CreativeNeighborhoods

CEOs for Cities

Joseph Cortright, Impresa April 2007

Findings

- Creative jobs are important to metro economies
- Every city has creative jobs and creative workers
- Creative jobs and creative workers tend to cluster in the center of metropolitan areas

Outline

- 1. Creative workers and industries drive metro economies
- 2. Digging deeper: Creative Cities vs. Creative Neighborhoods
- 3. An overview of creative jobs and workers in metro areas
- 4. Creative Neighborhoods
- 5. Case Studies
- 6. Appendix: Data sources and methodology

Creative Workers and Industries Drive Metro Economies

Creativity is economically important

- Creative industries are important in their own right
- Creativity is key to competitiveness, innovation and entrepreneurship in all industries
- Critical mass of creatives attracts other workers, making local economies stronger

Creative Industries

 Creative and cultural industries design, the arts, publishing, broadcasting and other related industries are important economic contributors in their own right.

Creativity in all industries

- Increasingly, all industries have to innovate in product design, differentiation, integration and consumer awareness, understanding and acceptance
- This kind of innovation hinges on access to creative workers
- Spillovers among industries can facilitate creativity

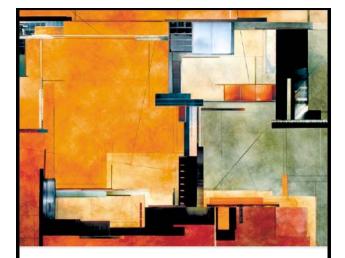
Creatives generate critical mass

- A concentration of creative people attracts other creative people
- Creativity makes places more interesting and diverse, and these qualities are valued widely
- Commercial and social interactions alike benefit from this effect

Creativity powers city clusters

- Alpha Clusters fashion, culture and financial investment — are concentrated in cities
- Creative industries depend on inherently rapid product innovation (Source: Schoales, 2006)

Markusen: Artistic Dividend



The Artistic Dividend: The Arts' Hidden Contributions to Regional Development

Ann Markusen and David King

The productivity of and earnings in a regional economy rise as the incidence of artists within its boundaries increases, because artists' creativity and specialized skills enhance the design, production and marketing of products and services in other sectors.

Creatives drive revitalization

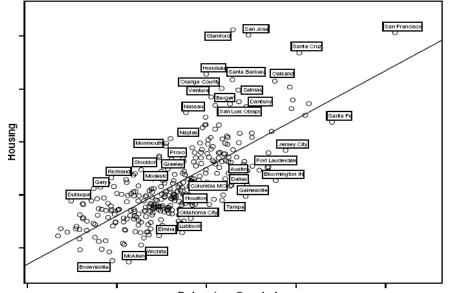


Bohemian Today, High-Rent Tomorrow

Creative types are essential to urban and regional economic growth. Here's why-and the cities artists should flock to now

High concentrations of artists, designers and writers are a trigger for neighborhood revitalization; real estate investment follows these key groups

Florida: Bohemian/Gay Index correlates to housing prices



Metro areas with high concentrations of artists, designers, and writers, and gay populations tend to have higher housing prices

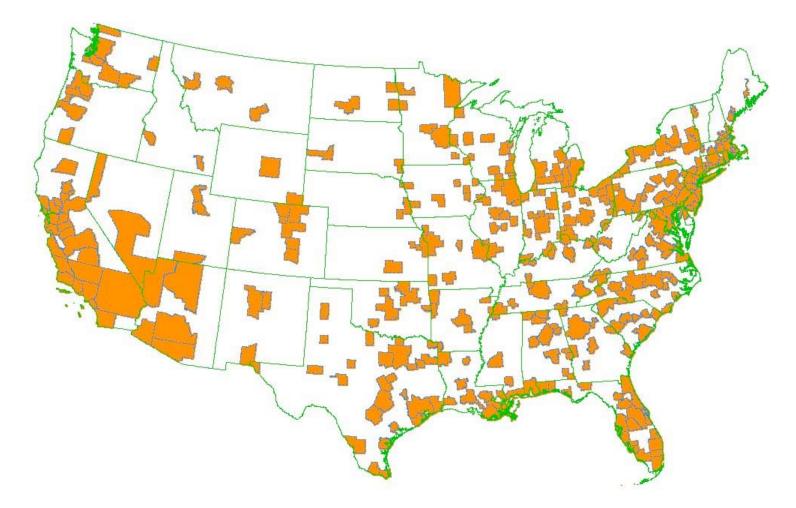
Bohemian_Gay_Index

Creative workers play a key role in urban economies

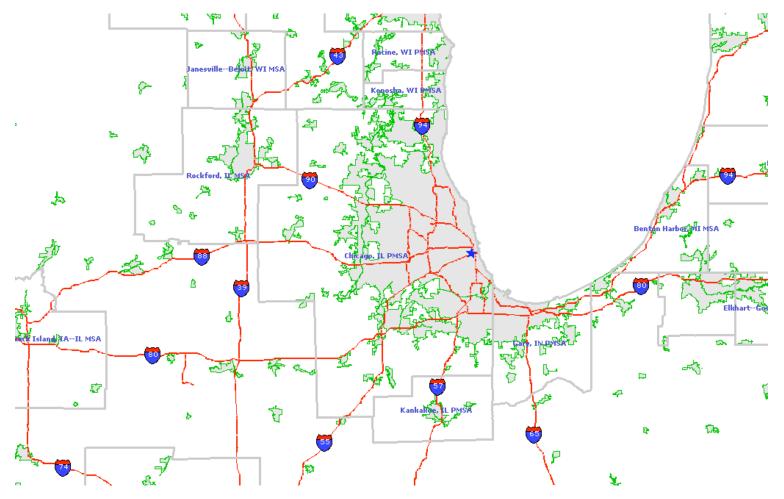
- Creative workers are entrepreneurial
- Artists, designers and writers
 - 25.6 percent self-employed
 - Compared to 5.6 percent of all workers

Digging Deeper: Creative Cities vs. Creative Neighborhoods

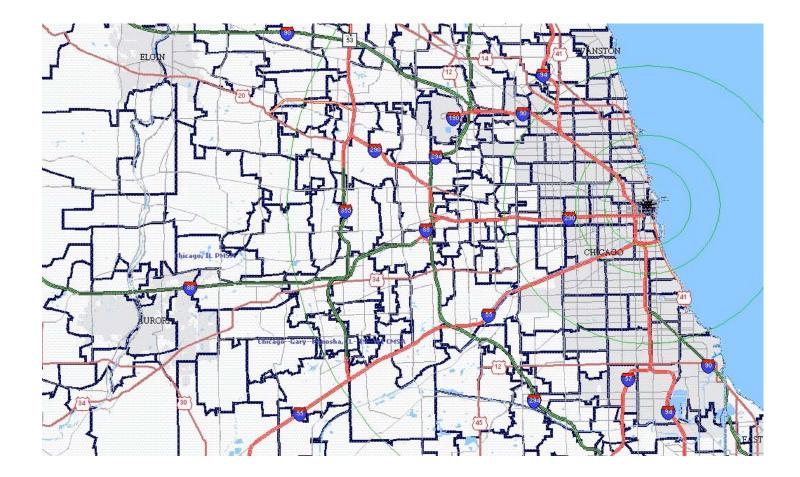
Most studies compare MSAs



We look at each metro area...



