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THE NEW URBAN CRISIS:
A CONVERSATION WITH RICHARD FLORIDA

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Remarks:

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P R O C E E D I N G S

MS. LIU: Good afternoon.

AUDIENCE: Afternoon.

MS. LIU: It's -- want to welcome you all to Brookings. I am very excited to be hosting Richard Florida today to let him talk about his new book, "The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, and Failing the Middle Class — and What We Can Do About It." I know you all are here during our lunch hour; not exactly "Chicken Soup for the Soul", (laughter) but this is a very important read, and if you all stay through the end of the program, Richard's going to be able to do some book signing and we will sell the book at a discount today, so please stay through to the end.

I also want to just take a moment to welcome Richard because Richard is not a stranger to Brookings; in fact, he has been on this stage before. We hosted Richard back in 2002 when he published his book, "The Rise of the Creative Class." We have -- he was a visiting fellow at one point for the program, and we have maintained and continue to be fellow travelers and collaborators including right now working on a joint project where we're comparing U.S. and Canadian metros through our partnership with the Martin Prosperity Institute. So welcome back, Richard, to Brookings.

I have a chance to read this book last week while I was on my spring break, and there's a lot -- there's a lot to absorb in this book. There were a lot of takeaways, and I thought I would just share two sort of reflections that really reiterate some of the core messages that I think Richard is trying to convey in this book.

First is that cities are complex, cities are complex systems. And, you know, Richard said that the crisis is urban, yet the solutions have to be urban, too. And I would add that cities are -- the problems are complex and therefore the solutions have to be complex and systemic. And one of the things that Richard -- when he told me he was working on this book last year, he said one of the things that he had to do was go back and read urban sociology again, and that this was -- that journey reminded him of how fragmented the urban field continues to be. That when we teach cities, we still sort of fragment and bifurcate the field.

You're an urban planner, maybe you come at it as an urban economist, or maybe you're

interested in urban sociology and anthropology. But the reality is that cities are all these things. It is about people, it is about place, it is about economy. And so if we're going to tackle what is in the urban crisis, we need to look at these problems in a much more holistic way and a much more integrated way, and I think what's heartening to me is that the field is bringing -- beginning to continue to break down those silos so we can really attack these issues more effectively.

Second takeaway is that we share Richard's passion and commitment towards inclusive prosperity, towards the need for a new urbanism for all. If some of you are familiar with our program's mission, you'll know that our team and our scholars wake up thinking about, how do we help our cities in metropolitan areas build an advanced economy that works for all? And what was so interesting is, just like Richard, this mission has become even more urgent in the wake of the election. And this is because in some ways, the election revealed that there are some voters out there who believe that certain aspects of that advanced economy are a threat, are a threat to their well-being.

That those aspects are: our advanced economy is globally integrated, it is technologically driven, it is diverse and multi-cultural, and it is highly urban. And all four of those things were considered threats to a lot of people and economic prosperity today. And I would argue that our job is not to roll back any of those important forces of the future advanced economy, but how do we make sure that those aspects need to be harnessed and confronted in ways that really lift us the prospects for more people in our communities? What Richard does in his book is give us -- provide a real service in going deep one of those forces, which is urbanization. That that aspect of our global economy is itself has strengths, but also has some consequences for people in communities that are left behind, and how do we deal with that more deliberately?

So I'm going to have Richard come up here. He's going to speak for a few minutes and then I'm going to continue to have a moderated conversation with him and then with you. So without any further ado, please join me in welcoming my good friend, Richard Florida. (Applause)

MR. FLORIDA: Thank you so much. Thank you. Thank you so much, Amy, for that very kind introduction and thank you -- thank you for -- in the Metropolitan Policy Program for inviting me back. Indeed, I think it was this very room that I gave probably the first significant talk. You know, I -- before I wrote "Rise of the Creative Class," nobody -- not that anyone knows who I am now really, but no one

really -- you know, my parents and stuff -- and I remember -- Amy, I've never told you this, the guy who was with you, we drove down from Pittsburgh, he said, at that moment he knew, because I gave the talk here, that book would do something more than my other writing. He said it was really kind of the moment that he saw that the idea was coming together and to be presented at Brookings, so hard to believe it was 15 years ago. It really -- time really does fly.

I wanted to say congratulations to Amy and all the colleagues here at this -- it's been an incredible success in building a Metropolitan Policy Program, the place where it needs to be built in Washington, D.C, in the heart of the nation's capital, in America's greatest -- in the world's greatest, never mind America -- the world's greatest think tank, and I've been glad to play some little tiny role in that. But I think when Amy and I talk about this, as we were before, these -- there is a bookends, and the bookends are over the past 10 years, 15 years, this place, the work of other people -- like Mike Porter; my own work, to some degree -- have really established economic development as a field.

I was just over at the Inter-American Development Bank, and one of the young people there said, "In Latin America -- in the United States, you can go to any city and you'll see that there's an Office of Economic Development and they work on understanding their clusters and talent and this and that and job creation." I said, "Well that's because for a decade-and-a-half, people like Amy Liu and her colleagues have done this," and I think my work contributed to that. And the bookend is, what Amy was talking about, we did that but the benefits of that are somewhat -- and I'll talk more -- somewhat concentrated, somewhat exclusive. Some would say, "I don't think I would put myself exclusionary." Some would say that. And so the next agenda has to be an agenda for more inclusive prosperity, and that's a shared mission that we have, and that's what my progress from "Rise of the Creative Class" to "The New Urban Crisis" is about.

If you've read the reviews of the book, I'm not gloomy. (Laughter) I'm not Gloomy Gus, I'm not Nouriel Roubini, I'm not Doctor Gloom and Doom. They're like, "The cheerleader of the urban arrival has now turned gloomy." I think it's incumbent on all of us to point out the problems that have gone along with this amazing urban revival, and at the end of the day (inaudible) optimistic, but cautiously so.

So a little bit about me. I was born in 1957 in Newark, New Jersey. When I was a boy,

Newark was a thriving, functional, vibrant city. I was born in an apartment overlooking Branch Brook Park with both sides of my rather large Italian American family, my grandmothers, my aunts and uncles. My parents would take us to shop in a marvelous commercial shopping district with Bam Burgers and Hanes and multiple department stores. That park was an amazing place where I learned how to sled and skate on the frozen lake; cherry blossoms in the spring time. And over time, my parents, like many people of their generation, decided principally to give their boys a better education; they would move to a working-class town outside of Newark, North Arlington, Exit 15W, where people like “this and that and, you know, that kind of thing.”

I grew up sopranos, but -- and there was a day that I now recall I talk about in the opening of the book that I think was the day I -- something went off in my brain. I was about nine or 10 years old, my dad wanted us boys to have the gift of music, bought me a guitar, my brother a drum set; my dad loved jazz, he loved the big bands. But he said, “If you’re going to play that Beatles music and Rolling Stones music and Jimi Hendrix music, you have to learn how to play the instrument,” so he found me -- of course he found me an Italian American guitar teacher in someplace like Bloomfield or Glen Ridge, and we were driving -- and this was a hot July day and we heard shots, bang. Bang, bang, and my dad said, “Rich, get down on the floor.” Well, that was the long hot summer of 1967, those were the Newark riots. And I think as a young boy, something triggered in my head; I wanted to understand why my city had exploded in flames.

Not long thereafter, Newark City entered into fiscal crisis. I was (inaudible) graduating high school. The same year or the year thereafter, my dad’s factory, where he worked in the Ironbound section, closed. Well, imagine. All these things were swirling about in my head and when I was a sophomore, I took a class in urban geography. And my professor, who’s still a professor (inaudible) Bob Lake -- I wrote him a note about this last night -- he said, “Your first assignment is to go take the Amtrak from New Brunswick to New York City and walk around New York City and chronical what you saw.” Well, here’s the kid from Newark: the city of the riots; the city of burning streets; the city of decline, suburban flight, white flight; the city where the factory closed, where my mom, when she worked at The Star-Ledger worked behind a barbed-wire fence -- I am now seeing young people and Bohemians and punks and people with mohawks and artists and everything that’s going on in Lower Manhattan circa

1975 or 1976. All of a sudden, I began to see the fruits of an urban revival.

