

Creative economy grows despite large population growth of creative people

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New economic data from the University of Maine give hope to cities across the country trying to gain a foothold in the creative economy.

Growth in creative economy jobs expanded rapidly in some parts of the country between 1999 and 2003 despite modest regional growth in the population of creative individuals during the 1990s. On the other hand, some cities that experienced a large growth of creative people over that decade saw some of the slowest rates of growth in actual jobs in the creative economy between 1999 and 2003.

This contradicts conventional wisdom that suggests companies employing creative workers follow the migration of creative talent, says Todd Gabe, associate professor of Resource Economics and Policy at UMaine. "These data show that cities don't need a strong initial presence in the creative economy to have job growth in later periods," says Gabe.

Creative economy growth in Maine's three largest cities also fits that pattern. Portland ranked 59th nationally in terms of the growth of creative talent during the 1990s, but fell to 136th in job growth between 1999 and 2003. On the other hand, Bangor and Lewiston-Auburn fared very well in job growth (30th and 26th nationally) over these four years following a decade when they ranked near the bottom (174th and 118th nationally) in terms of the attraction of creative talent.

The "creative economy" has received much attention recently, as U.S. workers see jobs in traditional industries dry up and other jobs move

overseas. The concept, popularized by economist Richard Florida, suggests that America's workforce advantage lies in our ability to solve problems, forge new frontiers, and quickly adjust to changing economic forces. Creative occupations include engineers, educators and scientists as well as those involved in the creative arts, entertainment and professions such as architecture.

Florida's data show that people who work in creative occupations earn an average of \$20,000 a year more than those in non-creative jobs. Other studies have remarked on the connection among the creative economy, entrepreneurship, tourism and high technology growth.

In his analysis of census data on 200 U.S. metropolitan areas, Gabe found that the Rocky Mountain, Southeast and Southwest regions had the largest growth of creative talent between 1990 and 2000. However, U.S. employment statistics between 1999 and 2003 show that many cities in those regions saw the slowest growth of jobs in creative sectors.

The New England region did not top the list in terms of growth in the number of people with creative skills during the 1990s, yet it experienced the highest rate of creative-economy job growth between 1999 and 2003.

Gabe's study, to be published in an upcoming issue of the academic journal *Growth and Change*, offers a look into trends of dispersion in the creative economy.

"Across regions of the U.S., some types of industries and sectors become more and more concentrated over time when areas that start with an initial stronghold grow faster than those starting from scratch," Gabe says.

However, his findings suggest that the creative economy became more

dispersed over the time periods analyzed. "This begins to challenge the commonly held belief that clustering enhances growth of the creative economy," Gabe added.

Of the 200 U.S. metropolitan areas considered, the hottest spot for the creative economy was Midland-Odessa, Texas, which had the highest growth rate of creative talent during the 1990s and ranked at the top of employment gains. However, the Sarasota-Bradenton, Fl., area had the second-fastest growth in creative people over the decade, but ranked near the bottom in terms of job growth in creative occupations between 1999 and 2003.

"Sarasota – along with several other Southern cities – provides a good example of places that had strong growth in the number of creative individuals that did not translate into high job growth in a later period," Gabe says.

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In his future research, Gabe hopes to gain a better understanding of the local factors that foster creative economy growth. "Policy makers around the world have embraced Richard Florida's ideas, and are searching for ways to attract and maintain creative talent," Gabe says. "This is especially true in America, where cities have been competing over economic development for decades. This study and others are necessary to inform local initiatives and help policymakers track their success."

Source: University of Maine

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