And zero in on neighborhoods



And measure creative workers where they live and work



Live: Creative Occupations Architects, engineers, artists, writers, work in many different industries



Work: Creative Industries Media, advertising, entertainment employ many different kinds of workers

Two Types of Data



Place of Residence Individuals "Creative Workers"

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Place of Work Companies "Creative Jobs"

Data:





ltem	Occupational Data	Employment Data
Concept	All workers by place of residence	Wage and salary workers by place of work
Source	Decennial Census, 2000	Zip Code Business Patterns, 2004
Geography	Block Groups (211,281)	Zip Codes (39,348)

An Overview of Creative Jobs and Workers in Metro Areas

Creative workers cluster in cities

- 4.4 Million Creative Workers
 - 4.0 Million in metro areas
 - 3.1 Million in top 50 metro areas
- Of all of the nation's 116 million workers:
 - 3.4 percent of all workers are creative
 - 3.7 percent in metro areas
 - 3.9 percent in the top 50 metro areas
 - (1.9 percent of workers in non-metro areas)

Source: Census Occupational Data, 2000 Census



Creative industry jobs cluster mostly in large metro areas

- 2.2 million jobs in creative industries
- 1.9 million jobs in metro areas
- 1.5 million jobs in 50 largest metro areas
 Creative Industries are
 - 1.9 percent of all jobs
 - 2.0 percent of jobs in metro areas
 - 2.2 percent of jobs in 50 largest metro areas
 - 1.3 percent of non-metro jobs

(Source: Zip Code Business Patterns, 2004)

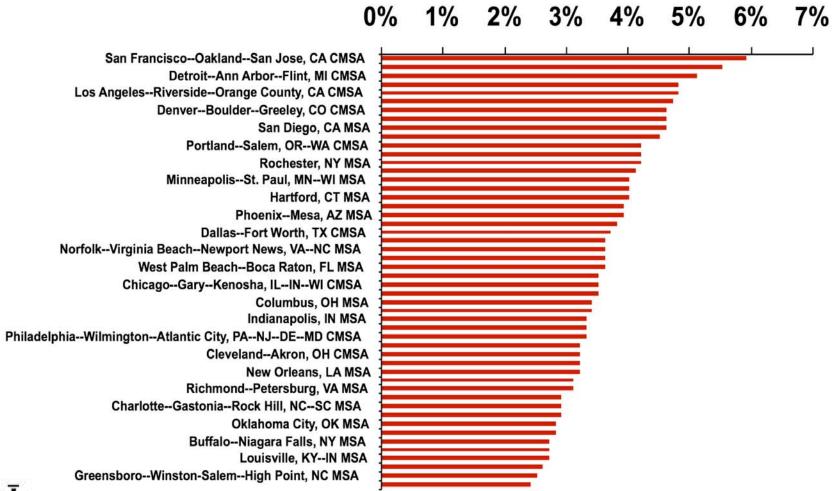


Every metro area has creative employment

- Creative Workers account for 3 percent to 4.5 percent of all workers in most of the large metropolitan areas of the U.S.
- Highest share of creative workers is San Francisco Bay Area with 6 percent of all workers in creative occupations

Creative Workers as a Percent of All Jobs

Percentage of Creative Workers in 50 Largest Metros, 2000





Creative Neighborhoods

Within metro areas, where do creative workers live, and where are creative industries located?

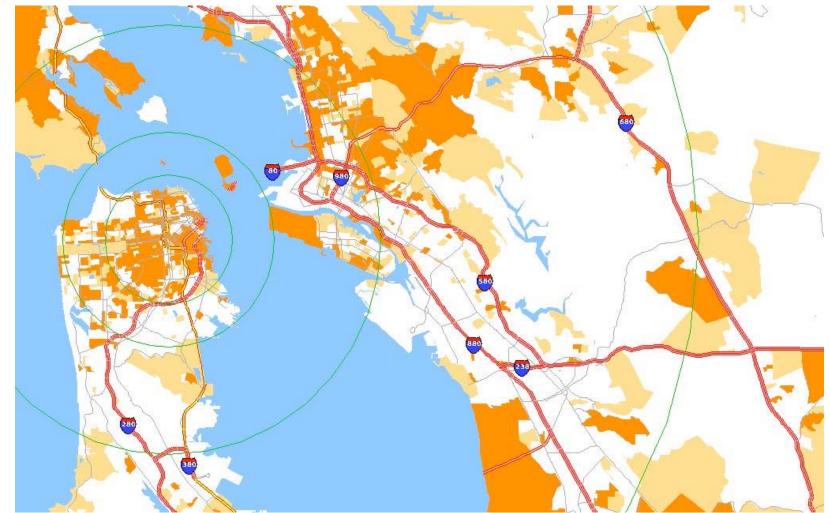
Key Findings

- Every metro has creative neighborhoods
- Creative workers prefer close-in neighborhoods in most metro areas
- Creative jobs are more centralized than other jobs
- Creative neighborhoods have abundant "third places"

Every metropolitan area has creative neighborhoods

- Benchmarking creativity: Which neighborhoods have as high a level of creative workers as the highest ranked metropolitan area?
- San Francisco Bay Area has the highest percentage of creative workers: 5.9 percent
- Every metro has neighborhoods where the average level of creative workers exceeds 6 percent: we call these creative neighborhoods

San Francisco



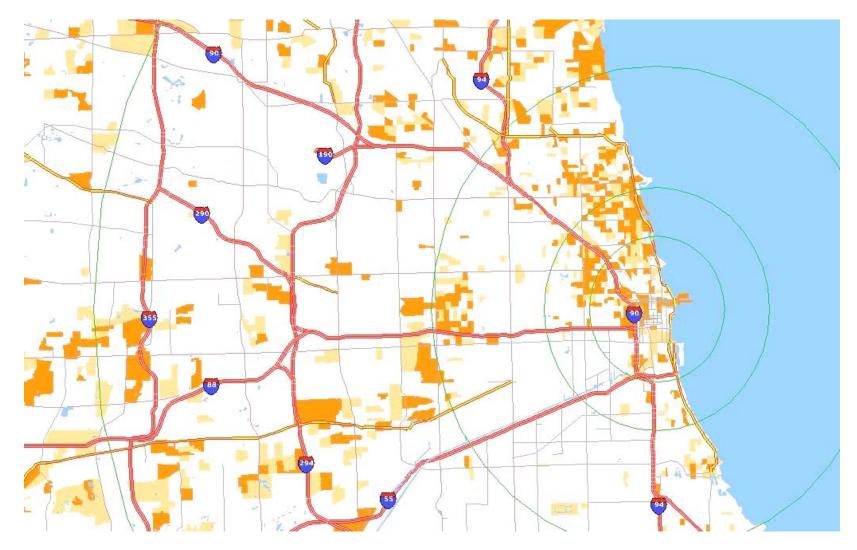
Shaded neighborhoods have 6 percent or more creative workers; Source: Census 2000, Impresa analysis

Memphis



Shaded neighborhoods have 6 percent or more creative workers; Source: Census 2000, Impresa analysis

Chicago

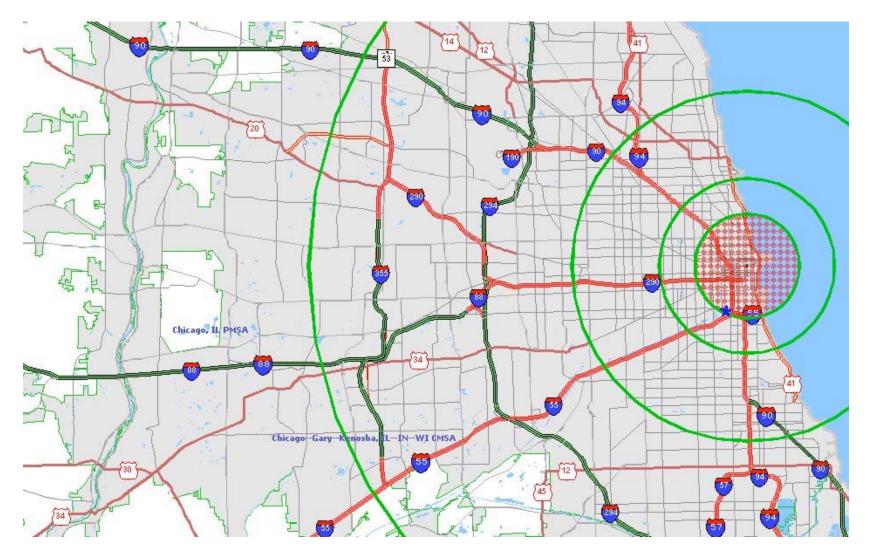


Shaded neighborhoods have 6 percent or more creative workers; Source: Census 2000, Impresa analysis

