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## The Flight of the Creative Class

A Policy Forum on *The Intangible Economy* with  
Richard Florida

Comments by Rob Atkinson, Progressive Policy Institute

hosted by

Athena Alliance and

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The I-Cubed (Information, Intangibles, Innovation) Economy runs on talent and creativity. No one has made that more clear than Richard Florida, whose 2002 best-seller *The Rise of the Creative Class* received *The Washington Monthly* Political Book Award for that year and was later named by *Harvard Business Review* as one of the top breakthrough ideas of 2004. That book explored the role of creative individuals in the economic life of America's cities and towns.

His new book, *The Flight of the Creative Class*, looks at the growing global competition for talent. According to Dr. Florida, the United States, which has long been the preferred destination for the world's top entrepreneurial, innovative, scientific, artistic and cultural talent, is for the first time losing this key historical advantage. U.S. immigration laws are driving away foreign talent, while improved opportunities and greater tolerance of alternative lifestyles are luring some of the best and brightest from the United States. He argues that unless the United States can attract, retain, and grow top-notch creative talent, the increasingly intense competition will continue to weaken the U.S. economy. This policy forum explored these provocative ideas and discussed ways to counter these trends.

**Professor Richard Florida** is the Hirst Professor in the School of Public Policy at George Mason University and a nonresident Senior Fellow at the Brookings Institution. Previously, he was the Heinz Professor of Economic Development at Carnegie Mellon University, and has been a visiting professor at MIT and Harvard University's Kennedy School of Government. **Dr. Rob Atkinson** is Vice President of the Progressive Policy Institute and Director of PPI's Technology & New Economy Project. He is the author of the New Economy Index series, which looks at the impact of the new economy on the

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Unites States as well as state and metropolitan economies. He also authored *The Past and Future of America's Economy: Long Waves of Innovation that Power Cycles of Growth*.

Dr. Florida and Dr. Atkinson were introduced by **Dr. Kent Hughes**, Director of the Program on Science, Technology, America, and the Global Economy at the Woodrow Wilson Center.

**Dr. Florida** began by noting the critical importance of the work produced by Dr. Atkinson and Dr. Hughes in the last two or three decades. He said it is interesting to be surrounded by people who know competitiveness and have worked on legislation to promote it far more deeply and for longer than he has, but added that he has “dabbled” in the issue since he was a graduate student.

Dr. Florida began by saying we have a big problem on our hands. He has studied competitiveness issues mainly from the high-tech side and tried to understand the Japanese challenge, but has never before been this nervous. Right now, the United States faces a competitive challenge unlike anything we ever have faced before. In *The Flight of the Creative Class*, he tried to lay out a threat that is far, far greater and deeper than the emerging giants of India and China.

He noted that you never “wrote the book you thought you wrote”; you wrote the book that is framed by the media and the debate, and then spend most of your life clarifying what you said. The more accurate title of his book might be *The Nonarrival of the Creative Class*, because its main idea is not that Americans are somehow fleeing to Canada or New Zealand. The point of the book—familiar to those who have read *The Rise of the Creative Class*—is that the key to economic growth today lies in the ability to mobilize and harness technology and talent. Technology and talent are two of his “Three T’s” theory of economic development.

Dr. Florida said that most economists assume that countries are somehow endowed with stocks of technology or human capital, as a factor of production or raw material. His work says something almost inane simple: they’re not stocks; they’re flows. And the flows of talent and human capital are highly mobile.

The third T is tolerance, which means openness to talented, creative, and knowledgeable people, who tend to come equally in both genders and all age groups, races, ethnicities, sexual orientations, and family types. Dr. Florida argues that tolerant places are most open to various kinds of talented people. As a result, he has been accused of having a gay and lesbian agenda; trying to undermine the American family as we know it; advocating for cities that are composed entirely of yuppiesophistas, trendoids, and gays; and having a one-man campaign to undermine the Judeo-Christian civilization. But he said his only agenda is to understand how economic growth occurs. This ability to be open, or what his book calls “practically inclusive,” has a big additional or marginal effect on the competitiveness of a country, region, or city.

