine manual tasks. Across the board, in a multitude of jobs, work has taken on an explicitly creative component.

CHAPTER 3

The Creative Class

The rise of the Creative Economy has had a profound effect on the sorting of people into social groups or classes, changing the composition of existing ones and creating new ones. I am far from the first to have raised the idea that the advanced industrial economies have given birth to new classes. During the 1960s, Peter Drucker and Fritz Machlup described the growing economic role played by "knowledge workers." Sometime later, Daniel Bell identified a meritocratic class structure of scientists, engineers, managers, and administrators that had been engendered by the shift from a manufacturing to a "postindustrial" economy. The sociologist Erik Olin Wright has written extensively about the rise of what he called a new "professional-managerial" class.¹ Robert Reich advanced the term "symbolic analysts" to describe members of the workforce who manipulate ideas and symbols.² All of these observers picked up on economic aspects of the emerging class structure that I describe here.

Others zeroed in on the wider repercussions of these changes on social norms and value systems. Near the end of his 1983 book *Class*, the University of Pennsylvania's Paul Fussell taxonomized many of the attributes that I now assign to the Creative Class. After a witty romp through status markers that delineate, say, the upper

middle class from "high proles," Fussell noted the presence of a growing "X" group that seemed to defy existing categories.

You are not born an X person. You earn X-personhood by a strenuous effort of discovery in which curiosity and originality are indispensable.

The young flocking to the cities to devote themselves to "art," "writing," "creative work"—anything, virtually, that liberates them from the presence of a boss or superior—are aspirant X people.

The middle-class person is "always somebody's man," the X person is nobody's.

X people are independent-minded. They adore the work they do, and they do it until they are finally carried out, "retirement" being a concept meaningful only to hired personnel or wage slaves who despise their work.³

Others have charted the rise of knowledge workers. In 1996, Stephen Barley estimated that professional, technical, and managerial occupations increased from just 10 percent of the workforce in 1900 to 30 percent by 1991, while both blue-collar work and agricultural work had fallen precipitously.⁴ In 2001, the sociologist Steven Brint estimated that the "scientific, professional and knowledge economy" accounted for 36 percent of all US employment in 1996. Brint's human-capital-based estimate included industries in which at least 5 percent of the workforce has graduate degrees, including agricultural services, mass media, chemicals, plastics, pharmaceuticals, computers and electric equipment, scientific instruments, banking, accounting, consulting and other business services, health services and hospitals, education, legal services, and nearly all religious and governmental organizations.⁵

In *Bobos in Paradise*, David Brooks described a new blending of bohemian and bourgeois values among upper-income profes-

sionals.⁶ But Creative Class identity runs much deeper than a set of changing affections and affectations; it is rooted in our changed economic circumstances. What binds it together is not just its values and attitudes but the place it occupies in the economic structure.

Class membership follows from people's economic functions. Their social identities as well as their cultural preferences, values, lifestyles, and consumption and buying habits all flow from this. Whereas members of the Working Class work mainly with their physical bodies, members of the Creative Class work mainly with their minds. And for all those who believe this kind of mental or creative labor does not match up to physical work, listen to what the great chronicler of the Working Class, Karl Marx, had to say:

Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules, etc. These are products of human industry; natural material transformed into organs of the human will over nature, they are organs of the human brain, created by the human hand; the power of knowledge objectified. The development of [technology] indicates to what degree general social knowledge has become a direct force of production, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and have been transformed in accordance with it.⁷

There are no shortages of social scientists who believe that class has declined as a social and economic category. I disagree with them fundamentally. Class, in particular the rise of the Creative Class, exerts an increasingly powerful influence over virtually every aspect of our lives. Throughout this book, and in its penultimate chapter, added especially for this revised edition, I will illustrate the effects class has on myriad aspects of our very existence, from the economic performance of our cities, regions, and nations to our political views and values, from the ways we work to our very health and well-being.

In this book's original edition, I noted that although my field research and interviews made it clear that members of the Creative Class did not yet see themselves as members of a unique social grouping, they actually did share many tastes, desires, and preferences. I added that this new class may not be as distinct in this regard as the industrial Working Class was in its heyday, but it does have an emerging coherence. Since that time, the Creative Class has become increasingly self-aware, not just within nations but globally.

This chapter updates all of the statistics on the Creative Class and the new class structure, based on the most current available data. It also summarizes a great deal of new research on the definition of the Creative Class that has appeared since this book was first published.

Defining the Creative Class

The distinguishing characteristic of the Creative Class is that its members engage in work whose function is to "create meaningful new forms." I define the Creative Class by the occupations that people have, and I divide it into two components. What I call the Super-Creative Core of the Creative Class includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers, and architects, as well as the thought leadership of modern society: nonfiction writers, editors, cultural figures, think-tank researchers, analysts, and other opinion makers. I define the highest order of creative work as producing new forms or designs that are readily transferable and widely useful—such as designing a consumer product that can be manufactured and sold; coming up with a theorem or strategy that can be applied in many cases; or composing music that can be performed again and again. Whether they are software programmers or engineers, architects, or filmmakers, the people at the core of the Creative Class engage in this kind of work regularly; it's what they are paid to do. Along

with problem solving, their work may entail problem finding: not just building a better mousetrap, but noticing that a better mousetrap would be a handy thing to have.

