

Too Much Froth

The latte quotient is a bad strategy for building middle-class cities.

By Joel Kotkin and Fred Siegel

*Kotkin and Siegel, "Too Much Froth," pp. 1-3

http://www.dlc.org/ndol_ci.cfm?contentid=252300&kaid=141&subid=301

city politicians and economic development officials have a long history of grasping at fads to solve their persistent problems and rebuild middle class cities. In the 1960s and 1970s, the fad was for downtown malls. In the 1980s, it was convention centers and sports stadiums.

Long before the current craze, Robert D. Atkinson of the Progressive Policy Institute wrote, "The ticket to faster and broader income growth is innovation." And one of the keys to innovation, he noted in describing his Metropolitan New Economy Indexes, is the ability to attract talented and innovative people. But he also emphasized the importance of school reform, infrastructure investments, work force development partnerships, public safety, and reinventing -- and digitizing -- city government. All these critical factors have been widely ignored by those who've discovered the magic bullet of "creative" urban development.

It seeks to displace the Progressive Policy Institute's New Economy Indexes with what might be called a "Latte Index" -- the density of Starbucks -- as a measure of urban success.

The appeal of such fads is plain to see. They seem to offer a way around the intractable problems of schools that fail to improve, despite continuous infusions of money; contentious zoning and regulatory policies that drive out business; and politically hyperactive public-sector unions and hectoring interest groups that make investment in cities something most entrepreneurs studiously avoid.

One hundred of them -- they called themselves the "Creative 100" -- met in Memphis last spring to lay out their principles in a document called the Memphis Manifesto. Their mission, it reads, is to "remove barriers to creativity, such as mediocrity, intolerance, disconnectedness, sprawl, poverty, bad schools, exclusivity, and social and environmental degradation." The 1934 Soviet constitution couldn't have said it better.

Today, economic growth is shifting to less fashionable but more livable locales such as San Bernardino and Riverside Counties, Calif.; Rockland County, N.Y.; Des Moines, Iowa; Bismarck, N.D.; and Sioux Falls, S.D.

In many cases, this shift also encompasses technology-oriented and professional service firms, whose ranks ostensibly dominate the so-called "creative class." This trend actually predates the 2000 crash, but it has since accelerated. Since the 1990s, the growth in financial and other business services has taken place not in New York, San Francisco, or Seattle, but in lower-cost places like Phoenix; Charlotte, N.C.; Minneapolis; and Des Moines.

the outflow from decidedly un-hip places like the Midwest has slowed, and even reversed. Employers report that workers are seeking more affordable housing, and, in many cases, less family-hostile environments.

the watchword is livability, not coolness.

commonsense policies that stress basic services like police and firefighters, innovative public schools that are not beholden to teachers' unions, breaking down of barriers to new housing construction, and policies that lead local businesses to expand within the urban area.