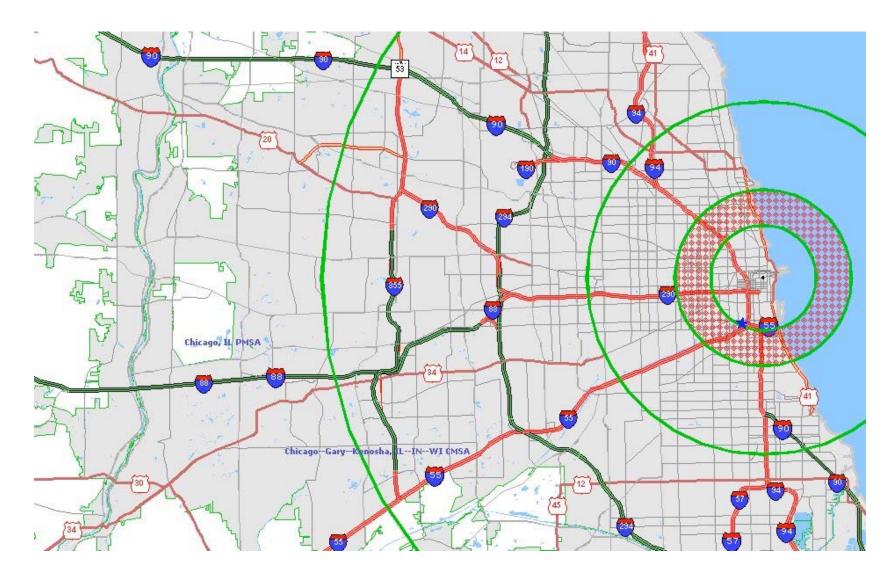
Where are creative neighborhoods and jobs?

- Tools for analyzing metropolitan geography
- Ring Analysis of locations
- Central point: Center of Census-designated CBD
- Concentric rings at 3 miles, 5 miles, 10 miles and 25 miles
- Tabulate employment and population data for each ring
- Unlike political boundaries, produces a consistent basis for comparison across metro areas.

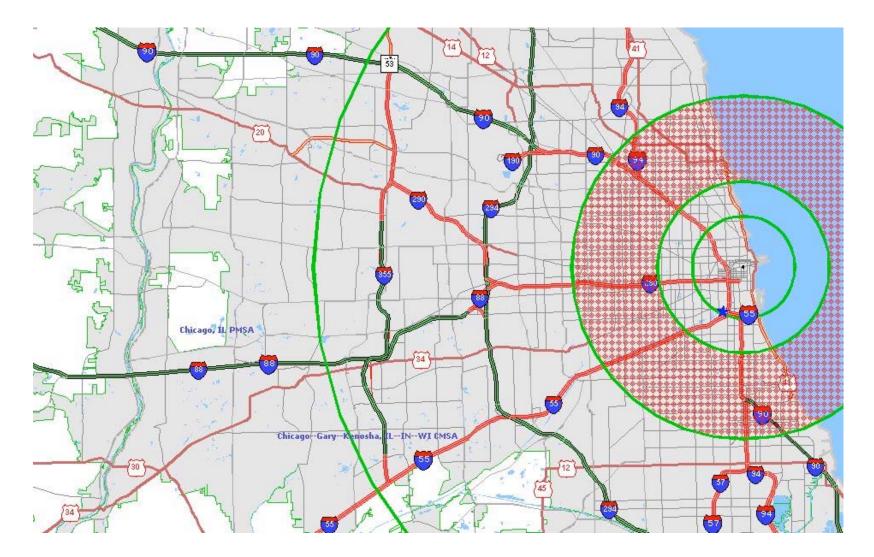
Close-in: within three miles of center



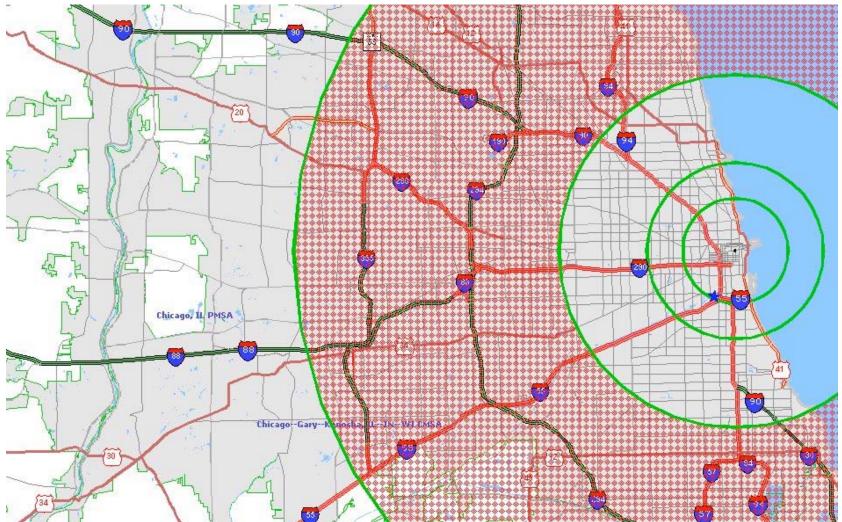
Three to five miles from center



Five to 10 miles from center



Outer Band: 10 to 25 miles from center



Two measures of location:

- Relative to other workers, do creative workers prefer close-in neighborhoods?
 - Central preference ratio
- How decentralized are creative industry jobs?
 - Job Sprawl Ratio

Central Preference Ratio



Percent of Creative Workers Living within 3 Miles 9,370 / 94,869 = 9.9 percent

Percent of All Workers Living within 3 Miles 144,417/2,617,787 = 5.5 percent

Central Preference Ratio: 1.8



Chicago, IL Metro Area

Creative workers prefer central neighborhoods

For the top 50 metro areas:

- Creative workers are 53 percent more likely than other workers to chose to live in close in neighborhoods
- Thirty-five of the 50 largest metros have positive central preference ratios

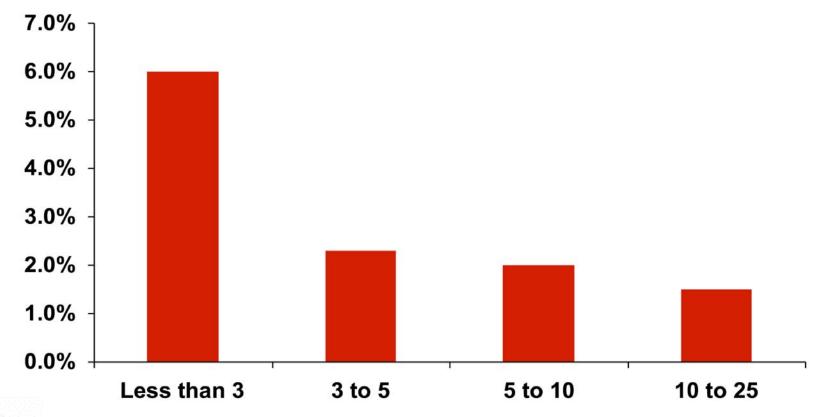
Creative jobs are highly centralized

In top 50 metro areas:

- 41 percent of all creative jobs are within three miles of center
- Only 17 percent of total employment in these metro areas is in the center
- Creative jobs are more centralized that other jobs in 49 of 50 metropolitan areas

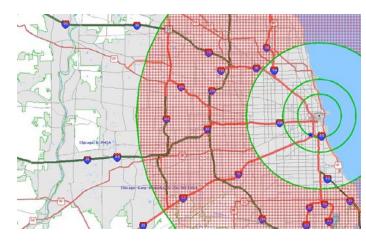
Creative Jobs Make Up a Bigger Share of Close-in Employment

Creative Jobs as a percentage of all jobs by distance to CBD, Average of 50 Largest Metros, 2004



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Measuring Centralization: The Job Sprawl Ratio



Number of jobs 10 to 25 miles from center **1.6 million**



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Chicago, IL Metro Area

Number of jobs within three miles of center 620,000

Job Sprawl Ratio: 2.7

(1,600,000/600,000=2.7)