Beyond this core group, the Creative Class also includes "creative professionals" who work in a wide range of knowledge-intensive industries, such as high-tech, financial services, the legal and health care professions, and business management. These people engage in creative problem solving, drawing on complex bodies of knowledge to solve specific problems. Doing so typically requires a high degree of formal education and thus a high level of human capital. People who do this kind of work may sometimes come up with methods or products that turn out to be widely useful, but it's not part of their basic job description. What they *are* required to do regularly is to think on their own, apply or combine standard approaches in unique ways to fit different situations, exercise a great deal of judgment, and perhaps even try something radically new from time to time. Creative Class people such as physicians, lawyers, and managers may also be involved in testing and refining new treatment protocols, new legal interpretations or management techniques, and may even develop such things themselves. As they do more of this latter kind of work, perhaps through a career shift or promotion, they move up to the Super-Creative Core: producing transferable, widely usable new forms is now their primary function.

Much the same is true of the growing number of technicians who apply complex bodies of knowledge to their work with physical materials. They are sufficiently engaged in creative problem solving that I have included a large subset of them in the Creative Class. In an insightful study,⁸ Stephen Barley of Stanford University emphasized the growing importance and influence of this group of workers, who are taking on increased responsibility to interpret their work and make decisions, blurring the old distinction between white-collar work (done by decision makers) and blue-collar work (done by those who follow orders).

There has been a robust debate over how to define the Creative Class since this book was originally published. One common misperception is that the Creative Class is just another way of counting people who have college degrees—the more conventional measure of human capital. In his review of the original edition of this book, the Harvard University urban economist Edward Glaeser wrote: “While Florida acts as if there is a difference between the human capital theory of city growth and the ‘creative capital’ theory of growth, that is news to me. I have always argued that human capital predicts urban success because ‘high skilled people in high skilled industries may come up with new ideas.’”⁹ Or as *Forbes* writer Mark Bergen tweeted about the Creative Class on October 7, 2011, “If you just called it the ‘Bachelor’s Degree or Higher Class,’ it’d be a whole lot less confusing.”

The reality is, while degree holders and the Creative Class overlap considerably, they’re hardly the same.¹⁰ Across the entire United States, nearly three-fourths (72.2 percent, to be exact) of adults with college degrees are members of the Creative Class. But less than 60 percent (59.3 percent) of the members of the Creative Class have college degrees, according to a detailed analysis by my colleagues Kevin Stolarick of the University of Toronto and Elizabeth Currid-Halkett of the University of Southern California. In other words, four in ten members of the Creative Class—16.6 million workers—do *not* have college degrees. As Stolarick and Currid-Halkett write: “Thus, while some correlation would be expected, our results indicate that human capital and the Creative Class do not necessarily capture the same people nor is a measure of each’s respective presence in a regional economy indicative of similar trends.”¹¹

With data supplied by Stolarick, Glaeser ran a regression analysis of the relative economic effects of my Creative Class measures versus the conventional human capital measure (the share of adults with at least a college degree) and found that the conventional variable substantially outperformed mine. “Maybe there is more to cre-

ativity than just schooling,” he writes, “but the regression doesn’t show it.” Maybe he should talk with Sir Ken Robinson, the education expert who shows that schooling often inhibits and retards creativity.¹² But that’s beside the point. The metric that Glaeser used to capture performance was population growth, and population growth and economic growth are not the same thing at all. Many regions that grow population experience little or no economic growth. In fact, there is no correlation between the two.

The fact is, a significant body of research shows that the Creative Class measure operates in addition to and through other channels than the standard human capital variable. A large-scale study by Stolarick, Mellander, and myself shows that the Creative Class has a bigger effect on wages—a key element of regional productivity—whereas education tends to have a greater effect on income.¹³ Independent research by economist Todd Gabe and others backs this up, showing that the Creative Class continues to have a substantial effect on regional economic growth when controlling for the effects of education and other factors.

More to the point, having a Creative Class job also brings economic benefits that extend beyond those of going to college. A college graduate working in the same occupation as a non-college graduate earns approximately 50 percent higher wages. But having a Creative Class job adds another 16 percent, about the same as another 1.5 years of additional education, according to Gabe’s research.¹⁴ Even more important, just counting years of education ignores a lot of people who do very creative work, including world-shaping entrepreneurs such as Steve Jobs and Bill Gates, or artists and others who did not complete college.

Others criticized my concept of the Creative Class as a “hodgepodge,” saying it includes too broad a spectrum of occupations and types of work to be really meaningful. For example, businesspeople make a lot more money than artists. True, artists, designers, entertainers, and media workers earn about half (\$52,290 per year

WAGES
VS
INCOME

in 2010) of what those in management occupations earn and considerably less than lawyers, engineers, and architects. Of the major Creative Class occupations, only education workers make less. But the pay differences within the Creative Class pale when you compare them to the differences between the classes (see Table 3.1). Other critics pointed out that artists, engineers, and businesspeople are very different kinds of people, with different interests and personalities. If you weren't likely to find them at the same cocktail party, how could you say they belonged to the same class? I could say that they missed the point, but there is a better

