

HAMILTON AND THE CREATIVE CLASS

As a city in economic transition, there has been increased attention paid to how Hamilton should reorient itself as an urban centre to become a vibrant and sustainable community. The rise of Creative Industries has been a noticeable trend over the past decade as more and more creative businesses are locating, or re-locating to Hamilton. Previously depressed areas in and around the downtown, such as James Street North and Locke Street South, are being transformed by this sector. The demographic driving this transition is known as the Creative Class. This Urban Insights bulletin explores how Hamilton compares to its urban peers in the competition to attract and retain this demographic.

Defining the Creative Class

Creativity is increasingly recognized as the new infrastructure that fuels economic growth. This newer philosophy suggests that cities must attract, develop and retain talented and creative people who generate innovations, develop technology-intensive industries and power economic growth.¹ Noted American economist Richard Florida refers to these people as the “Creative Class”. This group, who add economic value through their creativity, consists of two components : The Super-Creative Core (scientists, engineers, university professors, poets, novelists, artists, entertainers, actors, designers, architects, writers, editors, cultural figures, think-tank researchers, and analysts) and the Creative Professionals who work in a wide range of knowledge-intensive industries such as high-tech sectors, financial service, legal and health care professionals, and business management.²

To attract these individuals, cities are shifting their perspective on economic development. “Quality of life” as a holistic concept is regarded as more important than simply the availability of serviced land or competitive tax rates. Thus, issues of environmental sustainability, cultural vibrancy, and downtown renewal are not viewed as privileges of economic success, but as essential ingredients to long term economic prosperity. As much as Hamilton is competing for business from lower-cost locations such as Brantford and Burlington, so too is the city in competition for mobile human capital from across the province and country. Within this context, it is useful to see where Hamilton generally stands in the competition for the Creative Class.

Hamilton in a Creative Ontario

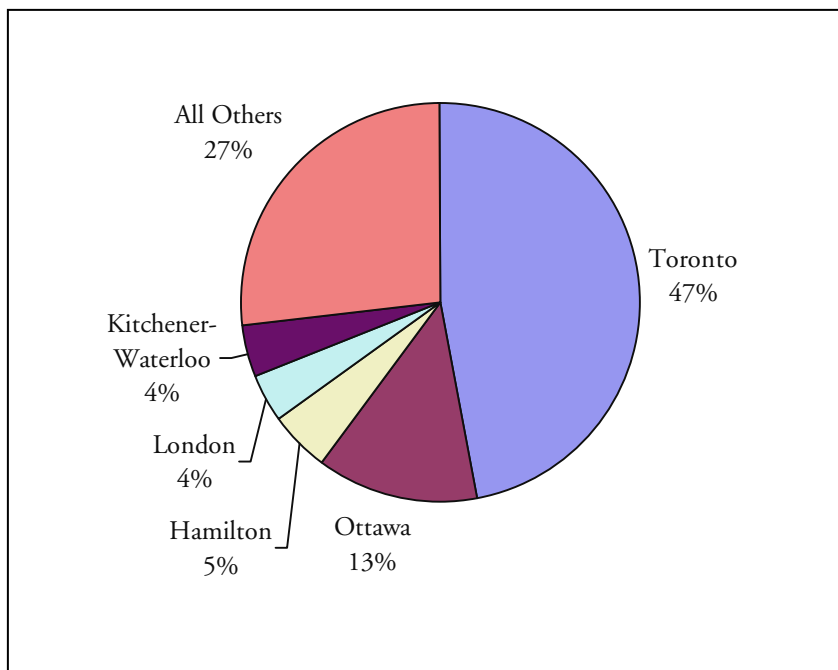
The Martin Prosperity Institute (MPI) released a report in 2009 that outlined the state of the province in terms of the Creative Class. The report divides Ontario cities into three categories: Cities well positioned for the Creative Age, Cities in Transition to the Creative Age, and Cities/Regions Disconnected from the Creative Age. According to the report, Hamilton falls within this second group:

The second set of places includes older industrial cities like Windsor, Hamilton, Oshawa, and others. Of all of these regions, Hamilton appears to be adjusting the most successfully. It is almost in Toronto's commuter shed and can be made more so. Hamilton is beginning to show the value of aligning within the larger region. It has had longer to adjust, as a steel town, its decline came much earlier. The comparison of Hamilton to Windsor or Oshawa is much like the comparison of Pittsburgh to Detroit. It has had time to try to rebuild. The other industrial legacy cities are more closely tied to the automotive industry.