In Dr. Florida's first book, he linked the success of large cities such as San Francisco, Boston, and metropolitan Washington, D.C., to having the Three T's. Then he visited the film studio of Peter Jackson, the director of *The Lord of the Rings* movies. There in little Wellington, New Zealand—a town of 400,000 people—Jackson had assembled top creative and talented people from around the world. That's when Dr. Florida concluded that Pittsburgh and Cleveland are not competing against San Francisco and Seattle; competition for talent had gone global.

Two years later, Dr. Florida finally wrote *The Flight of the Creative Class*, pointing out that America's core advantage in the world economy is not a lot of raw materials, better manufacturing facilities, a bigger market, or something we called Yankee ingenuity. It's the fact that over the course of a couple of centuries, America was the most open, tolerant, and inclusive country in the world. Despite our own warts, we were the place that could attract top-notch creative talent, which gave us all of our great, wonderful, technologically innovative industries.

Dr. Florida said his book traces the effect of both immigrants in general and in particular on American economic growth. From Albert Einstein to David Sarnoff, Andrew Carnegie, Andy Grove, and General George Dorio—America's first venture capitalist—American immigrants contributed much of our country's science and technology. Annalee Saxenian's studies confirm that nearly one-third of all the high-tech companies started in Silicon Valley during the 1990s were founded by a Chinese or Indian person, and 50 percent of our computer scientists come from outside the United States.

For a long time the United States built its competitive advantage on all Three T's: technology, talent, and tolerance, but now our historic ability to compete is being damaged by several factors. The first is aggressive competition for talent by other countries and regional units within them. (Dr. Florida noted that he and Dr. Atkinson share a real interest in subnational, regional economic units as opposed to countries.) Dr. Florida's book contains all kinds of metrics for this competition for talent, but he noted specifically that the United States ranks eleventh in the world for the percentage its population in the so-called creative class—scientists, engineers, technology people, innovators and entrepreneurs, artists, musicians, writers, members of the design and entertainment industries, and those in the traditional knowledge-based professions. According to his global creativity index—the metric for the Three T's—the United States ranks fourth, behind Sweden, Japan, and Finland. Some people, particularly among the right wing, have taken potshots at that measure, but it is almost right in line with Michael Porter's growth-competitiveness index.

As one (but not the only) indicator of competitiveness for human capital, Dr. Florida said it is very useful to look at the flow of foreign students. While other countries, such as Australia, Canada, and the United Kingdom, are increasing their ability to attract foreign students, we are becoming, or appearing to be, more restrictive—both by neglect and by policy. Even when people are not permanently kept out, there are restrictions on visas and great delays. As indicated by an exhaustive study by a Taiwanese Ph.D. student at the University of Toronto and Dr. Florida's own focus groups and conversations around the

world, it is not simply the restrictions that matter, but also the sense that the United States is becoming a less inclusive country. Measuring the percentage of the decline in numbers of foreign students is the wrong way to look at this, because individuals matter. What if David Sarnoff, Albert Einstein, Enrico Fermi, Sabeer Bhatia, or Jerry Eng had gone somewhere else?

Dr. Florida said another point is completely neglected in the discussion of his work: our failure to harness the knowledge, talent, and intelligence of regular people. This was the subject of two of his previous books, *The Breakthrough Illusion* and *Beyond Mass Production: the Japanese System and Its Transfer to the United States*. According to the theory of the creative class, you need to have a large percentage of people in creative occupations, but the places that will win also expand their ability to tap the full creativity of a much broader segment of their population.

It's like the Toyota production system, which became quite competitive by not only tapping the creative capabilities of MBAs, engineers, and highly ranked people, but also harnessing the knowledge and intelligence of people on the factory floor. Roger Martin, who heads the Rotman School at the University of Toronto and ran the Monitor Corporation of Canada for a couple of decades, says we need to both attract the best and brightest technology people and also harness creative energy in general. Dr. Florida's theory is that the creative economy for the first time makes the nature of human development and economic development much more alike.