Table 3.1 Average Annual Wages and Salaries for the Classes, 2010

Class/Occupation	Salary
Creative Class	\$70,714
Management	\$105,440
Legal	\$96,940
Computer and Mathematical	\$77,230
Architecture and Engineering	\$75,550
Health Care Practitioners and Technical	\$71,280
Business and Financial Operations	\$67,690
Life, Physical, and Social Science	\$66,390
Sales (high-end)	\$61,484
Arts, Design, Entertainment, Sports, and Media	\$52,290
Education, Training, and Library	\$50,440
Working Class	\$36,991
Service Class	\$29,188
Agriculture	\$24,324
All Occupations	\$44,410

Source: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Survey, 2010. Available online at <http://www.bls.gov/oes/>. Analysis by Kevin Stolarick.

answer. My original definition of the Creative Class was admittedly based upon my research teams' subjective assessments of the skill content of work. But objective new data have since become available. In a major 2007 study, David McGranahan and Timothy Wojan, two economists with the US Department of Agriculture, independently updated the definition of the Creative Class, using detailed data from the Bureau of Labor Statistics' Occupational Information Network (O*NET) to specify the skills for each of the occupations I included in my original definition.¹⁵ For the most part, they found that my original definition held up, and that the correlation between my original and their updated definition was substantial.¹⁶

In his bestselling *Shop Class as Soulcraft: An Inquiry into the Value of Work*, Matthew Crawford, a philosophy-PhD'd thinker-turned motorcycle repairman, charged me with trying to elevate the mind work of faux bohemians, information techies, and creative professionals over the old fashioned physical skills of shop floor workers (he dubs it the "cult of creativity"). He accused me of subscribing to the fashionable hippie nostrum that "Creativity is what happens when people are liberated from the constraints of conventionality." Chastizing me, he notes that "the truth, of course, is that creativity is a by-product of mastery of the sort that is cultivated through long practice."¹⁷ First, it's simply not true that I elevate one kind of work over another. In the previous chapter, I showed how Creative Class theory is built off my own experiences as a young boy in my father's creative factory, and later from my studies of the advanced factories of Japan, which led a revolution in productivity by tapping into workers' knowledge and creative talents as well as their physical skills.

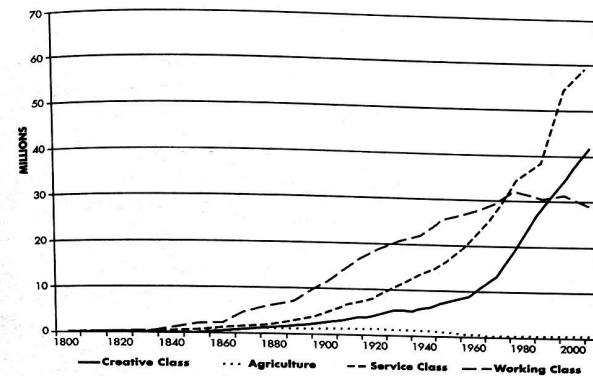
The empirical fact that the Creative and Service Class sectors are growing while blue-collar physical jobs are in dramatic decline cannot be avoided. Crawford makes an impassioned case for the kind of skilled trade work that he does in his motorcycle repair

shop, as well he should—such work has been and continues to be the source of good livelihoods and much fulfillment to those fortunate enough to be able to do it. The unfortunate truth, however, is that the kind of work Crawford does is available to only a small minority of workers. There are 5.3 million installation, repair, and maintenance workers in the United States, less than one-tenth of the more than 60 million workers who toil in mainly low-skill, low-paid service jobs. Only 16,850 of them are motorcycle mechanics, a fraction of a percent of the total US workforce. Crawford's own job is particularly enviable. As the owner-operator of his own shop, he's not an immiserated proletarian by any means, but an entrepreneur. What makes Crawford's job a good job—a great one, really—is more than the physical skills he's honed. It's that he is one of a very small minority of workers who can use his full complement of talents and skills—cognitive, social, physical, and managerial. He has near-complete control over how his work is done, and the flexibility to do it how and when he likes—to be his own boss. For these reasons, his work is a source of great pride and obvious joy. What Crawford does in his shop, in fact, has much in common with Creative Class work. Most manufacturing and production work isn't like this. Much of it remains mind-numbing, de-skilled, and controlled by machines—a modern, high-tech version of Charlie Chaplin flailing away as he tries to keep up with the assembly line.

Tracking the Classes

Working with my colleague Kevin Stolarick, first at Carnegie Mellon University and now at the University of Toronto's Martin Prosperity Institute, I developed a detailed statistical portrait of the rise of the Creative Class and the changing class structure of the United States through history, based on detailed occupational data collected by the US Census. (The Appendix provides a complete explanation

Figure 3.1 The Class Structure, 1800–2010

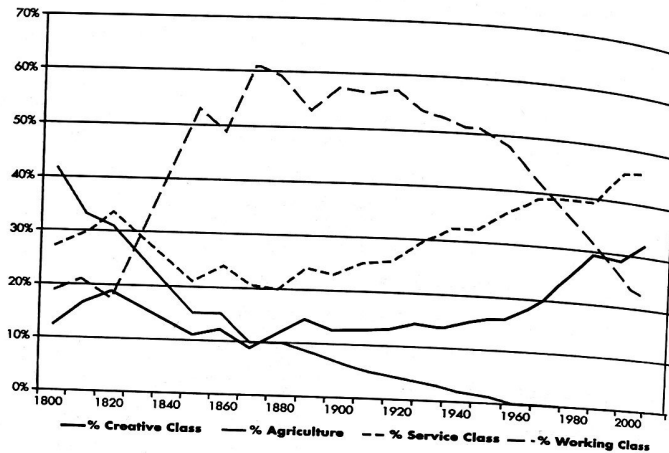


Source: Analysis by Kevin Stolarick. See the appendix for full detail on sources.

of all data and sources.) Our original time line covered the years 1900–1999; we have updated and expanded it to cover 1800 through 2010 (see Figures 3.1 and 3.2).