Well, I went off, I got my graduate degree, I became a professor at Ohio State -- where I head tonight to give a speech at Ohio State tomorrow -- and I end up in Pittsburgh in the late 1980s, a city now that has been buffeted by the collapse of steel, the collapse of heavy industry, but with these jewels of great research, universities Carnegie Mellon, University of Pittsburgh, and I am looking at why is Silicon Valley growing, why is Boston growing, why is Route 128 growing, why is Pittsburgh declining? And on a pound for pound or per capita basis, Carnegie Mellon was producing the same level of research output, the same level of patenting, the same level of innovation, the same level of start-up, but none of it was gluing itself in Pittsburgh.

Well, that's when I decided I had to write a book about that. So I wrote *Rise of the Creative Class*. I came up with the three T's -- that's a great story -- technology, talent, and tolerance. By the way, the original three T's which I presented here earlier were technology, talent, and trade. But I saw my kids around me at Carnegie Mellon, and the faculty were men and women and Asian and Latino and, well, they were a melting pot of rainbow, and so I said, you know, Pittsburgh was generating the technology, but the technology was flowing away; it was generating the talent, but the faculty and students were leaving and it needed this tolerance. So anyway, "Rise of the Creative Class."

I don't think I could have anticipated how powerful -- so that book was a kind of hopeful call for an urban revival based around attracting and retaining a group of knowledge workers, highly skilled people, high levels of (inaudible) capital; I call them the creative class. I enumerated them occupationally. It was scientist, technologist, knowledge-based professionals, business and management professionals, designers, artists, and so on and so forth. And enumerated -- and I have all the statistics in my pocket; I won't bore you with those -- enumerated which cities were winning that race and which cities weren't. We actually did a very interesting report for this group in which we first unveiled -- I think the thing that propelled that book to best-seller status was one thing, the gay -- the so-called Gay Index, and we developed that in a -- in a report -- one of the initial reports for this center, this institute.

I don't think I could have anticipated the sweeping nature of this urban revival, and in fact I think I didn't believe it could occur, to be quite honest. I -- if you had asked me 15 years ago would I have thought -- I should tell you guys the story when I went to visit Mayor Williams recently, and he

pointed -- your former mayor pointed to his book shelf and he said, "I read all your books and we follow them and you really F'd us up, Florida. What do you have to say for yourself?" And I was just on the floor and I said, "Well you just wait, I have the new book for you." Then he asked me to go on the advisory council of this new think tank, which is great. But I think I would never have anticipated the extent -- the sweeping extent of this urban revival and back-to-the-city movement. I would be optimistic that it would occur.

Moreover, when you look at the research literature that I talk about in the book, really, the real urban revival does not start until the year 2000. Yes, there are pockets of renovation in DuPont Circle and Georgetown and Society Hill and Lower Manhattan, but if (inaudible) there, but I think the best work is done by my now -- new colleague at the University of Toronto, Nate Baum-Snow. Nate's work really documents the sweeping extent of the urban revival, the back-to-the-city movement. That occurs from about 2000 to 2015, and it really is a movement of a particular segment of the population: to some degree the young, but not just the young; even more so, the highly educated and the highly skilled; and even more so, the affluent. To make these round numbers, about the top 10 percent of the income distribution is moving back to the cities, and about the bottom 10 percent of the income distribution is being pushed out of cities.

Now, I wasn't as naïve to this as some might purport. I just want to make this as a little footnote. "The Rise of the Creative Class" was a hundred-and-fifty-thousand-word book. Several chapters were cut from that book; those chapters became an essay published in 2003 in the Washington Monthly, which their editor, Paul Glastris, has just unearthed for me, and I could send you a copy. That dealt with the connection between the rise of the creative economy and wage and equality, and in that essay published in 2003, less than six months after the book was published, I document very conclusively that the places with the highest levels of wage -- and this is well before the Occupy movement, well before Piketty, well before the concerned about -- and I document that the high -- places with the highest levels of wage and equality are: San Jose; San Francisco; Washington, D.C.; Austin, Texas; Boston; the places that are succeeding in the knowledge and innovation-driven economy.

So I was very concerned about that. But still, but still, I think I was naïve to the extent and I think -- Amy said something that she always does extremely prescient. Not only naïve to the extent

of the problem; naïve to the extent of the backlash. And my wake-up call came -- so you can tell I'm -- really am an urbanist than a -- an urban geographer and planner. My wake-up call came when I moved from Washington, D.C. in the year 2007 to Toronto, home of the great Jane Jacobs, led by a very progressive mayor --David Miller had a council, the councilor in charge of economy development, Kyle Rae -- wherein we were developing in 2007 an inclusive prosperity agenda, affordable housing, all the things, upgrading low wage service work. David refused to break a garbage strike, so a long story. But in this vacuum that was created by that politics rose the most notorious mayor. Even your own former mayor, Barry, couldn't hold a candle to Toronto Mayor Rob Ford, our own crack mayor.

And I think the big wake-up call for me was, if such a progressive city almost by American standards, social democratic -- you know, this is more like a Scandinavian town -- if this kind of populist -- we didn't quite know. Well, we thought Donald Trump was kind of a joke of a reality star then, but that's not the end of it, either. If this guy could become mayor in Toronto -- and it's interesting, different than Trump -- and Trump is populism because his coalition was multi-cultural and multi-racial. But the coalition was a coalition precisely, as Amy said, a coalition of people who felt not just that the world was economical unequal, but it was geographically or spatially unequal that the advantage members of the knowledge class, the creative class, the urban cosmopolitan class, whatever they didn't call them, but they felt it, the people who were getting ahead were the ones living in the urban center. And remember, Toronto has a very thriving urban core; it doesn't have the same kind of suburbanization; it's always had wealthy people near the city center, that's always where the wealthiest neighborhoods have been, colonizing -- because the traffic is even worse than D.C. -- colonizing the areas near the subway and transit stops around the universities, around the knowledge institutions were these clusters of wealth and affluence, and pushed further and further afield were the less advantaged.

So I said at that point, "Rob Ford is harbinger of things to come." If Rob Ford could be elected in Toronto, more and worse would soon follow. Again -- once again, I feel my powers (inaudible) never would I have imagined that soon in rapid succession the Brexit would pass in England as a result of the same kind of forces, and more terrifying that Donald Trump would be elected president of the United States.

So that is the backdrop to understanding why I came to title this "The New Urban Crisis."

And by the way, this new urban crisis is bigger than the old urban crisis. The old urban crisis was a crisis of the urban center, of the center city, of White flight, of abandonment, of the flight of the middle-class jobs and industry. This urban crisis is bigger because it encapsulates the suburbs, and it encapsulates many different types of cities -- so it's not just urban, per se, it is -- it's suburban, as well. It is globe-straddling; it involves not only advanced countries but the developing and merging economies. And I would suggest to you that it is the central crisis of capitalism today.

Someone said -- Tweeted at me, "Does Florida really understand what (inaudible) capitalism is?" I said, "Yeah, I read all that stuff as a graduate student. I didn't use your verbiage, but I understand what you mean." And the nub of the matter is this -- and this is where Amy so kindly said I went back, and I had to go back and re-read urban sociology, and not only the great William Julius Wilson but William Julius Wilson's disciples, the brilliant Robert Sampson, who's become one of my closest intellectual friends at Harvard -- was kind enough to (inaudible) the book, the great urban sociologist -- and his student, Patrick Sharkey, who have written a lot about concentrated disadvantage. I was studying -- we were studying concentrated advantage, they were studying concentrated disadvantage; they are flip sides of the same coin.

Look, the very motor of economic progress which we've all come to identify, it is not just technology accumulation à la Robert Solow or (inaudible), it's -- or knowledge accumulation, it's not just human capital accumulation and talent accumulation; it's the clustering of technology and talent and knowledge and ideas, people in firms and cities, right? This is Jane Jacobs's most fundamental insight where she said -- she told me and she said, "You know, if I want -- wanted to be remembered as a thinker, that's what I'd want to be remembered for," something that has puzzled economists, but I think I figured it out. It's the clustering of people and industries and knowledge in places, technology, and talent in cities that drives economic growth.