-Ontario in the Creative Age, The Martin Prosperity Institute, February 2009, p26

The study also compares the percentage of workers in creativity-oriented occupations in Ontario city regions and in this analysis Hamilton places third behind Toronto and Ottawa:

Chart 1: Workers in creativity-oriented occupations, MPI Analysis, 2009



The Creative Class Indices

While analysts have measured and evaluated a city's economic potential based on the older models of transportation infrastructure and the amount of developable land, newer models of examining a city's ability to attract and retain the Creative Class have emerged. Florida's "Bohemian Index" compares cities based on the number of citizens employed in artistic and creative occupations. However, in the analysis of a city's ability to attract the Creative Class, three additional indices along with the Bohemian index are typically used: Talent Index, Mosaic Index, and Tech-Pole Index:³

- The Bohemian Index measures employment in artistic and creative occupations.⁴ It is a location quotient that compares the region's share of the nation's bohemians to the region's share of the nation's population.
- Talent is defined as the proportion of the population over 18 years of age with a bachelor's degree or higher. To keep the analysis consistent with the American model, it does not reflect other forms of post-secondary education.
- The Mosaic Index is the proportion of the total population that is foreign-born.
- The Tech-Pole Index compares a region's share of national employment in high-technology industries to the region's overall share of national employment; this is then adjusted for city-size by multiplying by a region's share of national high-technology employment.⁵

How Hamilton Ranks

Hamilton's rankings inform local policy makers and citizens alike of where the city generally stands in this critical competition to attract creative citizens. A report prepared for the Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity presented a pan-Canadian analysis using the four indices drawing on Statistics Canada 1996 census data.⁶ A more recent report, prepared for the Greater Halifax Partnership, has updated the analysis using Statistics Canada 2001 census data.⁷ Table 1 summarizes where the Hamilton Census Metropolitan Area (CMA) ranks relative to other Canadian CMAs in the two census years. Figures 1 through 7 on subsequent pages show how Hamilton ranks among all CMAs on each index. Although the analysis is by no means comprehensive, and the data used is from previous census years, the results reveal some local and national trends that point to where Hamilton is heading within the Canadian arena.

Table 1 – Hamilton's Rankings, 1996 and 2001

| | 1996 | 2001 |
|------------------------|------|------|
| Talent Index | 17 | 18 * |
| Bohemian Index | 15 | 15* |
| Mosaic Index | 3 | 3 |
| Tech Pole Index (1999) | 13 | 13** |

*The Abbotsford and Kingston CMAs were not included in the original analysis as they were not CMAs in 1996. Hamilton's rank on the Talent and Bohemian Indices falls from 18 and 15 out of 25 CMAs to 19 and 16 out of 27 CMAs respectively if Abbotsford and Kingston are included. The 2001 rank on the Mosaic Index is not affected by the addition of these two CMAs.

**Calculated for 1999 only and excludes Abbotsford and Kingston CMAs.

At first glance it would appear that Hamilton has 'held its own' between the two census years. However, Hamilton's standing as compared to its counterparts in the top half of the Canadian urban hierarchy should be of concern to local decision-makers.

Talent Index

Hamilton's ranking fell from 1996 to 2001 with the gap between Hamilton and the Canadian average increasing. While Hamilton's Talent level increased in real terms, the city is falling behind compared to its national counterparts.