As of 2010, the Creative Class included some more than 41 million Americans, roughly one-third of the entire US workforce. This is up from the 38 million plus workers and 30 percent of the workforce in 1999 that I reported in the original edition. But consider how much it has expanded over the long sweep of history. In 1800, the Creative Class accounted for just 12 percent of the US workforce, and it hovered between that and 16 percent until 1960. It increased gradually to 19 percent in 1970, to 24 percent in 1980, and now stands at 32.6 percent as of 2010. In dollars-and-cents terms, Creative Class members make quite a lot more than those in other classes, averaging more than \$70,000 per year. Taken as a whole, the Creative Class packs an even larger economic punch, accounting for roughly half of all US wages and salaries.

Figure 3.2 The Class Structure, 1800–2010 (Percent of Workforce)



Source: Analysis by Kevin Stolarick. See the appendix for full detail on sources.

Growing alongside the Creative Class is the Service Class, which contains low-end, typically low-wage and low-autonomy occupations such as: food-service workers, janitors and groundskeepers, personal care attendants, secretaries and clerical workers, and security guards, among many others. In US Bureau of Labor Statistics (BLS) projections from the late 1990s and 2000, service jobs like “janitors and cleaners” and “waiters and waitresses” were some of the fastest-growing job categories alongside creative ones like “computer support specialists” and “systems analysts.” A decade later, in 2012, the fastest-growing job categories the BLS predicted out to 2020 included “personal care aides” and “home health aides” ahead of Creative Class jobs for “biomedical engineers.”¹⁸

The Service Class includes some 60 million workers, or 47 percent of the US workforce, making it the largest group of all. This is up

from 55.2 million, or 43 percent of the workforce, when I wrote the original edition ten years ago. The Service Class grew from about one in five workers in the late nineteenth century to one-third of the workforce by 1950 before climbing to 45 percent with the new millennium.

The growth of this Service Class is in large measure a response to the demands of the Creative Economy. As the economy has become more specialized and the occupational division of labor has deepened, the Creative Class has increasingly outsourced functions that were previously provided within the family to the Service Class. Some Service Class members have high upward mobility and will eventually move into the Creative Class—college students working nights or summers as food servers or office cleaners, for example, or highly educated recent immigrants driving cabs in New York City or Washington, DC. A few entrepreneurially minded members may be successful enough to open their own restaurants, lawn and garden services, and the like. But many have no way out; they are stuck for life in menial jobs.

At its minimum-wage worst, life in the Service Class is a grueling struggle for subsistence amid the wealth of others. By going “undercover” as a service worker, Barbara Ehrenreich provided a moving chronicle of life on the bottom of the economic food chain in *Nickel and Dime*,¹⁹ a book that is even more relevant ten years after its first publication (it was rereleased in 2011 with a new afterword). The economic gap between the Creative Class and the Service Class underpins the widening economic inequalities in America and elsewhere. Members of the Service Class earn just slightly more than \$30,000 annually, roughly 40 percent of what the Creative Class does.²⁰ And though they make up more than 45 percent of the workforce, they account for just one-third of all wages and salaries. More than this widening gap in income and economic security, this trend reflects a fundamental divide in what people are able to

do with their lives, and how the economic positions and lifestyle choices of some people drive and perpetuate the choices available to others.

Finally, there is the traditional Working Class, which has about 26 million members, down roughly 20 percent from the 33 million I reported in the original edition of this book. It consists of workers in production operations, transportation and materials moving, repair and maintenance, and construction work.

The Working Class share of the workforce surpassed that of agriculture around 1830, and continued to climb steadily, reaching 60 percent of the workforce by 1870. America remained a majority Working Class nation until the 1950s and the Working Class share of the workforce remained above 40 percent into the 1970s. It has declined ever since, hitting 31 percent of the workforce in 1990 before declining to 21 percent by 2010. The share of the workforce engaged in direct production has declined even more, to just 6 percent. In 2010, the Working Class averaged \$34,015 in annual wages, roughly half (52 percent) of the Creative Class.

Alongside the growth in Creative Class occupations, we are also seeing growth in creative content across other kinds of jobs. As this increases—as the relevant body of knowledge becomes more complex and workers are more valued for their ingenuity in applying it—some now in the Working Class or Service Class may move into the Creative Class. A prime example of this can be seen in the secretary in today's pared-down offices. In many cases this person not only takes on a host of tasks once performed by a large staff but becomes a true office manager—channeling the flow of information, devising and setting up new administrative systems, often making key decisions on the fly. This person contributes more than intelligence or computer skills. He or she adds creative value. My recent research with Charlotta Mellander shows not only that Working Class and Service Class members do engage in

creative work but that when they do so, it results in higher productivity and higher wages (a crucial point I will return to in the final chapter of this book). Not all workers are on track to join the Creative Class, however. Since we cannot truly prosper with a system that harnesses the creativity of only one-third of its workforce, the key task of the future must be to fully engage the creative talents of the other two-thirds.