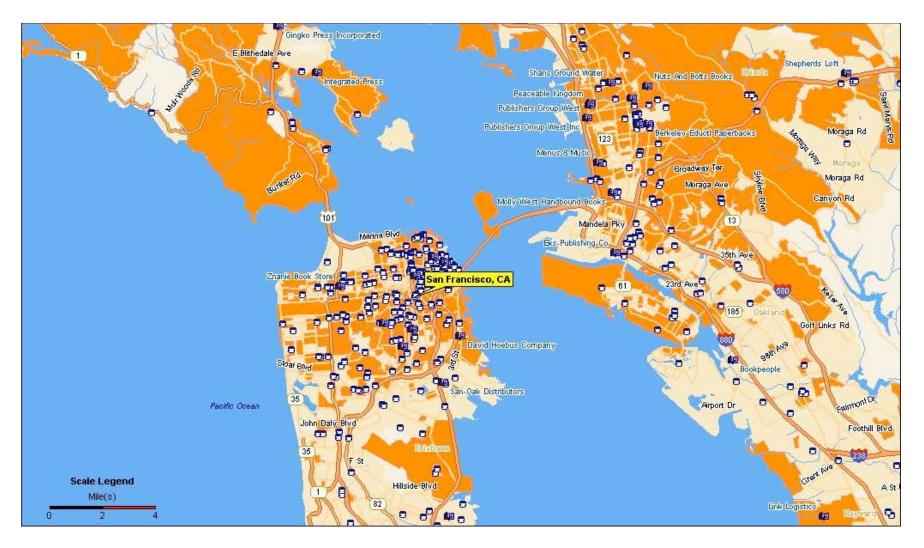
Creative industries sprawl less than other jobs

- Overall, creative jobs are one-third as likely to be sprawling as other jobs
- Job Sprawl for creative jobs .8; job sprawl for all jobs 2.4
- Creative jobs sprawl is less than other jobs in all but 2 of the top 50 metropolitan areas

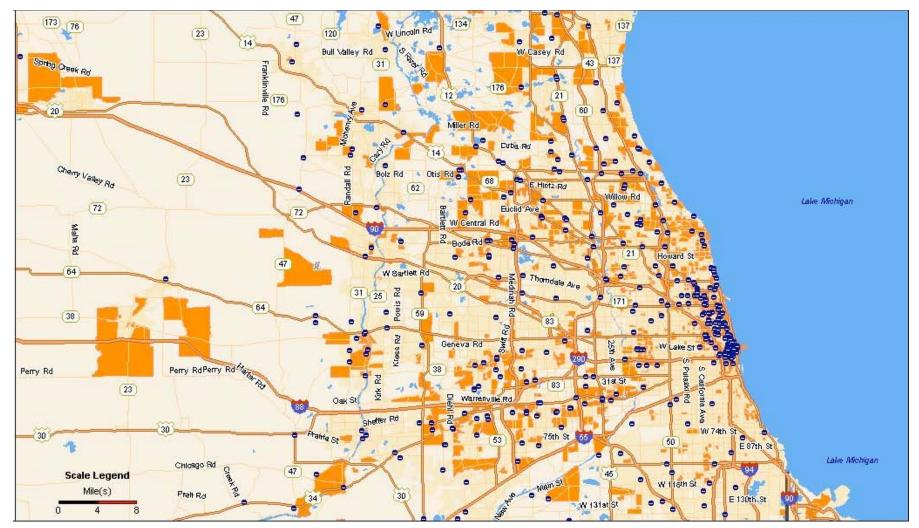
Creative Neighborhoods & Third Places

- Creative neighborhoods are crucibles of interaction
- Many creatives are self-employed
- Coffee shops are good markers of "third places" where people meet and interact
- Coffee shops flourish in CBDs and creative neighborhoods

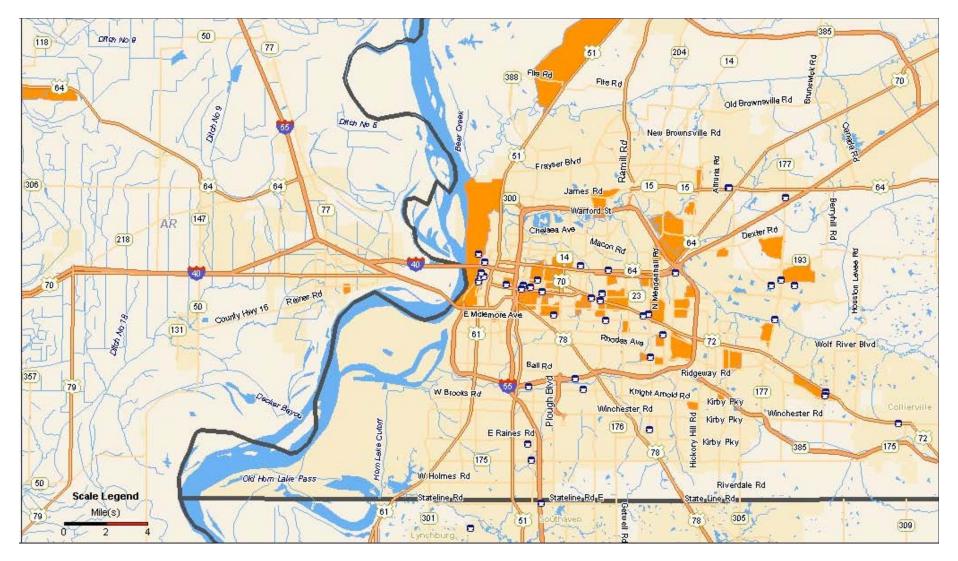
San Francisco



Chicago



Memphis



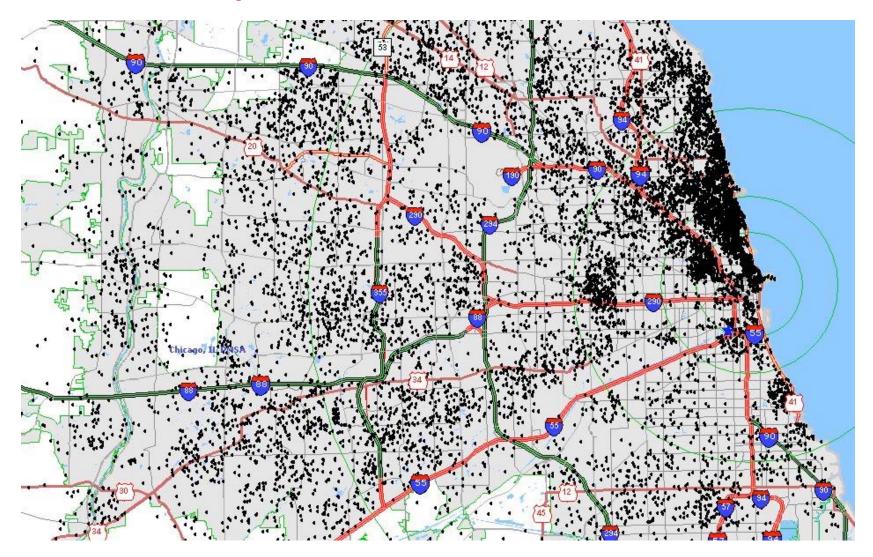
Case Studies

Sample Profiles of Selected Metropolitan Areas: Chicago, Detroit, New York, Los Angeles, Portland and Phoenix