Figure 1 – Talent Index for Canadian Cities, 1996⁸

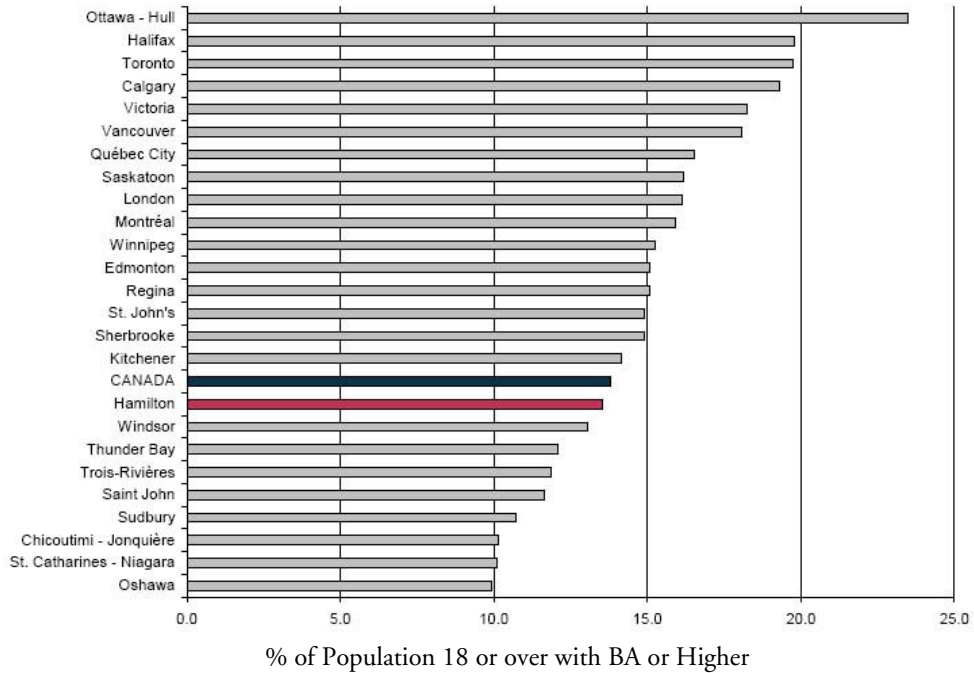
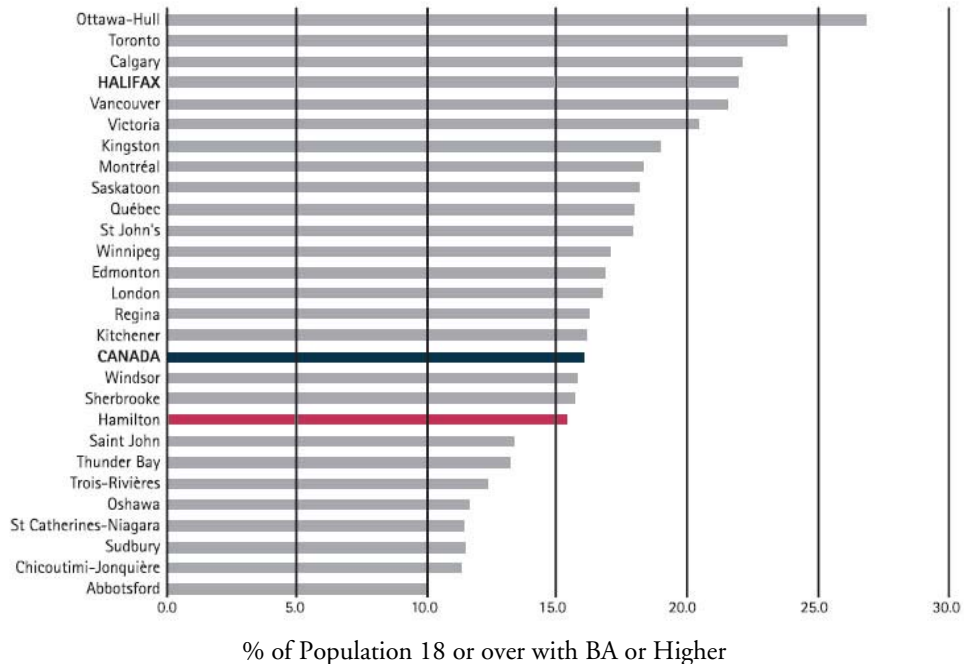


Figure 2 – Talent Index for Canadian Cities, 2001⁹



Bohemian Index

Ranked 15th in 1996, Hamilton stayed about the same on the Bohemian Index as compared to other Canadian CMAs. Again, the number of Bohemians per 1000 people increased in real terms, but the gap between the Canadian average and Hamilton also increased.