Robert Lucas, when he accepted his Nobel Award said this in his essay on the mechanics of economic development: Jane Jacobs identified the spillovers that are at the center of economic growth. He called them Jane Jacobs externalities. The clustering of people in places are -- it's not firms. I grew up studying firms; my entire field was about studying the location of firms and clusters of firms in places. It's not firms, even start-ups that drive growth; the city itself is the platform. The

clustering that goes on of us and talented people, ambitious people, from all sorts, you know. People like Louis Armstrong and Jimi Hendrix and Steve -- they get all sorts of the talent spectrum. That's what drives economic growth; that's what drives innovation. The problem is, that same clustering force also carves the divides into our society which separate us.

As people cluster together, as firms cluster together, I call this in the book the paradox of land; it's interesting. That land has become so critical to our conversation now when we thought we had overcome this since the world flat; we -- geography doesn't matter. What's happening in the advanced world, in the world at large, is that more and more people and more and more firms and not just artists but high-tech start-ups and wealthy people and the global super-rich and everyone are trying to jam themselves into a very confined number of spaces. And the book lays out this data.

I'm very supportive of arguments about the rise of the rest. I hope to position through my work and other work Pittsburgh as a -- as a part of the rest that is rising, but the facts are that the world as anything has become more clustered and concentrated in spike year. In 1990, San Francisco attracted about 20 percent of all venture capital back start-upped in the United States. Today, San Francisco generates about 50 percent of all venture capital back start-ups. But there are two neighborhoods in downtown San Francisco -- old, dilapidated former industrial warehouse neighborhoods -- two neighborhoods in downtown San Francisco that now attract more than a billion dollars in venture capital back start-upped each and every year, more than any other (inaudible) outside of the United States on the planet. In the United States, five metros account for 25 percent of our GDP; in Canada, five metros account for 50 percent of GDP; in Korea, sole alone accounts for 50 percent of GDP. These are things the Brookings Metro -- in fact, quoting data from the Brookings Metro Program and the Global Metro Monitor; know more about it than I do.

So as we have become concentrated, and as we have all the affluent and the advantaged, and the advanced industries have crammed themselves into place, we have these increasing divides. The New Yorker just write a piece -- I think it launched a piece today on how our divides are not socioeconomic in class, per se; they are urban and rural. They're even more complicated than that. But that is the nub of the crisis, that the clustering that generates economic growth -- and it's caused a backlash, and I wrote about this on CityLab today, just very quickly. I said there are two kinds

of backlash. The one backlash is the Ford/Trump populist backlash from people who are being pushed further and further afield and feel disconnected -- and that's not only an economic backlash, it's even more of a cultural backlash. They want to see a restoration.

My colleague, Ron Brown, who exceeded the Atlantic, calls it the coalition of restoration versus the coalition of transformation. They want to see a restoration of family values and the kinds of things that allowed white men to have privilege. But there's also a backlash from the left. The backlash from the left I call the new urban (inaudible). That is the nimbyistic backlash, but not just the nimbyistic backlash; it's what's happening in San Francisco and other parts of the country where people are saying, "No, no, no. In order to fix our urban problem, we have to limit the number of tech companies and techies that can live in a city." That would be a disaster because, of course, the clustering of tech companies in cities is what drives economic growth.

So I say there are five dimensions of the new urban crisis, the first I call the rise of winner-take-all urbanism. There are a small number of winners; you are in a big winner here in Washington, D.C. and New York, San Francisco, L.A., Boston, college towns like Boulder, Ann Arbor, right in the shadows of Detroit. There are a relatively small number of winners which are attracting disproportionate shares of everything. Entertainment industries, media industries, advanced technology industries, you name it. Aside from San Francisco, New York City was the only metro in the United States to see a significant uptick in the (inaudible) of venture capital back start-ups it produces. London, Paris, and I could go on. Winner-take-all urbanism.

The second dimension is that -- but -- and the winners win and the rest fall further and further behind. But the winners are not necessarily winning. The winners are falling victim to an urban crisis of their own, and that urban crisis is the crisis of affordability, of inequality, of higher levels of segregation, and the fracturing of those places. So the epicenter -- and I have all the statistics that are -- income inequality, wage inequality, economic segregation, and we look at income segregation; I could go -- education segregation, education. All those things are positively and significantly associated, although they express themselves differently in different cities, and the crisis has many and multiple dimensions. But in general, and overall, denser, more knowledge-intensive, more affluent, more diverse, and more liberal metros.

The third dimension of the crisis was done -- the best research on this has been done at Brookings, is the crisis of the suburbs. And we now know there is more poverty in suburbs than there is in cities, that poverty is growing faster in the suburbs, violence is growing faster in the suburbs, suburbs impose all sorts of costs.

The fourth dimension of the new urban crisis is the crisis of global urbanization. Two things that are worth remembering: although urbanization, generally speaking, has led to better outcomes in most of the world, 860 million people across the world still are packed into global slums. That's more than two-and-a -- that's more than two times the population of the United States, and it's bigger than all of the United States in the E.U. combined; that is a non-trivial problem. And for the first time in our history, our modern history, we're seeing urbanization without growth. In other words, in the United States, in the United Kingdom, across Europe and much of Asia, especially China, urbanization has tended to coincide with growth, productivity improvement, the rising living standards, and the growth of middle class. That is no longer occurring in many of the most rapidly urbanizing parts of the world.

And I guess when I boil it all down to a simple thing, if the old urban crisis was about the flight of the middle class to the suburbs, the new urban crisis is about the (inaudible) of the middle -- (inaudible) of the middle. Not just the middle class; my own enumeration is that about 33 percent of us members of the knowledge and creative class are doing well and 60 percent of (inaudible) Peter Temin, the economic historian at MIT who has a brilliant new book out on the end of the middle, he thinks it's 20 percent. Twenty percent of us are doing well and 80 percent of us are falling behind. I think he's a little bit overestimating this extent of that. But 33, 20, 66, 80. It's not just the middle class that's declining in America, and the point of this book is that it's the middle-class neighborhoods that were the platforms for growth and social cohesion that are being annihilated. The neighborhood I was born into in Newark, the neighborhood I grew up in in North Arlington, the neighborhood on Hudson Street where Jane Jacobs wrote her first book, the middle-class neighborhoods that were the platforms for upward mobility and the American dreams are falling out.

My brilliant colleague at the University of Toronto, David Hulchanski, was the first person who would tune me to this. He called it a tale of three cities, the old middle-class city of Toronto and this fracturing of the city into the city of affluence and the city of disadvantage. In the year 1970, 66 percent of

Americans lived in middle-class neighborhoods; now, less than 40 percent of us do. In 209 of 223 metros that the (inaudible) research center could collect data for. The middle class has declined. That's over 9 in 10 of all metros. The places where the middle classes declined the most are what? The most advanced, the most knowledge-intensive, the most productive, the densest, and the largest metros we have.

So that is the state of the new urban crisis, and what's interesting about it is, most of us have been able to navigate this fairly well. According to the statistics we collect in the book, if you're a member of the knowledge class, if you have a high level of education, if you have a Bachelor's Degree, even with high housing prices in most places -- maybe not in Soho and Tribeca and a few neighborhoods in the United States -- but in most cases, you have more than enough earnings to overcome the cost of higher housing prices and to leverage the productivity effects. But for the blue-collar workers in the service class -- if the average member of the knowledge economy, the creative class, has \$80,000 or more left over after paying for housing, the average blue-collar service worker has 15 or 20. So it is a disproportionate effect.

Finally, the book argues that these classic distinctions between city and suburb -- as the middle has been (inaudible), these classic distinctions between city and suburb that so much of our conversation hinges on have been -- also been annihilated. We no longer, of course, have the rich in suburbs and the poor in cities, but we don't -- we also do not have an inversion. It's not that all the rich people have headed back to the city and all the poverty have headed -- although, we have some of that. In the book, I call it a patchwork metropolis. A patchwork metropolis.