Mapping creative workers and jobs

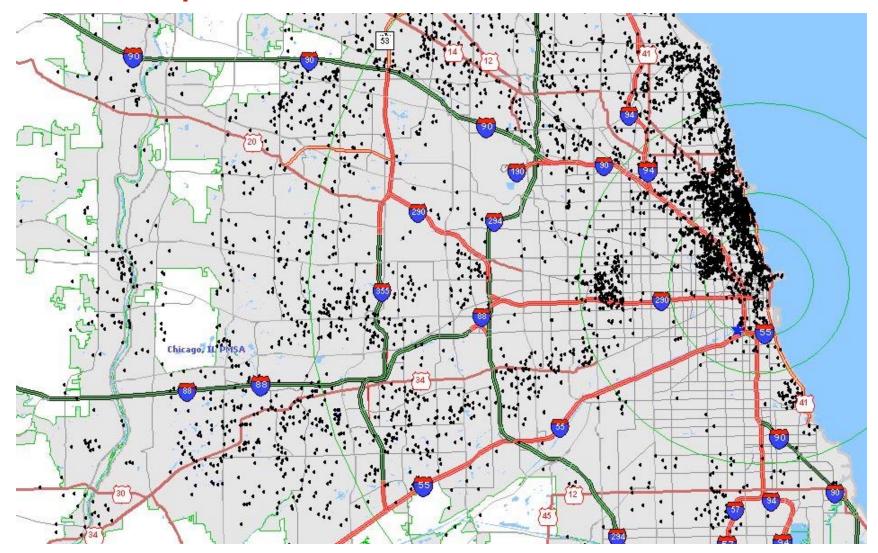
- "Excess" creatives
- Where do we find more creative workers (and jobs) than we would expect based on the overall distribution of workers (jobs)?
- Creative Jobs: Each worker over 3.4 percent
- Creative Workers: Each worker over 1.9 percent
- Illustrates places with higher than average concentrations of creative jobs and workers

Map 1: All Creatives



Unfiltered: Each dot equals 10 creative workers.

Map 2: Excess Creatives



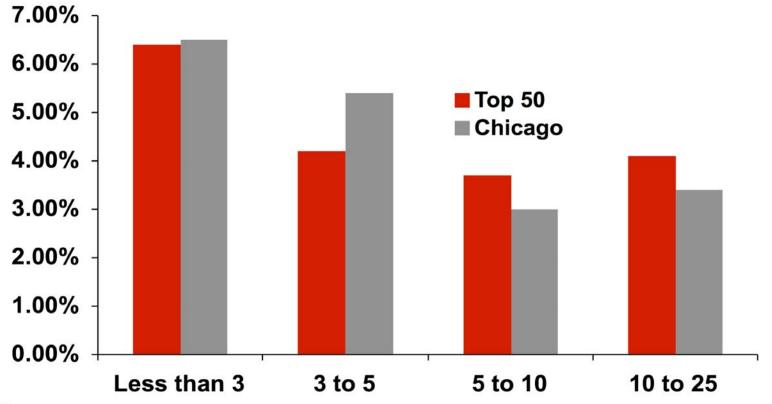
Filter applied: Each dot equals 10 more creative workers than predicted

Chicago

ltem	Creative Workers	Creative Industries
Relative Size	3.5 percent of all workers	2.2 percent of jobs
Central- ization	6.5 percent of creative workers live within three miles of center	49 percent of creative Jobs within three miles of CBD center
Sprawl	1.79 Central Preference	0.8 Job Sprawl

Creative Workers More Centralized in Chicago

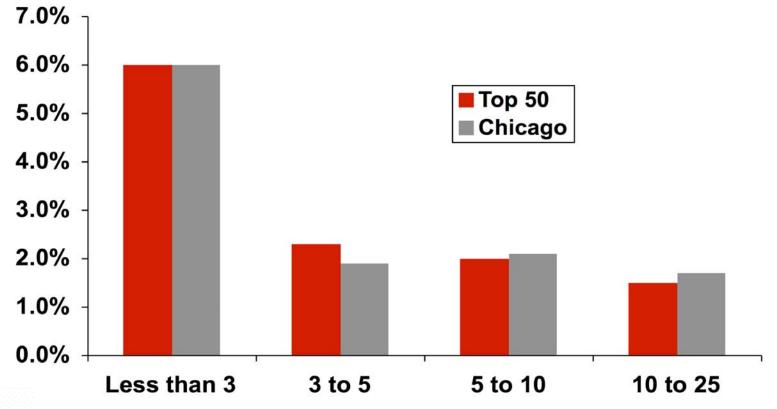
Creative Workers as a Percentage of All Workers by distance to CBD





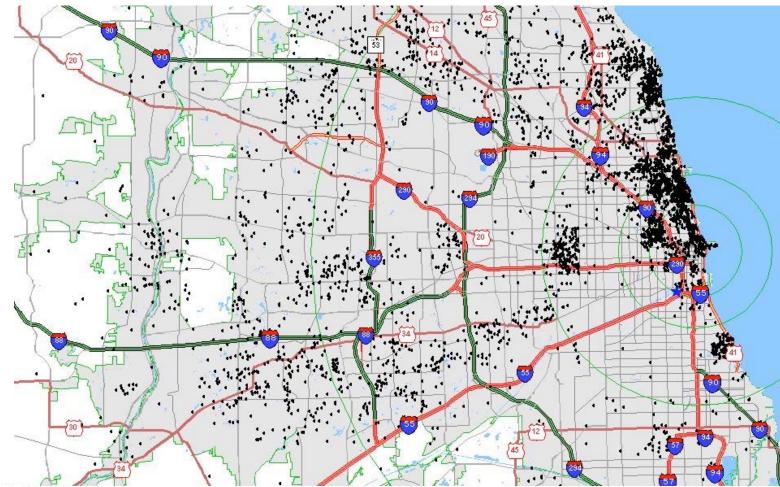
Creative Jobs Make Up A Bigger Share of Close-in Employment

Creative Jobs as a percentage of all jobs by distance to CBD, Average of 50 Largest Metros, 2004



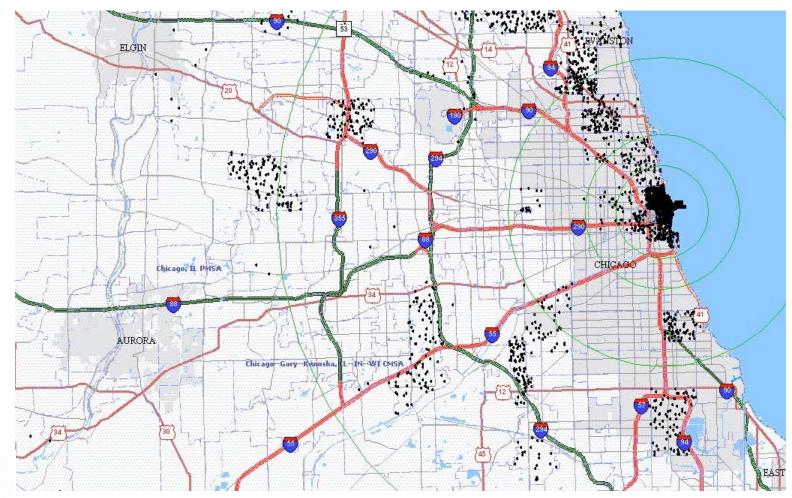
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Chicago Creative Workers Concentrated on Northside





Chicago Creative Jobs Concentrated Downtown and a Few Sub-Centers



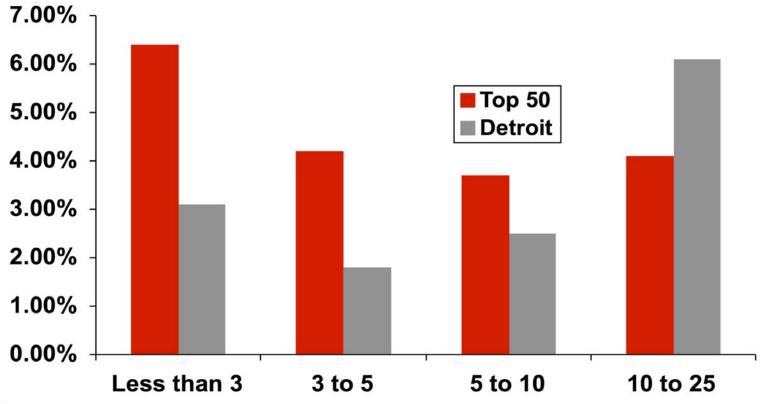


Detroit

ltem	Creative Workers	Creative Industries
Relative Size	5.1 percent of all workers	1.7 percent of jobs
Central- ization	3.1 percent of creative workers live within three miles of center	34 percent of creative jobs within three miles of CBD center
Sprawl	0.6 Central Preference	1.6 Job Sprawl