The Crisis and the Creative Class

Marx long ago showed how capitalist crises fuel the rise of new classes and the eclipse of older ones and the economic systems they are inextricably connected to. The Great Depression of the 1930s and the Panic and Long Depression of the 1870s, as I have written elsewhere, reset the economic and social order, accelerating the rise of new production systems and new classes that were attached to them. We are seeing this happen again. The crisis that began in 2008 has hit hardest at the Working Class and especially at blue-collar men, so hard, in fact, that some pundits dubbed its fallout the "mancession." Hanna Rosin's much-discussed *Atlantic* article, "The End of Men," argued that the age of male dominance might have come to its end. "What if," she asked, "the modern, postindustrial economy is simply more congenial to women than men?"²¹

As the Working Class shrank, the Creative Class expanded. Between 2001 and 2010, the Creative Class grew by 2.8 million workers, or 7.2 percent, expanding from 38.7 million to 41.4 million members. The Working Class lost some 6 million of its members—nearly one in five workers—over this same period, shrinking from 32.2 million to just 26 million. The shift can also be seen in the share of the workforce accounted for by each of these classes. The Creative Class share of the total workforce increased from 27.5 percent in

2001 to 32.6 percent in 2010, while the Working Class share fell from 22.9 percent to 20.5 percent. Creative Class employment did fall over the course of the crisis, declining by about 700,000 workers, or about 1.5 percent, between 2008 and 2010. But this pales in comparison to what the Working Class and Service Class endured. The Working Class lost more than 5 million jobs during that same period, and Service Class lost another 2 million jobs. Figure 3.2 shows the small blip in Creative Class growth caused by the crisis—a deficit that it will more than make up in short order. According to Bureau of Labor Statistics projections, the Creative Class is projected to add another 5.4 million jobs by 2020.

The effects of the crisis can also be seen in the very different ways that the various classes experienced unemployment. The overall US unemployment rate more than doubled, rising from less than 5 percent in November 2007 to 10.1 percent by October 2009. During the period of rapidly surging unemployment from January through June 2009, the unemployment rate for the Working Class rose to 15.2 percent, up from 6.2 percent before the onset of the crisis, while Service Class unemployment hit 9 percent. But the unemployment rate for the Creative Class, which was a negligible 1.8 percent in 2007, rose to just 4.4 percent at its apex in 2009—less than one-half the rate for the Service Class and less than one-third of that of the Working Class.

With Todd Gabe from the University of Maine and my Martin Prosperity Institute colleague Charlotta Mellander, I undertook a detailed statistical analysis to gauge the effects of a person's socioeconomic class on unemployment prior to and near the official end of the recession, controlling for the effects of gender, age, education, and other factors that might be expected to have an effect on unemployment.²² Working Class members were more likely to be unemployed even before the crisis struck: belonging to the Working Class increased the probability of being unemployed by 1.8 per-

centage points as of March 2007. This probability more than doubled, to 4.1 percentage points, by March 2009. Creative Class members faced far less risk of unemployment over the course of the crisis. Having a Creative Class job actually lowered a person's probability of being unemployed by 2.8 percentage points—a very big impact. We also found that having a large Creative Class presence in a region lessened the impact of the crisis on members of the Working Class—mainly because, as Part 4 will show, such regions are more economically vibrant and resilient across the board.

A separate study by Stolarick and Currid-Halkett examined the relationship between the Creative Class and unemployment rates between July 2007 and February 2011 across more than 350 US metropolitan areas.²³ Overall, they found the Creative Class to be negatively associated with regional unemployment: the larger a region's creative workforce, the lower its unemployment rate. They note:

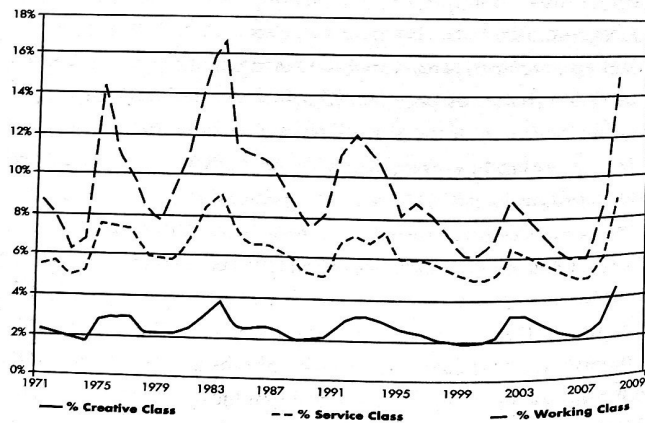
At the peak, a 1% increase in the creative class and a 1% decrease in the working class, *ceteris paribus*, are associated with an unemployment rate that is 5.7% lower. Increasing the creative class by 1% and decreasing the service class by 1%, *ceteris paribus*, would reduce unemployment by 7.1%. Increasing the working class by 1% with a service class decrease of 1%, *ceteris paribus*, would increase unemployment by 1.4%. The overall impact indicates that a higher share of creative workers is associated with lower unemployment, from the expansion of the crisis through to the current day.