We are -- in a sense, you have areas of concentrated advantage. In some metros, more of that is in the urban core, like Washington, D.C., but think about it. Some of the most affluent suburbs have greater Washington, D.C. -- most affluent places in greater Washington, D.C. are in the suburbs. In other places like Los Angeles, it strung out across the coast. In other areas like Michigan -- we were just talking about Detroit; my wife's from Detroit, as well -- most of the affluence, despite the renaissance of the center, remains in the suburbs, like Royal Oak and Birmingham and the Bloomfields.

So the patchwork metropolis expresses itself differently, but there are certain things that this urban revival have taken and urban divides have taken their shape around. One is access to jobs

and economic opportunity in and around the core. Two, access to transit and better access into the city, especially in communities with long commutes. Third is access to knowledge institutions and clustering particularly around universities. And the fourth is access to amenities, especially waterfronts.

Anyway, the books lays out an agenda, but I'll be quick on that. Let me just that what -- and Amy and I can -- we can talk about this more -- really, we have to move from an era of winner-take-all urbanism to what I call an urbanism-for-all. And that urbanism-for-all has to be around an agenda not for an exclusive or exclusionary prosperity, but for inclusive prosperity. And we can talk more about the mechanisms for doing that, because Amy knows as much or more about that than I do, but I think here is the thing. We have successfully accomplished in the United States our mission of spreading economic development, economic theory and practice, in helping metropolitan, its areas and cities, understand what they need to do to boost their economy. And why I'm so honored to be here today, if we did that beginning 15 ago together and with other colleagues, it's -- almost feels that now, in this moment, the past year -- is now when we can begin to kick off not only the thinking, but the conversation that will lead our cities in metro areas to move towards a more inclusive and inclusionary prosperity in the future. Thanks so much for your patience in listening to me, and we'll have a nice conversation with Amy. Thank you. (Applause)

SPEAKER: (Inaudible) quarter after.

MS. LIU: You're there.

MR. FLORIDA: Okay.

MS. LIU: So, you know, Richard, listening to you, I was just -- I had a flashback to a board meeting that we had recently with some of our trustees who said, you know -- you know, "Our program's been around for 20 years, and when we started the Urban and Metropolitan Policy Program at Brookings, cities were considered dead; urban policy was considered marginal. And look at how much has changed," as you said.

And one of my trustees said, "Well, maybe the divides in the country, urban versus rural, a coastal lease versus heartland, maybe you contributed to that because of the success of cities today." And you closed by talking about the -- you know, you talked a lot about clustering. We often talk about the failure of policy in the past as we -- this peanut butter effect that we spread our resources and assets

around when the real economic engines is about concentration. And I do think there is now some reflection that you're doing and many of us are doing about how do we manage that clustering effect in a way that really benefits more people. So, let me -- what I want to do is take a few moments to unpack a little bit more of this notion of the consequences of clustering. And then, talk about the solutions because we didn't really get to that in your opening statement.

So, one thing that Richard says in his book is even though urbanization is partly behind some of the new divides in the crisis in the country, we actually need more urbanism as our solution, not less. Because I think you said it very eloquently in the book, the alternative is a lot worse. So let me just push you on this issue about what it means to have more urbanism. So you dedicate an entire chapter to the topic of gentrification. When people hear we're going create more urbanization and more urbanism, the fears go up.

MR. FLORIDA: Yep.

MS. LIU: And that with part of the push back around the creative class, it will probably be the continue push back about more urbanization. Talk about your reflections on that topic of gentrification and neighborhood change.

MR. FLORIDA: Well, I quote the young woman who I actually find very interesting. I like her writing, who said basically, so taking you -- Richard Florida is to blame for gentrification. I'm like, who -- how. I'm writing a book. I mean, I guess. These are forces much more powerful than you, or I, or any scholar. These are port, you know, this is the market. This is the market for urbanism at work. And just like the rise of the industrial revolution created divides. And new economic system created winners and losers, but it took us a hundred years to develop a policy environment, you know, that we now look back at the golden age.

But my father would tell me, you know, when I was a kid, it took nine of us to make a family living like, your grandad, myself, your grandmother. Six siblings and when I came back from World War II, as if by magic, I had a great job in the same factory, same eyeglass factory, I could buy a car; I could buy a house; I could put you two boys through college. But it wasn't magic. There was a union movement; there was the Wagner Act; there was collective bargaining; there was all the FHA and VA programs to make that house affordable for him and create a mortgage loan.

So that's what we have to do today. We can't throw the baby out with the proverbial bath water. Our basic economic engine is clustering, so I call it the nature of fuller and fairer urbanism. And that's where we have to get. The problem is, you know, and, you know, the bigger reflection of me in writing the book, you and I talked about this. It wasn't just Trump's election, it's the divide in the country.

The fact that red and blue America are so upset with one another, that every eight years we have this literally kind of electoral civil war. And so what I came to and I think my -- the thing that I'm most interested in is that it really can't -- it's not going to happen nationally. It's going to happen locally. And that we need really to empower fiscally as well as politically, localities to solve these problems. We can get into how, but that's what was so daunting, you know, in the original, someone has to galley copy - - one of the folks in the front row, if you read the galley copy -- I rewrote this after election night when I was clearly depressed and crying and did not sleeping. But I really -- we called, you know, and you and I talked about this that the president should -- obviously, I was thinking President Clinton, that the president -- she should setup a council of cities equivalent to the National Economic Council and the National Security Council.

We would have a federal investment agenda, but that's not going to happen now. And it might not ever happen because we're so divided. So then, I think the rethink has been -- and even Joe Cochan have found accommodation, which is fascinating --

MS. LIU: Yep.

MR. FLORIDA: -- is that we have to not only invest locally or empower locally, we have to respect each other's differences, which is a big pill -- big pill to swallow. So I think that was the big shift for me and then, how we get there is another question.

MS. LIU: So I think you did a really good job in the book talking about the superstar cities and how they are the win or take all. And what I find sometimes frustrating about the public debate is that it's pitting cities and rural areas against each other.

MR. FLORIDA: Yep.

MS. LIU: But yet, the convergence or divergence is actually among cities. There are cities that are de-urbanizing.

MR. FLORIDA: Yep.

MS. LIU: There are cities, as you said, that are not benefitting from concentrations of growth and innovation and technology. So, in the book, you talk a lot about, you know, superstar cities dealing with high inequality; lack of affordability; threats of gentrification. But what are your observations about the cities that are left behind? The Youngstown; the, you know, the parts of Detroit; and upstate New York, that -- what are the solutions or what are the challenges they face in this environment?

MR. FLORIDA: So, it's really interesting editorially trying to write a book like this. So, originally, I had a separate chapter on those cities. And then going back and forth, the conclusion was we should weave it together and even though these -- many of these problems of segmentation and equality were heightened in the superstars, they're quite manifest in the second and third tier cities. So, I have my statistics, but when you look at income segregation, it's highest in cities like Memphis or Detroit. It's actually higher.

If you look at educational segregation, it's higher in some of the Sun Belt cities. When we developed our notion of the Patrick Metropolis, we look at New York and London, and Toronto and San Jose, but we also look at Detroit and Phoenix and Dallas, and, you know, Atlanta and each one of them has a unique set of problems. But I think to boil this down to the basics, those cities need an investment and development agenda. And I talk about that. You mentioned the chapter on gentrification. I say with all of this hemming and hawing in the elite media centers, it's funny, journalism is also win or take all geography.

Journalists are or our (inaudible) media is about is concentrated as tech workers or fashion designers, you know, in three or four places. So, they see the problem through the lens of San Francisco, or New York, or Washington, or L.A., but those are the places that are experiencing hyper-gentrification. But in most places, gentrification isn't the problem. It's poverty and a lack of development. So, those places need our academic development tools. But what's so darn interesting and troubling, they're also having a backlash. So, we're talking about your visiting -- going to Michigan. There is already a backlash in Detroit against investment in the core. And for very good reasons, because the historically located, largely African-American population feels like it's being left out and left behind.

So, even though Detroit needs the investment and it needs the development, there is still a verging movement that says, oh my God, that is about creating win or take all advantage. So, we have

to do both. That's what I think our joint work is about. We have to -- we have to have an agenda for growth and for development and innovation, but we have to make that agenda so that it is inclusive from the get go.