Creative Workers More Suburbanized in Detroit

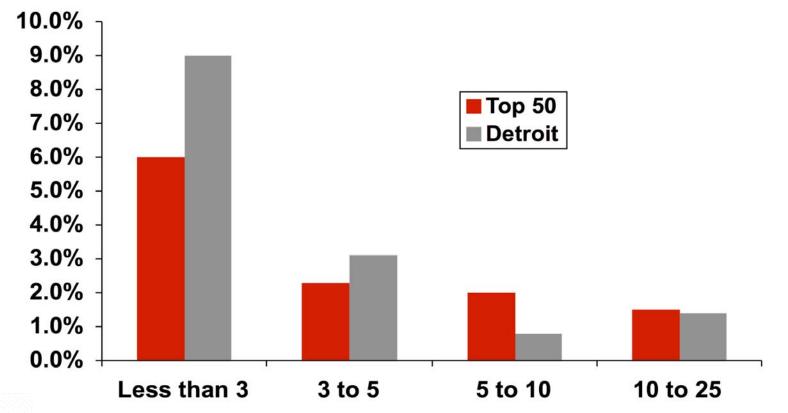
Creative Workers as a Percentage of All Workers by distance to CBD





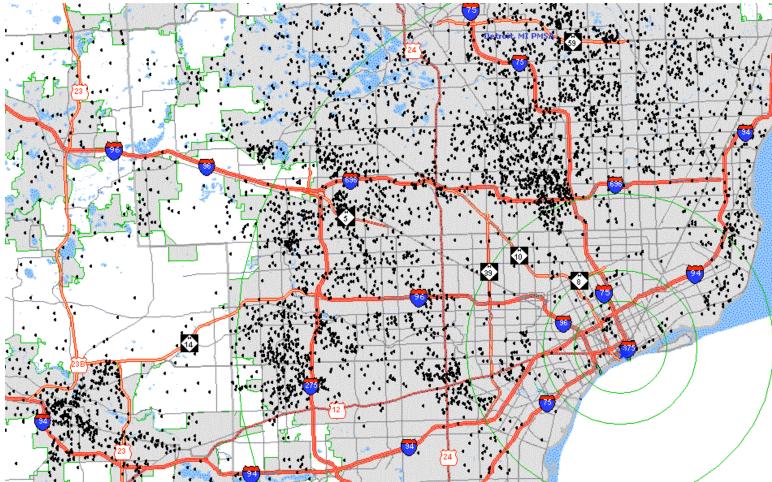
Creative Jobs Relatively More Centralized in Detroit

Creative Jobs as a percentage of all jobs by distance to CBD, Average of 50 Largest Metros, 2004



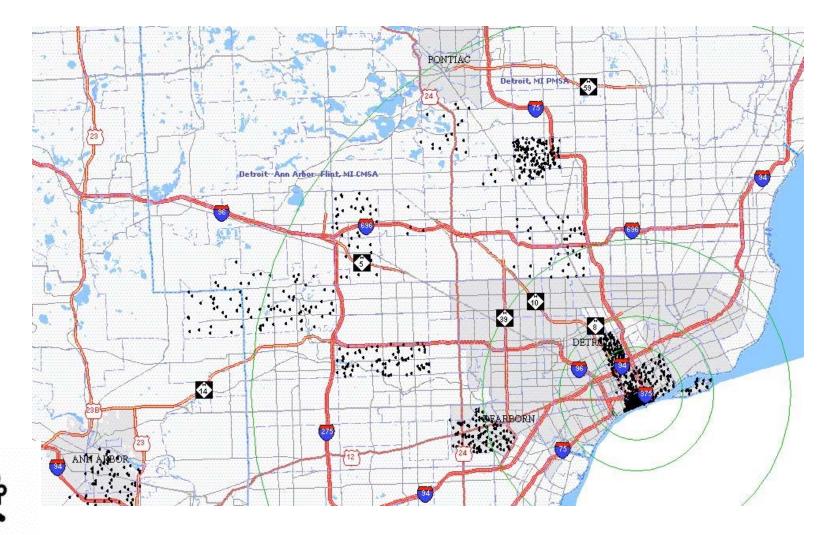
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Detroit: Creative Workers Very Decentralized; Lots of Engineers

