

Regional Asset Indicators: The Creative Workforce July 2006

Why are Creative Workers Important?

Creative workers are an important element in regional economic prosperity as the knowledge and ideas they bring to a region increases human capital, innovativeness, and ultimately economic growth. Knowledgeable and innovative workers are a regional asset because the share of creative workers in a region's workforce has a positive relationship with future economic growth.¹ Creative workers are an asset to the community—their presence may drive development strategies that lead to regional prosperity. Creative workers are attracted to regions with high quality of life—such as natural and cultural amenities.

How Do We Measure Creative Workers?

Richard Florida's book classifies creative workers, or the creative class, using broad occupational categories.² A study by David McGranahan and Tim Wojan supports Florida's main ideas and builds an alternative measure of creative class.³ The creative class measure is refined using detailed categories to include only specific occupations requiring considerable creativity and by excluding occupations that may be highly creative but exist in all places to serve local populations—for example, teachers and healthcare professionals. McGranahan and Wojan distinguish occupations using a standardized score that assesses, “developing,

¹ Pearson correlation coefficient between McGranahan and Wojan's 1990 Recast Creative Class measure and 1993-2003 employment growth is 0.32.

² Florida, Richard. 2002. *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. Basic Books. New York.

³ “Recasting the Creative Class to Examine Growth Processes in Rural and Urban Counties,” forthcoming, *Regional Studies*.

designing or creating new applications, ideas, relationships, systems or products, including artistic contributions.”⁴ For example, technicians and legal support staff are excluded from creative worker status based upon lower creativity requirements, but scientists and lawyers are included as creative workers. Even though many creative class occupations require a high level of education, the percent of creative workers is not defined by a region’s existing human capital endowment.

The average share of workers in creative occupations is 17 percent, using 2000 EEO data.⁵ The share is higher in metropolitan counties (21%) than in micropolitan and town counties (17% and 14%, respectively).⁶ Indeed, Figure 1 shows coastal areas, the Rocky Mountains, and some large metropolitan regions have the highest share of creative workers. High levels of creative workers in coastal and mountain regions may be due to the concentration of natural amenities in these regions—people are drawn to the amenities and bring their businesses and professional skills along with them.

How Can We Attract Creative Workers?

Outdoor recreation and cultural/educational assets are examples of what has increased creative worker growth in some regions. Research finds natural amenities and outdoor recreation opportunities to be positively associated with the share of creative workers in a

⁴ “Thinking Creatively” occupation characteristic, 2004 ONET Content Model, Employment and Training Administration, Department of Labor.

⁵ For a detailed description of the methodology used to construct these data, please see McGranahan and Wojan, “Recasting the Creative Class to Examine Growth Processes in Rural and Urban Counties,” forthcoming, *Regional Studies*.

⁶ Metropolitan counties contain at least one city of 50,000 or have substantial out-commuting to a metro county. Micropolitan counties contain at least one city of 10,000 to 50,000 residents and town counties contain no towns of more than 10,000 residents.

region.⁷ Research also estimates that one third of employment growth effects come from rapid growth in the quality of life establishments such as bars, restaurants, and other consumer businesses.⁸

Gallatin County, Montana, is located near Yellowstone National Park and its population grew by 34 percent to 68,000 in the 1990s. During this period, residents approved a property tax increase for preserving open spaces—effectively saving their outdoor recreation assets—and the proportion of creative workers increased almost 25 percent. Natural amenities did not spur creative worker growth in Jefferson County, Iowa, population 16,000.⁹ Rather, creative workers are attracted to this rural community by a cluster of arts, humanities, and educational opportunities tied to the region’s university.

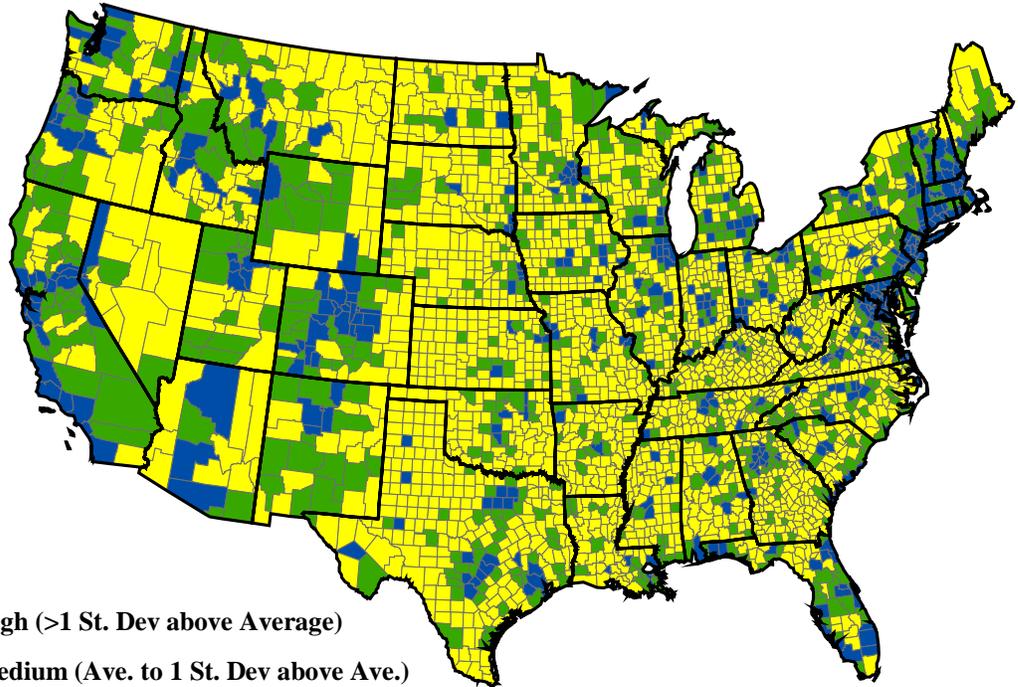
Regions with low levels of creative workers may want to explore partnering to increase amenities that attract creative workers to a region. Policymakers can enhance regional outdoor recreation opportunities by increasing land accessibility, assisting recreation-related businesses, and creating a website with outdoor recreation opportunities. Cultural and social amenities—such as good K-12 education, city parks, and the arts—should have an ongoing commitment of local resources.

⁷ McGranahan and Wojan, forthcoming.

⁸ Shapiro, Jesse. 2006. “Smart Cities: Quality of Life, Productivity, and the Growth Effects of Human Capital,” *The Review of Economics and Statistics*. Pp324-335. May.

⁹ Jefferson County’s USDA Natural Amenity Score is 2, with the highest score being 7.

Figure 1. Creative Workers



- High (>1 St. Dev above Average)
- Medium (Ave. to 1 St. Dev above Ave.)
- Below Average

Special Thanks to David McGranahan and Tim Wojan, USDA-ERS, for use of these data.

**Ratio of creative workers
to total workforce, 2000**