The United States faces two or three creative problems. The first is that, just as at the dawn of the Industrial Revolution, the rise of the creative economy has created a fundamental economic divide between the creative haves and the creative have-nots. We are a much more class-divided and economically unequal society than we have been in a long time. Quite puzzlingly, that level of economic inequality is a result of the creative economy itself; it is greatest in the very centers of the creative economy, such as Washington, D.C., San Francisco, Raleigh-Durham, and Boston.

Second, there is a housing affordability crisis. As the main centers of creativity and innovation become more successful and consolidate their leads, they are pricing out the next generation of creative people. For example, the young assistant professor who might have been attracted to MIT, Cal Tech, Stanford, or Berkeley 30 years ago simply cannot afford to live in these places anymore.

Third, we have a deep class divide. In the United States, you cannot build a majority political coalition to support a creative economy when only 30 percent of the people participate. There is a recoiling against the creative and innovative economy by the people being left behind. The United States experienced sustainable economic growth and rising living standards in the 1950s and 1960s because the expansion of the industrial economy included many people in what we used to call the blue-collar industrial working class. The debate today no longer is between free markets and tax relief, or supporting certain technology or industrial sectors; it has to be about expanding the benefits and

participation in the creative economy to a much broader swath of Americans. This is where the United States faces its biggest challenge.

You can imagine this conversation in Sweden, Finland, Australia, the United Kingdom, or Canada—about growing the technological, innovative, entrepreneurial, creative economy and attaching many more people to that growth engine. But at the national level in the United States, it is difficult to see the creation of politics that can support and sustain expanded participation in a creative economy.

In his comments on Dr. Florida's presentation, **Dr. Atkinson** noted that they are both urban planners who share a distrust of neoclassical economics. He agreed that the competitive advantage today is increasingly determined by innovation and knowledge; growing income inequality is a critical challenge to the nation; and the United States faces unprecedented challenges from competitors. However, he said the title of Dr. Florida's book underscores that the center of his model is immigration, which exaggerates the case fairly significantly. "If you had a title called *The Flight of the Creative Class: How Immigration, Especially of Knowledge Workers, is One of the Many Factors in Competitiveness and Economic Growth, and the U.S. Needs To Do a Bit Better Than It Currently Is, but, Of Course, It Has to Balance Open Borders With Other Concerns*, I'm not sure you'd be here."

Dr. Atkinson said it's not really true that the competition for talent is global; he saw no data in Dr. Florida's book on how many Americans were leaving the United States. The Urban Institute estimated that about 200,000 people leave the country each year, and perhaps three-quarters of them are foreign born. He is not sure that's a very big number and thinks Dr. Florida's model works at the state and local levels, but not nationally.

In addition, the book's fundamental premise or thesis is that imported talent is the driver of economic growth. Yet on a recent trip to Finland, which is number one or two on everyone's list of successful economies, Dr. Atkinson met no one from outside the country. They have been able to do all of the amazing things they've done without importing very much talent—if any. Nor are Japan, Denmark, Sweden, and China importing talent. So assuming that you have to bring in smart people makes too strong a case for what certainly is important, but not that important. If we had no immigrants, would we do worse? For every David Sarnoff, there are 10 immigrants you have never heard of who have no skills and just work at jobs every day.

Second, while Dr. Florida believes "openness is everything," Dr. Atkinson is happy we have a stronger border than we did before 9/11. He definitely wants a student tracking system; if it makes students a little antsy coming here, that's the price we have to pay for domestic security. Certainly immigration of skilled workers, scientists, and engineers is very important, but at the end of the day that is not what drives economic growth or the migration of jobs overseas. According to Dr. Atkinson, Dr. Florida suggests that many companies are going overseas because there is no domestic talent here, but he counters that it is because operating there costs 10–20 percent of what it costs here. In fact, we have the second-highest rate of people finishing college in the world.