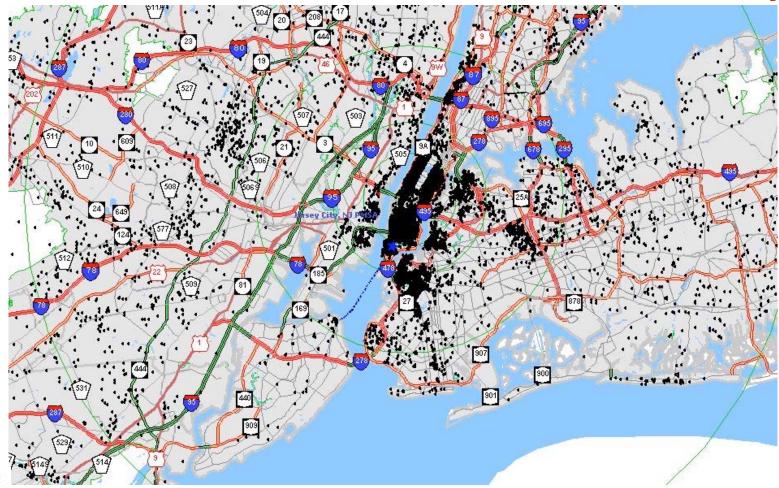




Detroit - Creative Industries in Competing Centers

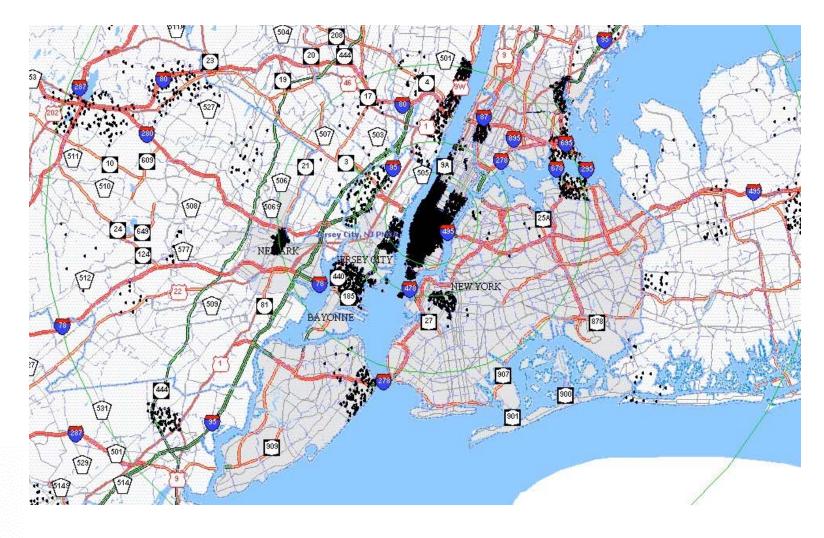


New York: Strong Creative Cluster in Manhattan & Brooklyn

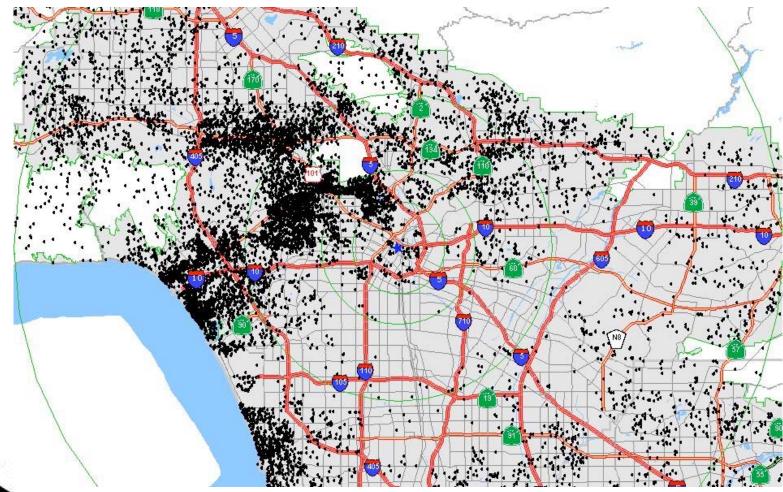




New York: Creative Jobs in Manhattan

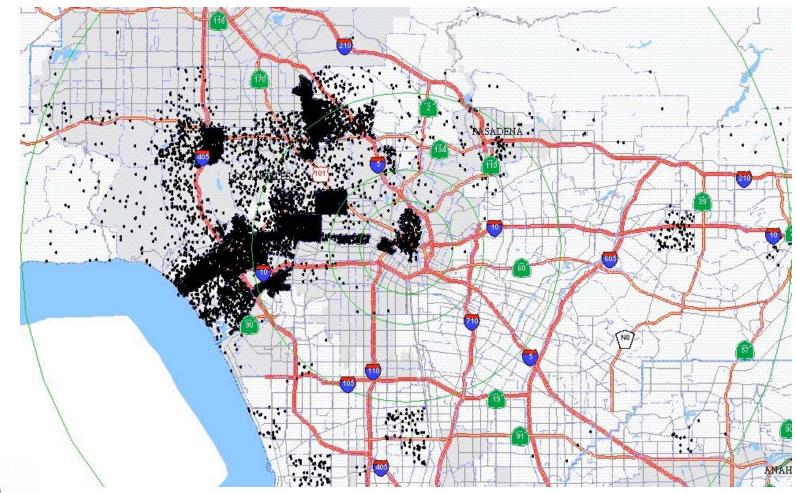


Los Angeles: Creatives Live Near Beaches, Hollywood, the Valley

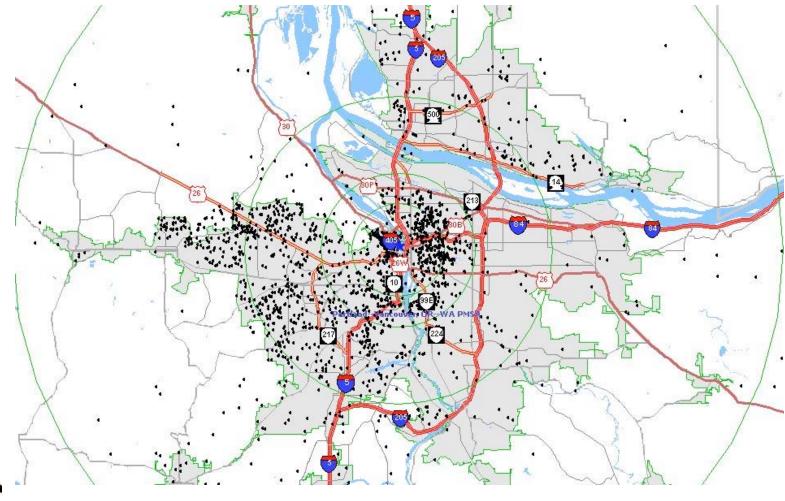




Los Angeles: Creative Clusters Outside Downtown

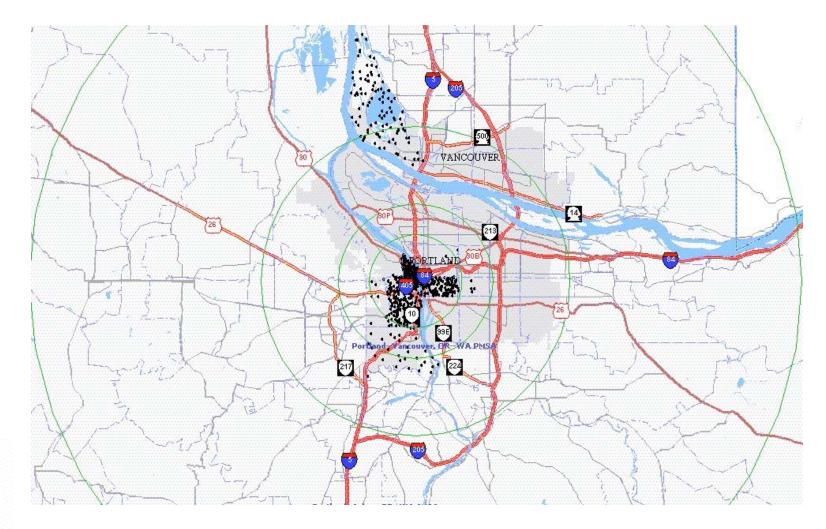


Portland Creatives Live Closein and on Westside



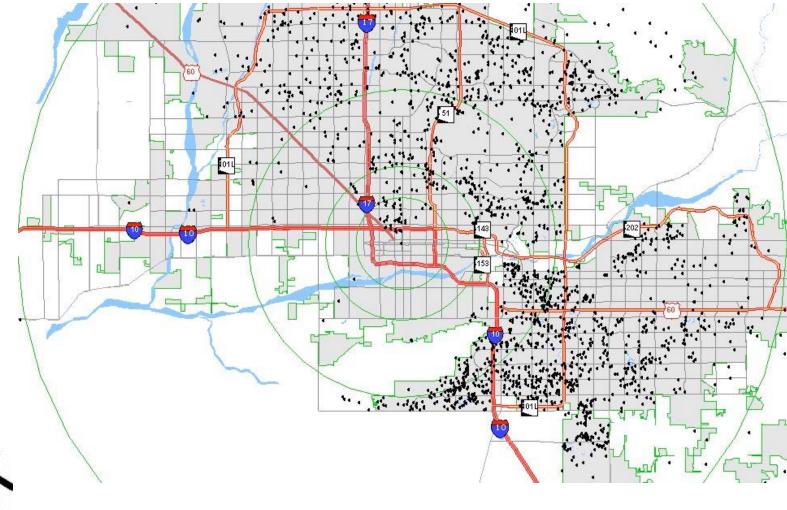


Portland: Creative Jobs Clustered Close-In



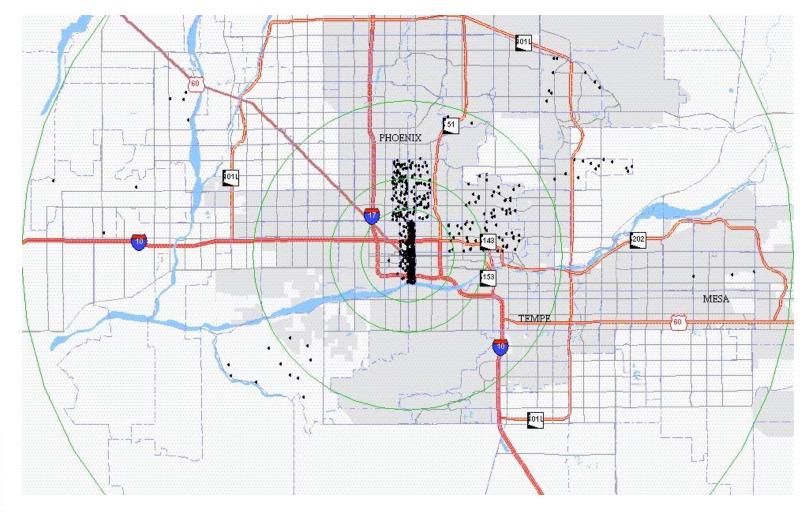


Phoenix: Creative Workers Dispersed





Phoenix: Creative Jobs Relatively Central: Downtown, N. Phoenix, Scottsdale





Findings

- All metros have creative neighborhoods
- Creative jobs are important to metropolitan economies
- Creative workers and creative jobs tend to be much more centralized than other jobs
- Creative workers are much more entrepreneurial than other workers
- Creative neighborhoods appear to be abundant in "third places"

Implications

- Creative workers and industries are a good fit for central city economic development
- Strengthen creative neighborhoods helps bolster the central city economy
- Build on entrepreneurial character of concentrations of creative workers

Appendix: Definitions and Data

How do we define, measure, and locate creative workers and jobs?