Just the class variables alone explained between 30 and 57 percent of the variation in regional unemployment rates. "Cities with a larger creative class experienced slower unemployment as the crisis started, and the rate was even slower as joblessness was expanding across the country," they write. "Cities with a creative workforce reached a lower peak unemployment rate and then recovered more

quickly.” They conclude, “In short, having a creative workforce going into the crisis helped mitigate its effects on the regional economy.”

This pattern has been the case not just for the current crisis but going back more than four decades. Figure 3.3 tracks the unemployment rate for the three major classes from 1971 to 2009. The Working Class unemployment rate surged to 14.5 percent in the recession year of 1975, hit 16.8 percent in 1983, 12 percent in 1992, and then 15.2 percent in 2009. Service Class unemployment hit 9 percent in 1983 and again in 2009. Creative Class unemployment never topped 5 percent over this entire period, hitting highs of 3 percent in 1976, 3.7 percent in 1983, 3.1 percent in 1993 and again in 2003, and its modern-day high of 4.4 in 2009.

Figure 3.3 The Unemployment Rate by Class, 1971–2009



* Jan.–June 2009 seasonally adjusted, otherwise annual average

Source: U.S. Bureau of Labor Statistics and the Current Population Survey, various years. Analysis by the Martin Prosperity Institute.

Which isn't to say that the crisis hasn't been hard on some members of the Creative Class—it's been hard on everyone. On October 1, 2011, *Salon's* Scott Timberg went so far as to declare that the Creative Class's very existence is in jeopardy in an article that bore the provocative title “The Creative Class Is a Lie.”²⁴ Just as video purportedly killed the radio star, the Internet and the economic crisis is murdering the Creative Class, in Timberg's view. “This creative class was supposed to be the new engine of the United States economy, post-industrial age, and as the educated, laptop-wielding cohort grew, the U.S. was going to grow with it,” he wrote. “But for those who deal with ideas, culture and creativity at street level—the working- or middle-classes within the creative class—things are less cheery. Book editors, journalists, video store clerks, musicians, novelists without tenure—they're among the many groups struggling through the dreary combination of economic slump and Internet reset. The creative class is melting, and the story is largely untold,” he added.

To Timberg's point, the Creative Class did have its share of losers during the last decade. The biggest job losses occurred among “news analysts, reporters, and correspondents” (a category that lost 15,130 jobs, a substantial 22.9 percent decline), musicians and singers (8,830 jobs lost, down 16.9 percent), photographers (10,810 jobs lost, down 16.5 percent), and editors (5,050 jobs lost, down 4.9 percent). But as I pointed out when I responded to Timberg's *Salon* piece, other segments of the Creative Class experienced substantial job growth. Jobs for producers and directors went up by nearly 80 percent (36,770 new jobs); art director jobs grew by 45 percent; nearly 60,000 new jobs opened up for graphic designers (up 45 percent); and audio and video equipment technician jobs increased by roughly 40 percent. Overall, the Creative Class added nearly 3 million jobs between 2001 and 2010, growing jobs at a 7 percent clip. The subgroup of the Creative Class that spans arts and media

grew at nearly double that rate (13.8 percent) over the same period. Average Creative Class wages increased by more than one-third (34.5 percent), from \$52,707 to \$70,890, over this decade—more than any other major occupational group—and wages for arts and media creatives rose by 31.5 percent.

The Creative Class's hard times hardly register in comparison to the outright decimation of the blue-collar Working Class, which lost a staggering 6.2 million jobs over the same decade. Not to mention that Creative Class workers, even in the hardest-hit fields, have the skills and education that allow them to switch jobs and even careers when required—an option that is largely unavailable to blue-collar and service workers. Although some parts of the Creative Class have fared better than others, people who work with their heads haven't suffered nearly as much as those who work with their hands.

Gender, Race, and the Creative Class

The original edition of this book tracked the Creative Class as a monolithic unit, but gender and race remain key fault lines in American society. To what extent do they register in and across the Creative Class and other classes? Utilizing detailed data from the American Community Survey, Charlotta Mellander and I took a close look at this issue.

Women make up the majority of the Creative Class, accounting for 52 percent of its members. A greater percentage of women hold Creative Class jobs (37.1 percent) than men (32.6 percent). But Mellander and I found that Creative Class men earn about 40 percent more than women—\$82,009 versus \$48,077—a gap of nearly \$35,000.²⁵ Some of this can be explained by differences in work experience, skills, education, and longer work hours. But even when

we control for these factors, Creative Class men still outearn Creative Class women by a substantial \$23,700—nearly 50 percent of the average salary for Creative Class women.²⁶

Men continue to dominate the Working Class, holding more than 80 percent of positions. Four in ten men are members of the Working Class, compared to just 6 percent of women. Women hold the lion's share of Service Class jobs—nearly two-thirds (62.2 percent). More than half of women (54 percent) hold Service Class jobs, compared to just 30 percent of men.

These statistics help explain the different ways that the crisis has affected women and men. Before the crisis struck, the unemployment rate was pretty similar for men and women—4.3 percent for men and 3.8 percent for women. By 2009, the differential had grown to more than two percentage points—9.5 percent for males and 7.1 percent for women. A large part of this difference comes from the concentration of men in the Working Class and women in the Creative and Service Classes.