More important, Dr. Florida puts too much emphasis on skills. Although Dr. Atkinson has argued for more skills, almost all of the studies in his own book suggest that the post-1955 productivity rebound in the United States resulted not from skills, but rather the increased use of innovative technology. Dr. Florida talks about technology in his book, but Dr. Atkinson doesn't think he gives it as much credence as he should. Dr. Atkinson also is uncomfortable with Dr. Florida's contention that we need to do more not only on skills such as science, math, and engineering, but also on things such as "validating children entering a glass-blowing class." That may be really important for an individual child, but as a matter of national policy, given the choice between putting \$50 million into the NSF for science education or putting \$50 million into the NEA for arts education, he would pick the former because it will lead to economic growth.

Dr. Atkinson agreed that growing income inequality is a challenge, but he was not quite sure what Dr. Florida wants to do about it—for example, how to make cabdrivers, telephone operators, or people who clean buildings more creative. Many U.S. jobs are low-skilled, require little knowledge, and aren't very pleasant, and somehow figuring out a way to have more creative people would not make those jobs better. In fact, Dr. Atkinson's recent paper shows that the fastest-growing occupational category between now and 2015 will be low-wage, low-skilled jobs. Certainly some low-wage occupations have a creativity component, but as more of a structuralist, Dr. Atkinson says we need to focus on automating "bad jobs" so that there are fewer of them and providing a higher earned-income tax credit, more progressive taxes, or health-care benefits for everybody.

Finally, Dr. Atkinson said Dr. Florida did a very good job of framing the broad challenges that we face as a country, but the book didn't provide as much of the specifics as he would have liked. He would have enjoyed something that he could give to Members of Congress and say, "Here's the bill you need to write; here are the 10 things that government could do right now to improve this process."

Following Dr. Atkinson's comments, **Dr. Kenan Jarboe**, President of Athena Alliance, moderated the discussion. He began by expressing concern about how to infuse jobs with creativity, using the example of London cabbies who can find any address versus D.C. cab drivers who famously cannot. He added that Dr. Atkinson's point about automating jobs is the flip side of this issue: many of those "bad jobs" will either go off shore for cheaper labor or disappear, because if you can break the job down enough to ship it offshore, at some point you can break it down enough to automate it.

Dr. Jarboe said in Dr. Florida's scenario, 30 percent of society is in the creative class and 70 percent essentially is composed of the drawers of water and the hewers of wood. Dr. Florida criticizes us collectively for failing to provide a clear vision of how the broad swath of society can prosper and succeed in this economy. But where does the great middle class come from—especially when you have globalization in which many smart, creative, bright, skilled, educated people will do that creative job at a quarter of the U.S. price, along with the "winner take all" phenomenon?

**Dr. Florida** responded by saying he spent his life trying to understand why technology-based solutions don't work, including 20 years in Pittsburgh. Once one of the biggest cities in the United States, today it ranks number 56; a stock of technology alone didn't keep it competitive. Everyone forgets that he said *Three T's*; T number one is technology; T number two is talent or skills; T number three is tolerance. The model says you need all three, not one. If you have one, you're Pittsburgh, or perhaps Miami—which has a high level of tolerance. What made the United States and its constituent regions particularly competitive was having all Three T's. His model doesn't say that openness is everything, but rather that openness is an important component when combined with the other factors.

Second, studies show that low-skilled immigrants are important components of our economic growth; the regions that have attracted low-skilled immigrants have outgrown those that have not. Of course costs matter, but costs aren't the whole story, and certainly the United States is going to get killed in a cost-based competition. To leverage technology and skills, we have to be open.