MS. LIU: Mm hmm.

MR. FLORIDA: And so that all neighborhoods and all communities feel like they can participate, that's not just a win or take all and that is a big agenda. I think it's bigger. It's an even harder problem than the problem we've worked on for the past 15 years.

MS. LIU: Yeah, yeah. So, one of the things I get questions -- a lot of questions about is always rural areas. And I think in the post-election environment, there's been increased interests along policymakers; among philanthropy that maybe we have neglected urban areas -- or rural areas. And what do we do about that? And what's interesting about the forces at play today is clustering and concentration isn't probably going to work in rural areas.

MR. FLORIDA: Uh huh.

MR. LIU: So, what's your thinking about what do we do with the small town's rural areas left behind? Do they have a change in this more urbanism outlook that you have?

MR. FLORIDA: It depends and I think according to Wojan and -- forgetting his -- I remember his car, there's a name at the USDA -- McGranahan; Wojan and McGranahan, Dave McGranahan. According to their analysis of some years ago, about 50 percent of rural areas are doing okay. Now, there are the advantaged rural areas. They're rural areas in the excerpts of the D.C.s, the San Francisco's, the Toronto's, whatever. London's with (inaudible) and growth because of housing affordability; quality of life; telecommunicating -- there are rural areas obviously, that may have a knowledge institution or even a local college, right, that they can build around.

There are rural areas that have high amenity, right. Think about Wyoming and -- or great mountains, or Great Lakes. But about half are doing okay, and about half are falling further and further behind. So -- I'll get there in a second, I just want to make one little caveat. In this conversation about rural areas, there's one thing I want to be very careful about and I think it's a problem with the progressive left to some degree.

Because white men are being left behind; because white men are part of the (inaudible)

crisis; because the middle-aged white man has all the -- I grew up with those guys; I am one of them. I do not want to see us return to the values of my youth in Newark. We've accomplished a lot in terms of diversity, tolerance, women's rights, civil rights, gay rights. So I think there are certain bottom-line that I want to say in trying to reach out -- we'll reach out and help you economically, but we don't have to buy the crap that you want us to buy about the way we should live our lives. We've made a lot of progress; and that progress is good for society and good for the economy; diversity's good for the economy, right, and closing off our borders to immigration would be an unmitigated economic disaster. So I just want to say that.

But I've even got Glaeser -- Ed Glaeser to concede to this. We're going to have to -- and I talk about this in the book. Our primary responsibility is to people, and so people-based policies have to be our primary focus. I'm very lucky -- unlike Raj Chetty's case study -- if he wants to study upward mobility, you should study me. Like, my parents left Newark when I was a little boy. They put us in southern -- the worst outcomes -- they put us in southern Bergen County; my simpleminded parents. The best mobility outcomes, right, and the New York Metro. I get to southern Bergen County, and all of a sudden when all my friends are going to lives of crimes, I get a Garden State scholarship at 16 -- 17 -- lifted out of that -- you know, where these kids are becoming little troublemakers -- and put in records and boom. So I do believe people-based -- but the problem is, if you just do people-based policies, the people left behind, the places left behind get worse and worse.

So you've got to -- you know, Rob Sampson has been so eloquent on this -- we have to have, what he calls affirmative action for neighborhoods; we need to have a whole systematic solution. And so I got Ed to concede on this, because he said the political repercussions. Even though it's economically more effective --

MR. LIU: Yeah.

MR. FLORIDA: -- to do people policies, we just have to do something to keep the political repercussions from metastasizing, and we know what to do there. We know how to build on skills, we know how to work with manufacturing. You know, how to not waste money with incentives. We know what to do, but we're going to have to do it in a very focused way, and it is going to require in this environment our states. Not so much our federal government, but our states to make investment in some

of these places left behind.

MR. LIU: I want to come back to the issue about mobility in just a moment, but let's talk about the solutions now. But what we -- before we get to the strategies, I want to talk about the who.

MR. FLORIDA: Uh huh.

MR. LIU: Who is going to act? So when you wrote this book, who was your audience? Who is responsible for really addressing this urban crisis? And who's probably best positioned?

MR. FLORIDA: So when I wrote Rise of the Creative Class, I had no idea of audience and I just wrote a book that was from the heart. But now I kind of know the audience because they developed around that book, so I think there were two. The first audience, I think is to create a general conversation and a narrative about inclusionary prosperity; that's what the book's about. Trying to create -- use a little bit of my writing skill and platform to create a narrative around inclusionary prosperity, and why we need to do it. And to nest that narrative into a narrative of economic growth; not either or. It's not either or economic growth or property immigration. It's not economic growth or inequality. It's not innovation or the people; it's both. But the second group is really to provide some -- it's not a playbook, that's the wrong word. An intuitive -- because mayors and urban leaders know this better than I do -- but it's to give them a narrative -- a sense of narrative with data and supporting evidence that they can then begin to think of a way to move forward. It's not telling them how to move forward; it's giving them a sense that they can do things that help move forward.

So in the book, I -- it's a really -- it's in a sense, written for mayors for the general conversation. But for mayors and urban leaders less so for national level politicians; more so, the local level. And in that sense, hopefully quite bipartisan or nonpartisan. At the -- at the national level, quite would be partisan, but at the local level -- you know, I don't want to say -- and you see the same thing. I don't even know who's a Democrat or Republican.

MR. LIU: Mm hmm.

MR. FLORIDA: When I need a Mayor -- and I talk -- I can't tell, and the most recent one was when somebody told me Nick Cornet was a Republican. He's head of the U.S. Conference of Mayors. And I'm, he is? Like, what an idiot I am. He is? Like, I didn't know that. So I think that's where it is and that's entirely nonpartisan for mayors and urban leaders to be able to utilize.

MR. LIU: So in your book, you do put forward, though, a sort of seven-part playbook. It's not exactly a playbook --

MR. FLORIDA: Yes.

MR. LIU: -- but seven things that cities can begin to do to address this urban crisis. Want to run through those real quick?

MR. FLORIDA: Yeah. Well, I wanted to create a sense of a set of verticals or a sense of pillars. Not a to-do list because I don't know this. I'm a professor and thinker, and I couldn't manage my way out of anything; never mind the city. So I wanted to -- from my calling, from my looking at cities, from my consumption of your work and looking -- would have built a (inaudible), or Muriel Boughs or Eric Arstedes, or Bill Petudo is doing; and then Sadak Conn and Anne Hill Bago to try to think about that systematically and put it together in one place. And overcome -- you know, we were talking -- the silos; just really trying to put it together.

So the first thing I say in concert with many others, we desperately need to build more. And your work -- you -- it's been -- we were building a lot, but we're building a lot of it in the wrong places. So we need to build more in urban areas, and I say we need to overcome the nibiasm and the new urban (inaudible) but I provide a coda. I say we also don't want to build a giant condo towers in the middle of our great neighborhoods. We don't want to pave over SoHo and make it look like Hong Kong; that would be an epic disaster. In fact, the reason those neighborhoods, like SoHo and Tribeca -- you -- well, I could go on and on -- so (inaudible) so valuable is because they're so scarce.

So we want to do everything in our power to protect them, but we have to also build more insensitively. It's not getting rid of land use restrictions. It's altering land use restrictions, so that's number one. Two, we've got a shift at the margin from single-family home ownership construction to building affordable rental in denser urban areas. And to do that, we have to take away the market distortions of -- you know, all mortgage interest tax reduction, the subsidy for highways and just level the playing field.

The third thing we need to do -- which you and I have talked about, and I'm going to be following this up -- is really, really, really -- we have a bifurcated job market. We have about a third of us doing good work, high-paying work, family supporting work; and we have 66 percent of us falling behind.

And I say in the book, we can't educate everyone into this good work; it's just not enough of it to go around. And Trump notwithstanding, we're not going to bring back manufacturing; about five to six percent of American workforce does direct manufacturing work.