Figure 3 – Bohemian Index for Canadian Cities, 1996¹⁰

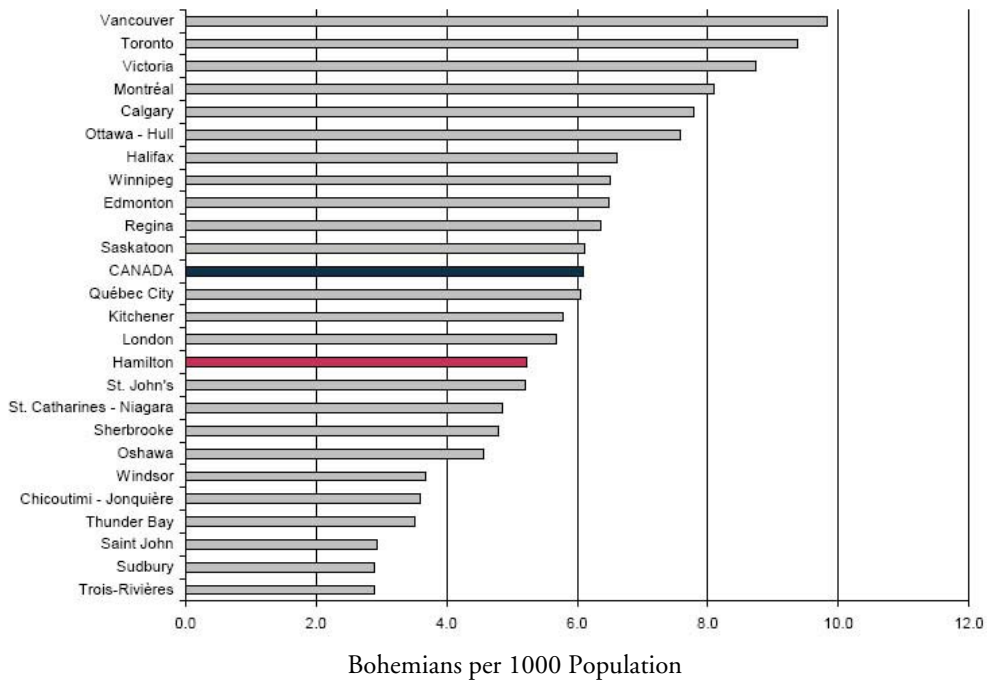
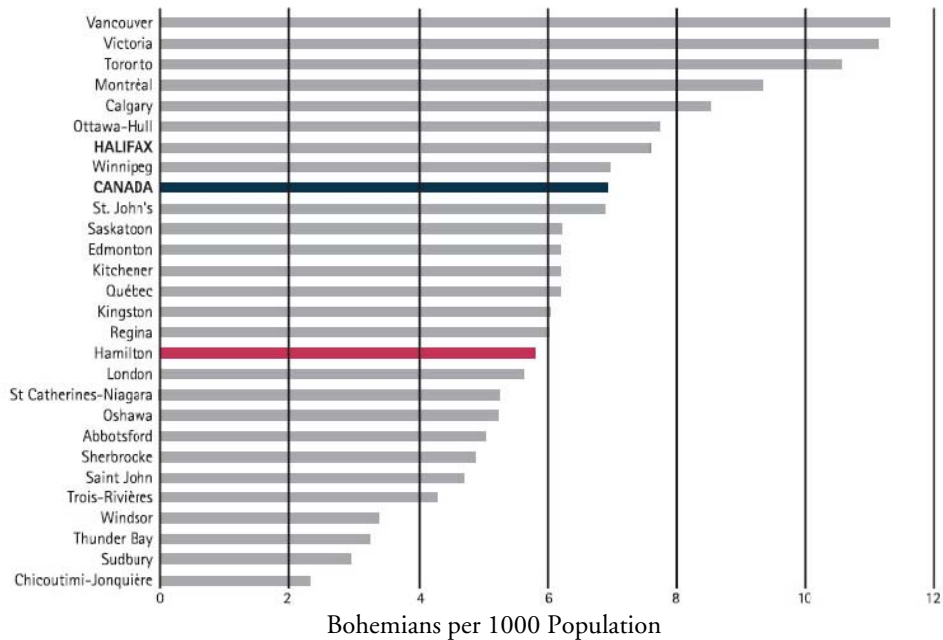