Dr. Florida says he did not write the creativity and technology blueprint for the United States. He has no idea how to write it; nor does anyone else. It is a daunting task, and we need to write it together. We need a technology and innovation agenda, but that is not enough—as his mother would say, “that ain't going to get you a walk in the park.” It also has to be an inclusive agenda; the 30 percent of Americans in the creative class isn't enough. You need an agenda that links the NEA and the NSF. You have to get beyond this ridiculous welfare reform argument that says, “You don't have any skills and you can't do anything, so we'll pay you off or give you a crappy job.” You have to show that every human being has value if you want to build a political constituency that can take us out of an older industrial age and into a new technology and information age.

It is not our technology, information, or knowledge that binds us together, but rather our people and creativity. Our country needs a creativity agenda, and he would like, in a very small way, to work with everybody at the seminar to create it. If we fragment the agenda into technology, arts, culture, health, human services, etc., we aren't going to get out of this box.

The floor was then opened for a **question and answer period**. The comment came from a participant who highlighted that she was not only a demographer and social scientist by training, but also a mother. She made the point that creativity means doing something outside of the status quo. She argued that there were two times in the United States in the 20th century when we came together, which unleashed new creativity and everybody wanted to be like us: when we gathered together for World War II, and people such as women and people of color who had been excluded got to be part of that American dream; and during the Civil Rights Movement.

But the leaders of creativity in the United States today are our children.—who are in the database at Johns Hopkins and score 1,200 and above on the SAT at seventh grade. By

the time they reach college, they're just jaded. They don't want to do any more technology or higher-level math, and then they get sucked up by the people who make money and then go overseas. She asked if the speakers are looking at that or the work of Frank Levy at MIT on the new division of labor.

Dr. Florida said he knows and recommends Dr. Levy's work, calling him probably the most important labor economist working in the world today. While harnessing the creativity of children is really important, harnessing the creativity of everyone is important too. In his book, *The Fourth Great Awakening*, Robert Fogel said the two challenges for our society are to harness the creative energy of young people and the old people who are being set aside. Dr. Florida is calling for a national dialogue on harnessing this creative energy across the board. Our schools are not set up to do a very good job of this; they were set up to do a good job in the Industrial Revolution, and they did.

Dr. Florida went on to comment that Franklin D. Roosevelt was a very interesting president because he looked the Industrial Revolution in the face and said, "We can either blow up like Europe into this horrible class antagonism or we can bring in blue-collar working people, let them participate, and grow the industrial society." Someone has to get up and say, "This cannot be built on the backs of the technology elite or knowledge elite or artistic elite." We have to build the mechanism just as Roosevelt did, including large swaths of the population in this creative economy. Blue-collar jobs were not always good jobs; they used to be low-pay, low-income, very dirty, very dangerous jobs. We made them better jobs through a series of institutional mechanisms, and that is the challenge today.

A participant asked if the flight of the creative class is a flight out of the country or a flight into the country, or both. Dr. Florida replied that it is not so much about Americans leaving the country, but rather our inability to harness the creative energy of our own people. Dr. Jarboe then noted that Dr. Florida's book says students are leaving, and Dr. Florida explained that the rate of increase in the number of foreign students we attract has slowed. It's not that everyone is abandoning the United States and Americans are all going abroad, but to some degree we are losing the global competition for talent. We still rank among the three most competitive countries, but we are losing what used to be an incredible advantage in harnessing the creative energy of students, young professionals, and technology-based people.

Another participant said Dr. Atkinson mentioned that creativity and economic growth are inversely correlated with the incarceration rate, and that certainly the incarceration rate in this country is far higher than those of Canada and the U.K. In addition, it's been said the New Deal programs were the seed bed for the next generation of Republicans, who say, "I did it on my own, why can't those people do it?" So you almost had a growth of intolerance among people who forgot that they climbed the rungs with the aid of government programs.

A participant with the American Electronics Association asked how to break the link between competitiveness and high-tech or high-skilled immigration, when foreign nationals comprise 40 percent of the graduates in areas at the core of the technology industry, such as engineering, science, and math. Dr. Atkinson responded by saying high-skilled immigration is an important component of our success and he is skeptical that we will train enough scientists and engineers. If we want to have scientists and engineers, for the short run we will have to import them.