Race is the source of even more substantial divides within the Creative Class. More than eight in ten (80.9 percent) of Creative Class jobs are held by whites, who make up just 74 percent of the nation's population. The rest are more or less evenly split among the three remaining racial groups—African Americans (6.8 percent), Hispanics (6.2 percent), and Asians (6.1 percent).

When we look within racial groups, we find an interesting racial division of labor, so to speak. Asians are by far the most heavily represented in Creative Class work. Nearly one-half (47 percent) of them work in Creative Class jobs, compared to roughly one-third (34 percent) of whites, 24 percent of African Americans, and 18 percent of Hispanics. The Service Class is more evenly split across the races. Roughly 40 percent of whites and Hispanics do Service Class work, compared to 48.2 percent of blacks and 37 percent of Asians. Four in ten Hispanics are members of the Working Class,

compared to 28 percent of blacks, 25 percent of whites, but just 16 percent of Asians.

Creative Class Values

The rise of the Creative Class is reflected in powerful and significant shifts in values, norms, and attitudes. Although these changes are still in process, a number of key trends can be identified. Not all of these attitudes break with the past: most have long been associated with more highly educated and creative people; some represent a melding of traditional values with newer ones. On the basis of my own interviews and focus groups, along with a close reading of statistical surveys conducted by others, I cluster them along three basic lines.

Individuality. Members of the Creative Class exhibit a strong preference for individuality and self-expression. They are reluctant to conform to organizational or institutional directives and resist traditional group-oriented norms. This has always been the case among creative people, from “quirky” artists to “eccentric” scientists. But it has become far more pervasive. In this sense, the increasing nonconformity with organizational norms may represent a paradoxically new mainstream value. Members of the Creative Class endeavor to create individualistic identities that reflect their creativity. This can entail a mixing of multiple creative identities.

Meritocracy. Merit is very strongly valued by the Creative Class, a quality shared with Whyte’s class of organization men. The Creative Class favors hard work, challenge, and stimulation. Its members have a propensity for goal setting and achievement. They want to get ahead because they are good at what they do. There are many

reasons for this emphasis on merit. Creative Class people have always been motivated by the respect of their peers. They are ambitious and want to move up based on their abilities and effort. But meritocracy also has its dark side. Qualities that confer merit, such as technical knowledge and mental discipline, are socially acquired and cultivated. Yet those who have these qualities may easily begin to believe that they were born with them, or acquired them all on their own, or that others just “don’t have it.” By papering over the causes of cultural and educational advantage, meritocracy may subtly perpetuate the very prejudices it claims to renounce. Of course, meritocracy also ties into a host of values and beliefs we’d all agree are positive—from faith that virtue will be rewarded to valuing self-determination and mistrusting rigid caste systems. Researchers have found such values to be on the rise, not only among the Creative Class in the United States, but throughout our own and other societies.

Diversity and Openness. Diversity has become a politically charged buzzword. To some it is an ideal that we should always be striving for; to others it is the Trojan-horse concept that introduced affirmative action and other liberal abominations to our society. The Creative Class people I study use the word a lot, but not to press any political hot buttons. Diversity is simply something they value, in all its manifestations. It is spoken of so often, and so matter-of-factly, that I take it to be a fundamental marker of Creative Class values. As my focus groups and interviews reveal, members of this class strongly favor organizations and environments in which they feel that anyone can fit in and get ahead.

Diversity is favored first of all out of self-interest; it can be a signal of meritocratic norms. A number of Creative Class people have told me that they always ask if a company offers same-sex partner benefits when they are interviewing for a job, even if they are not

gay themselves. What they're seeking is an environment that is open to differences—of gender, sexual preference, race, or even personal idiosyncrasies. Many highly creative people, regardless of their ethnic background or sexual orientation, grew up feeling like outsiders, like they were different in some way from most of their schoolmates. They may have odd personal habits or extreme styles of dress. Also, Creative Class people are mobile and tend to move around to different parts of the country; they may not be “natives” of the places where they live, even if they are American-born. When they are sizing up a new company and community, acceptance of diversity is a sign that reads “nonstandard people welcome here.” Diversity also registers itself in changed behaviors and organizational policies. For example, in some Creative Class centers like Silicon Valley in California and Austin, Texas, the traditional office Christmas party is giving way to more secular, inclusive celebrations. The big event at many firms is now the Halloween party: Just about anyone can relate to a holiday that involves dressing up in costume. Surveys show such openness to diversity has increased substantially over the past decade. The astounding celerity with which gay marriage has moved from the unthinkable to mainstream acceptance provides an indication of how widely Creative Class values have been disseminated—and how deeply they've penetrated the culture.

Although the Creative Class favors openness and diversity, to some degree it is a diversity of elites, with membership limited to highly educated, creative people. Speaking of a small software company that had the usual assortment of Indian, Chinese, Arabic, and other employees, an Indian technology professional said: “That's not diversity! They're all software engineers.” Although the rise of the Creative Class has opened up new avenues of advancement for women and members of ethnic minorities, its existence has certainly failed to put an end to long-standing divisions

of race and gender. Within high-tech industries in particular, these divisions still seem to hold. As we have seen, although women make up the majority of the Creative Class, a substantial gender gap persists in wages and salaries. Race remains an even more salient factor. The high-tech world doesn't include many African Americans. Several of my interviewees noted that a typical high-tech company “looks like the United Nations minus the black faces.” On October 8, 2011, the scholar and tech entrepreneur Vivek Wadhwa sent out an apposite tweet on this subject: “More than 50% of Silicon Valley is foreign born. Less than 5% women, almost no blacks or Hispanics, sadly. A lot needs to be fixed.”