Figure 4 – Bohemian Index for Canadian Cities, 2001¹¹



Mosaic Index

Hamilton maintained a 3rd place ranking on the Mosaic Index, behind Toronto and Vancouver but well above the Canadian average.

Figure 5 – Mosaic Index for Canadian Cities, 1996¹²

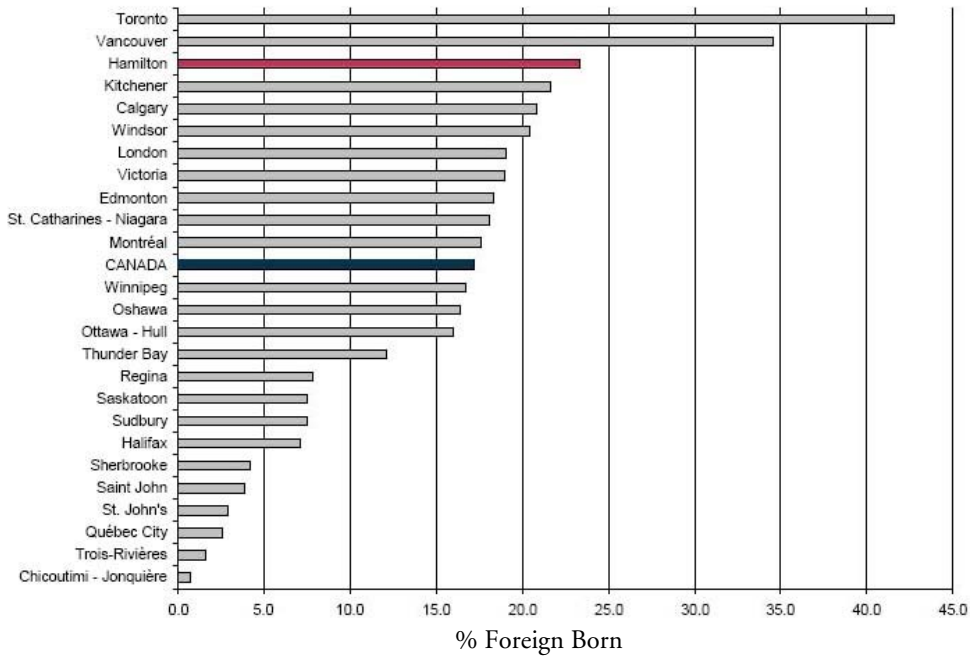
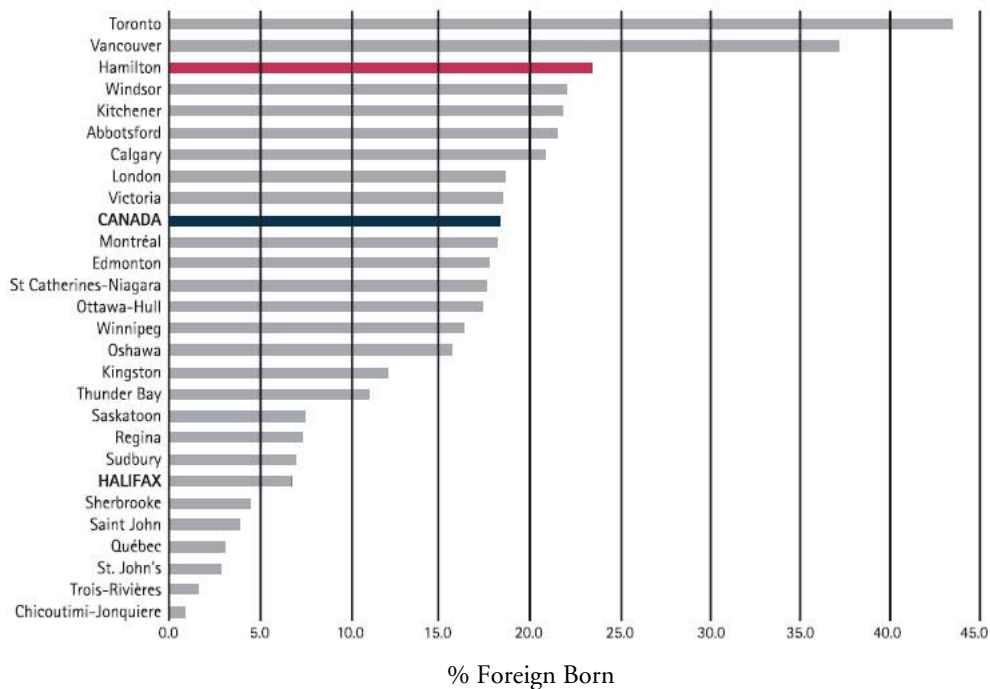