However, he disagrees with Dr. Florida on the need to import people who have never finished fourth grade. There is no question that when you import people into this country our economy grows bigger, but do we want to be a bigger country? Many of the problems Dr. Florida raises, such as high housing prices, are a direct result of population growth. No one can make the case that a high level of immigration in and of itself raises per capita living standards; it just raises GDP. His goal is not to have more people, but rather for his son to have an income that's 30 or 50 or 100 percent higher than his.

A participant said Dr. Florida's points about classes in the United States reminded her of *Homeland*, a book about post-9/11 America becoming very scared about being left out of the creative economy, and the racism and hate-filled politics that emanate from that fear. In America we have been able to constantly reinvent ourselves and provide mobility through the classes, but now that is harder to do. She said it is ominous that we have written off a whole generation of inner-city kids and sent them to prisons; we haven't had an ethic of education. Dr. Florida replied that this is the narrative of his work: you grow an economy by developing the creativity of each and every individual. The winners are those countries that develop the most creativity from the inside and attract the most from the outside.

Technology, innovation, entrepreneurship, and immigration will only get us to what we used to call in the business literature "silos," but not to cross-functional teams—or "we." In the absence of that, there is a recoiling against the very centers of innovation and technology, the places loaded with what one of his critics called "yuppiesophistas, trendoids, and gays." That kind of loaded language is indicative of a reaction against the very propulsive drivers—highly concentrated, very spiky, big peaks of innovation, entrepreneurship, creativity, and technological growth. So the country becomes locked in a devastating culture war and political polarization that makes it almost impossible to address this agenda in a careful, astute, and knowledge-driven way.

Dr. Jarboe noted a recent series of articles in *The Wall Street Journal* on inequality in the United States, one of which used Mexico as an example of a country with almost no upward mobility for the bottom. Do we need mobility inside the country as well as openness to immigration? Dr. Florida said yes; his book points to both the ability to attract talent from outside and the ability to harness the creative capabilities of Americans, including low-skilled people. His father, the son of an immigrant with an eighth-grade education who worked in a factory, told him that it was not the CEOs and business minds that made the factory productive, but rather the talent, knowledge, and creativity of the men who worked there.

Another participant asked about immigrant entrepreneurship, and in particular how to inspire creativity in the staid environment of multinational corporations whose franchises often are owned by immigrants. Dr. Florida said in his new article in the *Harvard Business Review* on the SAS Institute in Cary, North Carolina, he described how Jim Goodnight fostered creativity in his software company. Goodnight does not outsource anything at the company, because every kind of worker has an intrinsic creative drive: the software people want to make great technology; the salespeople want to meet their sales quota; the landscaping crew wants to make a remarkable landscape. According to Dr. Florida, a segment of the business community is clamoring to find out how to tap into the creative energy of various workers, not because they're altruistic or do-gooders, but because they want to get a competitive edge. He added that it would be a great idea to look specifically at immigrant entrepreneurs in an entrepreneurship project he has underway at George Mason University.

Chuck Wessner of the Board on Science, Technology and Economic Policy at the National Academies of Science said the flight of talent seems to be fairly self-evident, and we certainly are helping East Asia and Europe to gain it. However, tolerance doesn't seem related to very rapid rates of growth or competitiveness, such as the case of Singapore. Growing economies have a trade policy, which means they are very careful what they allow to happen: they use currencies carefully, acquire technology, and focus on national autonomy and military contributions with a long-term view—something that we seem to have moved away from. He does not see the tolerance, but rather a much more active, less ideological use of integrated trade and technology policies. Could we adopt more thoughtful and long-term policies like those of the Chinese, Japanese, German, and French?

In response, Dr. Florida pointed out that although Singapore may not be the most open and tolerant country in the world, they reportedly have dramatically increased spending on arts and culture, and is changing their policy on the treatment of gays and lesbians. Sweden has made aggressive strides to open and liberalize their immigration policy, and countries such as Finland, Canada, Australia, and the United Kingdom are ramping up their ability to attract and retain foreign talent—although this is not so much the case in countries such as Germany and Japan.