Creative Occupations

Two of 33 Census Occupation Categories"Architects, surveyors, carto-
graphers and engineers"1,926,689"Arts, design, entertainment,
sports and media occupations"2,484,201Total Creatives4,410,890

(All Workers:

129,721,512)



Defining Creative Occupations

- Compare our definition to Richard Florida, Ann Markusen, others
- Todd M. Gabe, 2006. "Growth of Creative Occupations in U.S. Metropolitan Areas: A Shift-Share Analysis," Growth and Change, Gatton College of Business and Economics, University of Kentucky, vol. 37(3), pages 396-415.

Creative Industries

NAICS Sub-Sector	2004 Employment
511 Publishing	612,948
512 Motion Pictures	244,204
515 Broadcasting	323,854
519 Other Information	11,258
541 Architecture, Advertising & Design	775,626
711 Performing Arts	261,470
712 Museums	<u> 81,823</u>
Total Creative Industries	2,311,183
(All Wage & Salary Jobs: 116.9 million)	



Creative Industries (Detail)

• • • • • • • • • •	511110 512110 541310 541810 511120 515120 515120 515120 712110 515210 712110 511130 541860 541430 711110 711310 541890	Newspaper Publishers Motion Picture and Video Production Architectural Services Advertising Agencies Periodical Publishers Television Broadcasting Radio Stations Cable and Other Programming Museums Book Publishers Direct Mail Advertising Graphic Design Services Theater Companies and Theaters Promoters of Performing Arts, Sports, Services Related to Advertising	375,177 192,906 185,817 167,372 141,159 127,354 87,511 85,492 81,823 80,346 67,553 66,177 64,038 62,724 62,722
•		•	
• • • •	541890 541820 711510 541320 711130 541410	Services Related to Advertising Public Relations Agencies Independent Artists, Writers/Performers Landscape Architectural Services Musical Groups and Artists Interior Design Services	62,722 46,122 43,010 42,272 41,389 35,623
•	541840	Media Representatives	31,133

	•541850	Display Advertising	30,646	
	•515111	Radio Networks	23,497	
	•711320	Promoters without Facilities	21,044	
•511199	All Other	r Publishers		16,266
	•711410	Agents and Managers for	15,265	
	•512191	Teleproduction & Postproduction Svcs	14,686	
	•519110	News Syndicates	11,258	
	•541922	Commercial Photography	11,185	
	•541490	Other Specialized Design Services	10,514	
	•541420	Industrial Design Services	9,941	
	•512120	Motion Picture and Video Distribution	9,557	
	•711120	Dance Companies	8,894	
	•541830	Media Buying Agencies	8,549	
	•512240	Sound Recording Studios	7,207	
	•512199	Other Motion Picture and Video	5,396	
	•711190	Other Performing Arts Companies	5,106	
	•512230	Music Publishers	4,267	
	•512220	Record Production/Distribution	3,919	
	•512290	Other Sound Recording Industries	3,674	
	•512210	Record Production	2,592	

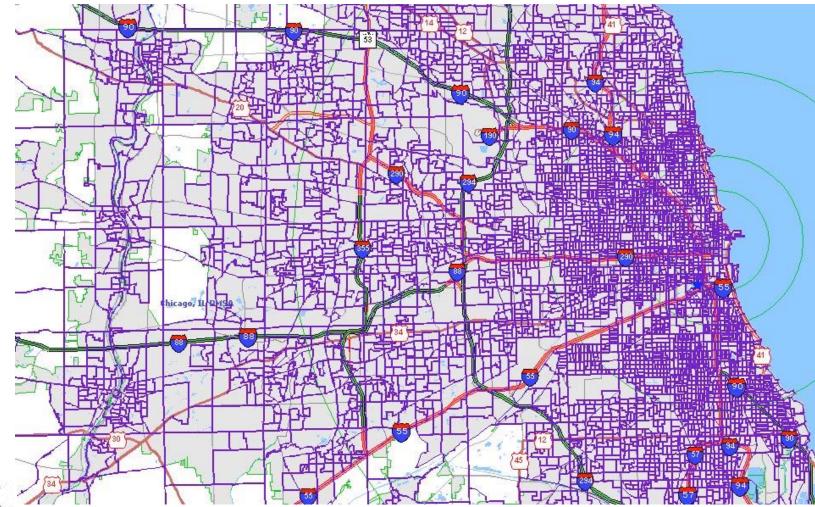


Compared to Other Defini	tions Dverlap
European Union, <i>The Economy of Culture in</i> <i>Europe</i> (2005)	98 percent
Center for an Urban Future, <i>New York's</i> <i>Creative Economy</i> (2005)	97 percent
Boston Redevelopment Authority, <i>Boston's</i> <i>Creative Economy</i> (2006)	89 percent
Schoales, "Alpha Clusters," Economic Development Quarterly (2006)	100 percent
Hong Kong, Creative Industries in Hong Kong, (2002)	58 percent



p is percentage of industries identified as creative in these studies that luded as creative in our listing of creative industries.

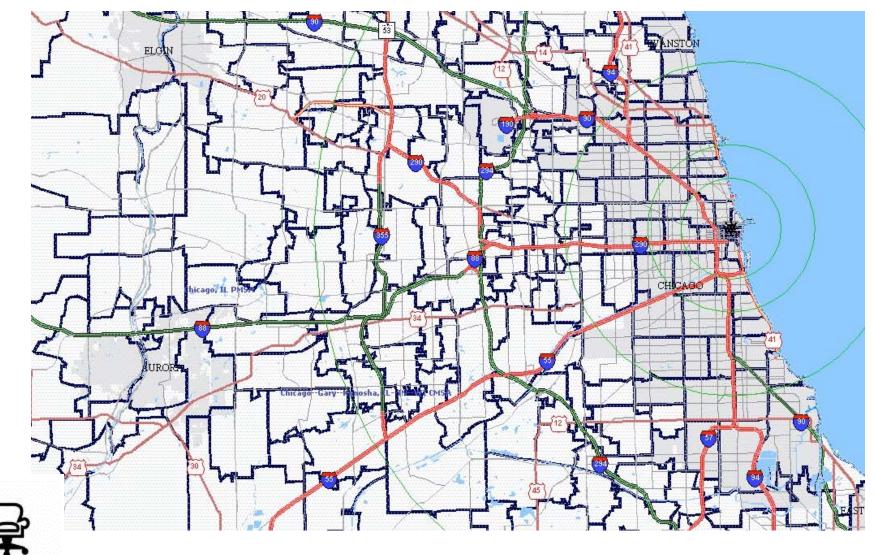
Block Groups are Fine-Grained





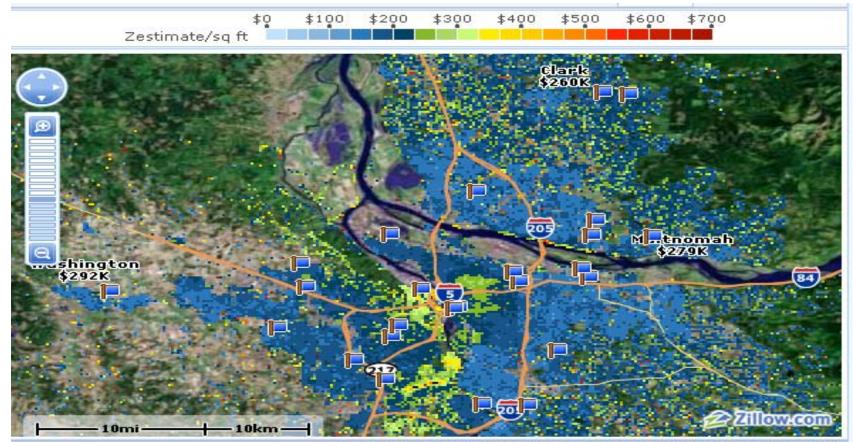
The Chicago CMSA has 6,591 Block Groups

Zip Codes are Relatively Coarse



The Chicago CMSA has 290 Zip Codes

Zillow Heat Map of Portland



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