Okay, we double that; we've now got 10 to 12. So we have 66 million Americans doing crappy retail, office, service, personal care jobs. I talk in the book, we need to upgrade that work and I talk how to do that. And we need geographically varying minimum wage. We need a new approach to poverty. We probably need to sign now for a guaranteed minimum income or a negative income tax. We probably -- probably need to think about Rob Sampson's idea of a comprehensive strategy for poverty mitigation.

But at the end of the book, I kind of say -- and there's other things. Really is going to be up to cities and communities to do, and that's the hard pill to swallow because there will not be a federal urban agenda of consequence. Not for quite a while, and quite frankly, there hasn't been a really -- I mean, it's been better, but it hasn't been the kind of thing that we needed. So that's telling me that we're going to have to develop localized agendas and, in a way, you know, Charles Tebo, we do vote with our feet. And for those of us who want to live in blue places with knowledge, institutions, and transit, and density we're going to have to pay more. And for our brothers and sisters who want to live in red places with more sprawl and less transit, they pay less and let people vote with their feet. And I hate to say it, but I think that's our only way out.

I don't see any way I could force my agenda on the rest of the country, or another -- a red American force their agenda on me -- and therein, I think that's going to be the trick for our work is how do we encourage. You know, how do we build a bipartisan coalition that could shift not only political authority, but revenue -- fiscal -- can shift fiscal revenues; tax revenues back to localities. I mean, I think that's the -- and you know -- you know that's happening in the U.K. That's happening in elsewhere, but it's not happening here and I think there's a possibility we can start. I'm not -- I'm -- I want to be very guardedly optimistic, but I think there's a possibility we could start such a movement.

MR. LIU: Let me ask you two more questions, then I'm going to open it up to the audience. So please start thinking about what you want to post to Richard. You know, we've been in a couple of crosshair debates on Twitter about other solutions to the hyper concentration of opportunity

today in the country. And the opposite solution of concentration and investing in place is moving assets, right. And so if cities benefit from assets that contribute to agglomeration; universities, talented people, high-tech firms. Can we take those assets out of existing hyper concentrated places and move them into the heartland? Right, this is mobility strategies. Helping people relocate to -- from -- to job rich areas; relocating research universities from large coastal cities to some central cities -- heartland cities. There was a debate by Matt Yglesias about whether or not we should move government functions in D.C. --

MR. FLORIDA: Yep.

MR. LIU: -- like the NIH and move them into another place in the heartland. So that we take these major economic assets and distribute them better across the country to create more opportunity across the U.S. What you think about that idea?

MR. FLORIDA: So I think we -- at the margin we can do a little, but it's going against the basic force of economic growth which is clustering and concentration. You know, David Alboese most recent paper, which I wrote about on Citylamp suggest that our cities structure in the United States is too distributed and too unconcentrated.

MR. LIU: Yeah.

MR. FLORIDA: That in fact, it's suboptimal. So I wrote a little piece and I just wanted to look at the -- I mention this at the outset -- some of it -- but basically, the United States is one of the most distributed spatial structures -- spatial economies in the world. Compared to almost any other advanced economy, we have a much more robust city system which -- you know, Jen Jacobs said this to me, "In Canada, Richard, we have two -- okay, maybe three cities that matter. In the United States, you literally have dozens, if not hundreds." So we -- because we're very wealthy; world's greatest economic power. We have a very distributed city system. But you know -- yeah, here's what I think we could do. I think that meds and Eds take up a lot of space in superstar cities. You could think about -- maybe not relocating them, does there really need to be that much office? Do I use my office a lot? No. Could universities do with less space? Yes. Could we spread certain things out, certain federal government functions? Probably, but at the margin it's not a lot. The concentration affect is a concentration of talent and economic assets that are generating economic growth.

We -- you know, I give this talk in Korea 20 years ago and they -- Seoul, Korea has one

of the most concentrated spatial economies. And they said Professor Florida, our big problem is Seoul has too much wealth, and I said, you're lucky you have a spike. Because if you didn't have a spike, you wouldn't be Korea. You would be another South Asian lagging economy. You're lucky you have Seoul, so you both have to strengthen your spike and you have to disseminate benefits. So I think that's the way we can do it. And then I think -- you know, this is very interesting, going back to Metropolitan policy. We can also strengthen the metros. I mean, one of the things is, you know, you look at New York, problems and all; 23 million people. That crappy old transit system really does allow it to scale to 23 million people. And so the way you alleviate the pressure is by having a functional Metro.

MR. LIU: Yep.

MR. FLORIDA: And then, you know, you think about the mega-region: the New York, Boston, Washington complex and with high-speed rail. In the book, I talk about this. I think with better transit and better high-speed rail, we could bring some places in. You know, you really could help some of the failing, lagging places --

MR. LIU: Yep.

MR. FLORIDA: -- by connecting them to hubs where people can be part of a functional labor market. The Moretti paper -- the great Moretti paper -- where he says, you know, land-use restrictions cost us about 10 percent of GTD, and about a trillion, a trillion and a half dollars a year in underutilized economic output. There's a footnote in that paper, which I quote which says, "...but if there was better transit in the bay area, and if there was high-speed rail, we would increase the functional labor market in such a way that it would dwarf any affect from liberalizing land-use restrictions." So I do think if we could get around to transit agenda, it's not -- I think better to connect places --

MR. LIU: Yep.

MR. FLORIDA: -- I guess, the flipside -- then deconcentrate, it would be better if we could connect places to these hubs and spikes, then to try to deconcentrate the assets.

MR. LIU: So I'm going to close with where you began. You were accused of being Gloomy Gus, but you closed the book by saying you are still an urban optimist.

MR. FLORIDA: Yeah.

MR. LIU: So in the midst of this huge new urban crisis, what gives you that hope?

MR. FLORIDA: Well, I've had two great editors. One is said to me, you know, Richard your book that you're titling, "Work, Time, Space, Flows" whatever, that book should be titled the Rise of the Creative Class and I deferred. And then another brilliant editor at Basic Books -- another editor -- said, you know, Richard you can't title this, "The re-urban conundrum." You're talking about a new urban crisis -- you know, they are brilliant. That these editors are brilliant at taking your amorphous academic idea and giving it an identity. And I said, yeah, you're absolutely right. It's a little stronger than I would, but -- yeah, if that's going to capture a conversation. So no, I'm not going to be Gloomy Gus. You know, I am very optimistic. I'm actually optimistic -- guardedly optimistic about America. Although in the short run, I think Trump benefits Canada more than anywhere, but that could all -- we're going to do a project on that. I mean, I think -- I think what's coming Toronto's way is -- wow. If you want to buy real estate, buy something in Toronto, but even if it's overheated.

But I'm -- but I'm not gloomy. There's a short game and a long game. In the short game, I'm nervous. But in the long game, I'm not and here's why. There -- the logic of history, the logic of economic growth is this. Creativity and knowledge, and human capabilities no longer resource. Don't get me wrong, resources help. It's no longer resources and stuff out of the ground. It's us; it's our talent and abilities. And what's happening now -- you know, I was just at the Inter-American Development Bank and they're talking about all across Latin America engaging the creativity -- not just in the -- in the sense, but in the fidelas. So this is happening. People are talking about a policy paper -- institution builders. So yeah, so with the logic of history, we're going to see more and more absorption of human capabilities, even with the robots and all this other stuff.

The second thing is that urbanization over time, warts and all clustering of people. So this combination of human capabilities and urbanization, in the long run -- will there be problems along the way? Will there be backlash? Yeah, but I want to say this. My father lived through a Great Depression. The rise of fascism, the rise of real totality in communism. He went and he joined the U.S. Army and he stormed the beaches at Normandy. Times are rough now, but we're not there.

MR. LIU: Mm hmm.

MR. FLORIDA: We managed. Yeah, there's fault. We manage the economic crisis. Sure, did we do everything right? No. We're still managing the fallout of this backlash. But do I think

World War III's around the corner? I don't think so. We are a more integrated world. So I think over time -- and you know, I have a little girl and another one on the way. I think their life's going to be better, and I think our life has been better. But yeah, I think what the book is a call to people to say let's be vigilant. Let's nip this in the bud. Let's deal with the economic fallout. Let's deal with the political fallout.