Remaining an open country is a key to U.S. economic success. Openness is not the whole equation—you also need a great business climate, sensible trade policies, and sensible innovation, science and technology, and human policies that we don't have—but it is a critical part. Dr. Florida is trying to make this part of the conversation, because no country has to beat us for us to lose significantly. If Sweden takes 2 percent, the United Kingdom takes 3 percent, Canada takes 10 percent, and Australia takes 5 percent, the cumulative effect will be quite significant.

Dr. Atkinson said he absolutely agrees with Dr. Wessner: technology and trade are driving these big changes and the occupational structure we see today. He added that Dr. Florida ranks the Japanese fifth in tolerance and the United States twentieth, but the

Japanese do not want other people to come to their country, whereas anyone can come into America and be an American. So he questions both the metric and the importance of tolerance.

In response, Dr. Florida asked, if you had to bet over the long term on the ability to create cutting-edge innovations, would you choose a closed Japanese immigration system or a relatively open system like those of the United States or Canada? Regarding measures of tolerance, he based the index on the work of Ronald Inglehart of the University of Michigan—the only person who has surveyed attitudes on this over 40 years. He is working with the Gallop organization to conduct his own worldwide survey to measure locational preferences; numbers of immigrants; and numbers of gay and lesbian people. Without those measures, you use reported attitudes: a self-expression index and a so-called secular versus traditional religious index. The United States does very well on the self-expression index but terribly on the secular, rational, traditional religious index—for which the country pays a big penalty in its rankings.

Regarding Dr. Florida's comments on jurisdictional advantage, Jason Jordan of the American Planning Association asked if cities or regions could adopt policies—particularly in terms of urban design or urban systems—to improve their creative competitiveness. Dr. Florida said the great shortcoming of his book was its inability to address these issues at the subnational scale, where the importance of the Three T's will really show up.

By tolerance at the subnational level, Dr. Florida means several things: being open to different kinds of people and less segregated, as well as other factors that are very hard to measure, such as the quality of the environment or the arts and cultural community. Most people do this with completely inane measures, such as the number of symphony performances or acres of park land, but there are many measures of quality of place that matter. This jurisdictional advantage is very important because people do not choose location based only on where they can get the highest-paying job; they choose based on where they can find economic opportunity, a greater labor market, and the quality of life they desire. Most city planners think of quality of life as a great place to play golf and raise kids in a traditional nuclear family, but it varies among young people, older single people, and the gay and lesbian population. The places with jurisdictional advantage provide a wide portfolio of services and amenities that can attract a large number of people.

A participant asked how Reuters' decision to shift editorial jobs, which might be considered creative jobs, to India, apparently based on the bottom line and the smallest possible skill set necessary to edit stories, fits into the Three T's. Dr. Florida replied that costs matter; as Dr. Jarboe said, things that can be standardized, routinized, or rationalized will be moved to where there is a cost advantage. He added that if we in the United States act on not just a technology agenda but also a creativity agenda, we can combine those people who work in editorial positions with new technology or other writing opportunities to add value in new and unique ways. But clearly many jobs are subject to moving around the world, and functions that can be routinized and

standardized will be moved first. The only possible advantage we have is moving up the value chain of not only innovation and technology, but also creativity across the board.

In closing, Dr. Florida told a story about sitting around the room with Tony Blair's top economic advisers as they discussed the need for an information technology center and a high-tech strategy, to be more like the United States. He asked who are the richest people in England. The answer was Paul McCartney, Mick Jagger, David Bowie, and Elton John—which prompted him to asked if the U.K. government had ever really thought about their music industry. Dr. Florida admitted it is a silly example. But instead of seeing the loss of U.S. industries through the blinders of steel, autos, and consumer electronics, we have to think broadly about the areas where we can gain competitive advantage, which is in these quintessentially creative industries.