This is unfortunate but not surprising. As we have seen, African Americans are underrepresented in Creative Class occupations and make nearly \$10,000 less than their white peers, even when controlling for education, skill, and work effort—a substantial gap. And though my research for the original edition of this book found a strong association between centers of high-tech industry and communities that are more open toward immigrants and gays, it also found a troublingly strong negative correlation between high-tech concentrations and the percentage of the population that is nonwhite.

Global Values Shift

In more than three decades of careful research, Ronald Inglehart, a political science professor at the University of Michigan, has documented the powerful shift in values as these norms and attitudes took hold. Researchers participating in Inglehart's World Values Survey have administered detailed questionnaires to random samples of adults in countries around the world five times since 1981 (a sixth wave of surveys will conclude in 2012).²⁷ By 2007, the end

of the last survey period, the number of nations studied had grown to ninety-seven, including some 88 percent of the world's population. Along with specific issues like divorce, abortion, and suicide, the survey has delved into matters such as deference to authority versus deciding for oneself, openness versus insularity ("can strangers be trusted?"), and what, ultimately, is most important in life. Inglehart and his colleagues have sifted the resulting data to look for internal correlations (which kinds of values tend to go together) and for correlations with economic and social factors, such as a nation's level of economic development, its form of government, and its religious heritage. The researchers compared nations to one another, mapping out various similarities and differences—and they also looked for changes over time.

Among other things, Inglehart has found a worldwide shift from economic growth issues to lifestyle values, which he sometimes refers to as a shift from "survival" to "self-expression" values. Moreover, where lifestyle values are rising or dominant, as in the United States and most European societies in the present day, people tend to be relatively tolerant of other groups and in favor of gender equality, which is very much in line with Creative Class values. In everything from sexual norms and gender roles to environmental values, Inglehart finds a continued movement away from traditional norms to more progressive ones. Furthermore, as economies grow, living standards improve and people grow less attached to large institutions; they become more open and tolerant in their views about personal relationships.

Inglehart believes this new value system reflects a "shift in what people want out of life, transforming basic norms governing politics, work, religion, family and sexual behavior." Research that my team and I have conducted on more than one hundred countries since the original edition of this book was published (which I will discuss in later chapters) finds that the Creative Class is strongly associated with Inglehart's "self-expression" and "secular-rational" values

across nations.²⁸ And other studies I conducted with my colleagues (which I will also discuss in detail later) show a strong association between the Creative Class and openness toward gays and ethnic and racial minorities across nations.²⁹

This shift in values and attitudes, as Inglehart notes, is driven by changes in our material conditions. In agricultural societies and even for much of the industrial age, people endured chronic conditions of scarcity. We had to work simply to survive. The rise of an affluent or "post-scarcity" economy means that we no longer have to devote all our energies just to staying alive, but have the wealth, time, and ability to enjoy other aspects of life. This in turn affords us choices we did not used to have. "Precisely because they attained high levels of economic security," writes Inglehart, "the Western societies that were the first to industrialize have gradually come to emphasize post-materialist values, giving higher priority to the quality of life than to economic growth. In this respect, the rise of post-materialist values reverses the rise of the Protestant ethic."³⁰ Elsewhere, Inglehart comments that "the overriding trend appears to be an intergenerational shift from emphasis on economic and physical security toward increasing emphasis on self-expression, subjective well-being, and quality of life. . . . This cultural shift is found throughout advanced industrial societies; it seems to emerge among birth cohorts that have grown up under conditions in which survival is taken for granted."³¹

Although conservative commentators frequently bemoan these shifts as hedonistic, narcissistic, and damaging to society, the Creative Class isn't subversive through and through—far from it. On the one hand, its members have taken what look to be alternative values and made them mainstream: by making nonconformity mandatory, they've instilled a new kind of conformity. On the other hand, many of its most strongly held values—such as the commitment to meritocracy and to hard work—are quite traditional and system reinforcing in and of themselves. In my interviews, members

of the Creative Class resist characterization as alternative or bohemian. Those labels carry the connotation of standing outside or even against the prevailing culture, and they insist that they are working and living within it. It is in this sense that they represent not an alternative group but a new and increasingly norm-setting mainstream of society. This has become even more pronounced over the past decade as the Creative Class and its values have permeated society, in the United States and also around the world. Perhaps we are indeed witnessing the rise of what economic historian Joel Mokyr has dubbed *homo creativus*. We live differently and pursue new lifestyles because we see ourselves as new kinds of people. We are more tolerant and more liberal because our material conditions and way of life allow it.

When I first published this book, I argued that the rise of the Creative Class had already permanently transformed our economy and society—and I predicted that there would be deeper changes to come. The last decade has borne that out. Far from calling Creative Class theory into question, the economic meltdown provided dramatic confirmation that our world has become a fundamentally different place than most of us were born into. We are living in the eye of the storm, a period of life-altering creative destruction as a new economic order and a new way of life emerges from the old.

PART TWO

WORK