Let's make something that all people -- Americans in this country, Canadians and their country, Brits and their country -- can feel they're part of. Because if it continues down this way, people are going to get angrier and angrier on both the right and the left, and it may break down. But I'm -- I want to say that I moved from being a complete naïve optimist to a more guarded optimism, but I'm not in the camp of the pessimist and the gloom and doomers.

MR. LIU: Right. Okay, now it's your turn and want don't you raise your hand. We've got mics going around and I -- I'm going to start. This hand in back shot up first, so why don't we -- and introduce yourself, yes?

MR. WIGGINS: Hello, Richard. I'm Todd Wiggins. It's a pleasure to meet you. I like your suit; looks great. I wanted to ask you. I was -- I presume that you saw the movie The Truman Show; it seems like it's --

MR. FLORIDA: Yeah.

MR. WIGGINS: -- germane to your interests, being that it's kind of an urban fantasy. What was your takeaway? Do you remember the movie, and what your takeaway from that? And then secondly, if you had to live in a city -- let's say that you were required to live in one city for the rest of your life, that would be your sentence, what would it be, your -- the -- your favorite city of all the places that you mentioned; you mentioned several.

MR. FLORIDA: I can't do that. (Laughter)

MR. WIGGINS: Internationally, which would be the one that you wouldn't mind being required to live in?

MR. FLORIDA: I saw The Truman Show, and what it reminded me is the limits of a very great idea of the -- of the new urbanism because it was a set in the new urbanist development. But the very extreme limits of the attempt of the new urbanism and the homogeneity, a very good idea but taken to its extreme, I can't do it. I can't pick. One thing I will say, as an American living in Canada, there's a

very interesting thing that's happened in America that all of us who are not Americans know, but I did not know. The breakdown of community in this country is terrifying. The fact that we are so me, workaholic, bag lunch, run to this, run to that, no time for each other -- you know, when I'm in New York or Washington or Miami and I try to make a date to go see -- half the time, it's canceled.

In Toronto there is real community, and people invest in one another, and I think that's something that we some -- I don't know how you get that back in America, but that -- I can see it by virtue of the fact that we lived there for a decade, you see your friends, and they literally knock on your door (laughter) and say, "What are you doing today?" And I know that sounds trite, and my wife sometimes says, "It reminds me of when I grew up in Michigan, what it was like in suburban Michigan," but I do think that's the part that's missing in America.

It -- what it -- I can't put a name -- the social capital, Robert Putnam calls it. I can't really put the name on it, but we've become so work-obsessed -- and I love it. I'm one of them. I'm Type A on steroids. (Laughter) But I do find when you say that, it's that community element of the Canadian experience that I find missing here, and I wish I could bring it back to the States.

MS. LIU: Why don't we go ahead and do this gentleman here, and then we'll come to the front row.

MR. HOFFMAN: Hi, Matt Hoffman from Enterprise Community Partners. Excuse me. (Clears throat) Richard, what effect do you see autonomous vehicles having on cities in what timeframe, especially with regard to affordable housing and access to employment opportunities?

MR. FLORIDA: I don't know. We're trying to launch a project on this at the University of Toronto but, you know, it's funny because I saw the little robotic tanks running around at Carnegie Mellon and I joked, like, what were those stupid tanks doing running around our parking lot? And now, literally, they are the new Pittsburgh economy, when you think about that. My hunch is, these advances in mobility will be important, they will alleviate some congestion but they will make concentration effects greater. So they will not allow us to live further -- they will, in fact, make the central places, if you will, more value and maybe extend out the functional labor. You know --

MS. LIU: Mm-hmm.

MR. FLORIDA: -- the functional labor market makes certain parts of commuting easier,

alleviates certain stress. My worry is, I talk in the book about scale and scaling, and really the problem that we're confronting in the superstar cities or the ones that -- the ones that want to be superstar cities, the metros like D.C., even Detroit, Miami, Toronto, Atlanta, there are about five-and-a-half to six million, they've reached the limits of the old development model, right? Cars and sprawl and growth at the periphery. To build a metro that really scales to, like, London levels or New York levels or Tokyo levels, you need investments in transit, density, you need to live a different way, a different growth model. I worry that sometimes the debate over autonomous vehicles will -- okay, maybe we can get the seven million, but it's going to ultimately inhibit what we -- the investments we need to make to scale. But it's a great topic for further inquiry and I do want to work on it, myself.

MS. LIU: Let me take these two questions at the same time so he can address both of them. Yep.

SPEAKER: My name is (inaudible), I am from Bangladesh, national -- U.S. national from Bangladesh. My question is, while land is decreased, population is increasing.

MR. FLORIDA: Yep.

SPEAKER: So (inaudible) do you ever feel (inaudible) Korea, Japan, this is (inaudible) government. United government has united city --

MR. FLORIDA: Yep.

SPEAKER: -- and city also was unitary system.

MR. FLORIDA: Yep.

SPEAKER: But you look at (inaudible), that is federal government. They have eight -- about 10-hundred million, but most city has over 50 --

MR. FLORIDA: Yep.

SPEAKER: -- five million. So do you think federal new system, not unitary, federal system is better or --

MR. FLORIDA: (Inaudible)

SPEAKER: -- another thing is, high rising building is very costly.

MR. FLORIDA: Yeah, no doubt.

SPEAKER: Mm-hmm. And --

MR. FLORIDA: A hundred percent.

SPEAKER: -- they make peoples concentrated?

MR. FLORIDA: Yep.

SPEAKER: So how can (inaudible) that high rising building is not good for our -- good -- right, costly and good -- not good for -- I think it will be low cost and (inaudible)

MS. LIU: Right, so that --

SPEAKER: (Inaudible)

MS. LIU: -- question about density and governance.

SPEAKER: Yeah.

MS. LIU: Yep. Wait -- oh. That's --

SPEAKER: Sorry. (Laughter)

SPEAKER: So my name is (inaudible). I come to this from a Scandinavian perspective; I work partly in Sweden. Currently I'm interested in the whole idea of how you can proactively work. We have well-funded --

MR. FLORIDA: Yep.

SPEAKER: -- cities back home so we can (inaudible) practically work with this. I just detect, and I want to ask you, is there tension between on the one hand you speak about concentration as a fundamental force, and at the same time you talked about the idea of patchwork cities.

MR. FLORIDA: Yep.

MS. LIU: Mm-hmm.

SPEAKER: Because concentration and patchwork does not seem to quite be so easily a concept. How do you reconcile that idea?

MR. FLORIDA: Well the concentration causes the patchwork. It's the concentration around transit or the core. The concentrated advantage -- I say this, you know -- in this kind of land-constrained environment, it's those who have the resources get access to the -- to the polls, if you will, the concentrated polls and everything -- you know, like Stockholm and everybody else was pushed out. I think one of the good things that's happening in Sweden and the E.U. is that actual -- an actual conversation about the winner and loser regions --

MS. LIU: Mm-hmm.

MR. FLORIDA: -- a real conversation about how to address that using metropolitan governance, and so we're not having that -- when I talked to people like Phil McCann or my colleague in Sweden, Charlette Melander, I mean, there was a real conversation about how you deal with this through policy; we're not having that. Back to your point, with a group of people here at Brookings, when I wrote, "The world is spiky," in 2005 --

MS. LIU: Mm-hmm.

MR. FLORIDA: -- when Rob Axtell was still here, before he went to GMU, and a young man named Tim Goulden were computer scientists. We looked at the distribution of the world's (inaudible) system -- this is very geeky -- and built simulations about it. But basically, you know, anything in the world is distributed on a rank water distribution -- Zipf distribution. One thing that does not conform at a global level to a Zipf distribution are cities. Each country's city system is more Zipfian, with some notable exceptions. But the world system of cities is not Zipfian. And one of the things we speculate is that as trade barriers come down, we're going to see even bigger mega-cities and mobility barriers come down.

So I think we've not reached the logical conclusion of these concentrating effects, and I think, you know, over time we're going to see much bigger cities -- which ones are going to end up the winners? I don't know, but we're getting to a point now where mobility -- unless the populism re-instates these barriers. So I think we've got to develop strategies to both get the benefits of concentration that deal with and disseminate, redistribute -- and redistribute those benefits to groups and cities that need them. That's the only way out I can see.

MS. LIU: That's -- boy, we have a lot of hands up. Can we do this --

MR. FLORIDA: I'll go fast.

MS. LIU: -- gentleman here --

MR. FLORIDA: I'll go fast.

MS. LIU: -- we'll go -- yeah.

MR. CAMPBELL: Thank you. I read your first book -- well not the first book; I read *The Rise of the Creative Class*, which I thought was a great book, and I'm reading part of this. I had a couple

of questions. Let me put this in context. I worked at HUD was Inspector Romney was there as a Special Assistant, and then at the (inaudible) I was the Assistant Secretary for Economic Development. In between, I wrote a book called "New Towns: Another Way to Live." Harvey Cox wrote the foreword and Margaret (inaudible) wrote the epilogue. I felt with my experience at that point, with a degree in city planning, that the new town approach was probably --

MR. FLORIDA: Yeah.

MR. CAMPBELL: -- the way that made the most sense to look at things comprehensively. I've lived in Reston since --

MR. FLORIDA: Mm-hmm.

MR. CAMPBELL: -- '68.

MS. LIU: Hmm.

MR. CAMPBELL: Bob Simons said he did not subscribe to the idea of the new urbanism; he said it's not new --

MR. FLORIDA: Right.

MR. CAMPBELL: -- and it wasn't urban. I'm not going to debate that.

MR. FLORIDA: Funny.

MR. CAMPBELL: But my question to you -- and I've -- think I've been to about 55 countries and 49 states -- with your background -- if I had a request, and I don't want to be presumptuous -- I wish you would meet with President Trump (laughter), seriously, and have a discussion with him about your work; that's the first thing. The second thing is, since we are the wealthiest country on planet eight -- earth, and we do not represent the most livable cities --

MR. FLORIDA: Yeah.

MR. CAMPBELL: -- not even at the -- in the top 10 -- France has the best infrastructure, Barcelona's probably the most (inaudible) --

MR. FLORIDA: Yeah.

MR. CAMPBELL: -- Singapore probably has the best housing, the Scandinavian countries are off the chart when it comes to the quality of life -- how could you take these successes and incorporate it into the United States going forward? And in particular, I would really like you to think about

meeting with the President so we could get on track (laughter).

MR. FLORIDA: First of all, I'm an American, and even if I don't agree with President Trump, of course I would meet with President Trump. I would rather meet with President Romney, but that's now the hinder there. (Laughter) Be quite happy to meet with President Romney if he was there. Even though I'm a democrat, I would -- it would be wonderful. I think your point about the new towns is very interesting because America is very unique that it does has spectacular suburbs. In -- even in Toronto, we have -- may have one or two, but basically everyone's crammed and jammed into that urban core and when you think about, you know, the number of fantastic suburbs in Washington or New York or Michigan, you know, it's really a fantastic thing. And they're quite -- you know, as Chris Lineberger has written about --

MS. LIU: Mm-hmm.

MR. FLORIDA: -- they're quite desirable and quite desired and have great housing prices because they're connected with transit and you can get around and they have lovely downtowns, so I agree with -- I also agree with you that we need to have a best practice model. I think you are right. It's not that any -- I tried to say this in the book; it's not like any one city does it right. Different cities do certain things right, and we need a best practice model and a model of educating people how to use those and compare them, and I think that's the next step that Amy and I and others are going to take: how do we develop those best practice models? But I want to echo this, and I think your point was -- this has to be by partisan. It cannot be unipartisan and it cannot be divided, and I do think the best place to engage that to start -- although, I happy to meet with the President -- is locally. That's when our partisan differences seem to just almost evaporate, and so I think, as well, working with the bipartisan, coalition of mayors --

MS. LIU: Mm-hmm.

MR. FLORIDA: -- would also be another way of propagating this, as well.

MS. LIU: Going to take one more question and I'm going to hear from a female, right over here, (laughter) and --

SPEAKER: (Inaudible)

MS. LIU: -- then, you know, there's a chance to talk to Richard afterwards so you can --

MR. FLORIDA: Course.

MS. LIU: -- ask your questions then.

MS. FEERICK: Thank you. I'm Catherine Feerick, I'm with the Appalachian Regional Commission. In my work, I travel to an awful lot of small town, not quite the urban centers that you talk about, but some of them are very successful, some of them are less successful --

MR. FLORIDA: Yep.

MS. FEERICK: -- and one thing that I've found is something that you discussed earlier: there's a real sense of community and culture that surrounds the very successful places. These are places where the kids go off to school, they get their advanced degrees, and they come back again.

MR. FLORIDA: Yep.

MS. LIU: Hmm.

MR. FEERICK: And I see that in cities like Washington, D.C., and cities like New York, there's a very transient culture where people come, they go, and it's almost a monoculture of sorts. So how do deal with that different kind of conflict between urban and rural?

MR. FLORIDA: Well I think you said something very powerful, and that is, the places that can create that community and open-mindedness and attract their people and retain them are winners. That's partly what *Rise of the Creative Class* was about, saying these places, because they're open-minded and people can go there and nest there and they can have opportunity, that's why they're going to them, but yeah, I think that's a big part of the economic development game, and there are real psychic costs to mobility.

You know, I bear those scars. I moved 17 times, you know, when I was a younger person, and it sucked. It was no fun. Like, I was lonely a lot, but I did that to pursue my so-called American Dream. So, giving up family; giving up friends; giving up communities is a big loss and at least in my book, *Who's Your City*, I wanted to educate people. At least have them make those tradeoffs for themselves, what you're going to come up against. I also think we're having a wrong mobility debate in America, by the way.

MS. LIU: Mm hmm.

MR. FLORIDA: We're having a debate that all mobility is declining and that's not exactly

right. Overall mobility is declining, but if you look at the highly skilled people, the advantaged people, they're quite mobile, right. Your friends moving to Washington; kids moving to New York; young people moving to San Francisco; L.A. and entertainment, but the problem is once they move they kind of lock into those superstar metros.

MS. LIU: Mm hmm.

MR. FLORIDA: And then other people are kind of stuck in place. So -- but I do think talent, maintaining talent, invest -- and then, the other part of it is, investing in talent locally. And one thing that John Rothwell, your former colleague, who's now at Gallup, when he did the analysis of the universities and colleges, this was remarkable to me -- the places that had the highest retainment rate of colleges were lagging cities. The Detroits, the Clevelands -- it was, you know, Boston, New York didn't. They were losing a lot of kids to other places. So, being able to educate and develop and use -- we were talking about the community college system and all of this. Being able to use these assets to develop your economy is a big step forward and then stay connected.

I have one last comment in addition to thanking Amy. If you didn't get to ask a question, of course, I'm happy to sign a book and -- or not sign a, you know, buy a book and answer a question, it's ridiculous. But my email is florida@creativeclass.com. And I really do read and try to respond to every email. So, florida -- my assistant -- my people at the Toronto say you're the robford of emails. (Laughter) Florida@creativeclass.com, so, please if you couldn't ask a question or if you have one you didn't want to, please just shoot me an email.

MS. LIU: Great, so let me just -- let me just close with one observation because I think that time has gone by fast in the 15 years since you wrote your book and then the 20 years since we created ours. I just want to say that your book comes at a really important time. And it comes at the right time because in that 15 or 20 years, we have seen so much more capacity in our cities. More institutions, more philanthropy; more corporate-private sector interests, more organizations, really focused on the future cities and with that more capacity and maybe less capacity at the national level.

MR. FLORIDA: Yep.

MS. LIU: The optimism, to me is how we channel all of that really good work and talent and investments towards what is the next generation of challenge. So, thank you for raising --

MR. FLORIDA: (Inaudible)

MS. LIU: -- this important moment by how we create an urbanism that works for all. Join me in thanking Richard Florida.

(Applause)

MR. FLORIDA: Thank you. Thank you Amy. You're the best, thank you.

MS. LIU: And as I mentioned before, Richard's book is on sale at a 10 percent discount -

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MR. FLORIDA: Woo-who.

MS. LIU: -- in the back and he will join folks in the back and signing your book if you want to stay. Thank you.

* * * * *

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