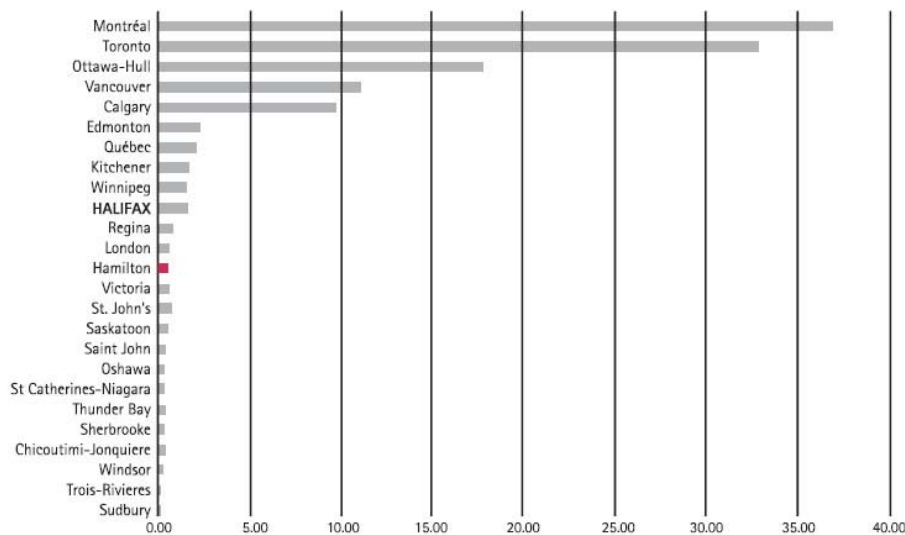
Figure 6 – Mosaic Index for Canadian Cities, 2001¹³



Tech Pole Index

As only one data year was used to calculate this index, no trend can be observed. However, Hamilton's rank of 13th puts its far below relative powerhouses such as Montreal, Toronto and Ottawa-Hull and comparable to London, Victoria and St. John's.

Figure 7 – Tech Pole Index for Canadian Cities, 1999¹⁴



Tech Pole Index 1999

What the Data Means

While the indices need to be understood in the context of their simplicity, they point to where Hamilton generally resides in the Creative Class debate. The added value of looking at such indices is revealed when one observes their relationship to each another. The body of research on this issue seeks to answer some basic questions: How closely are indicators such as creativity (measured by the Bohemian Index) and diversity (Mosaic Index) related to a city's ability to attract highly skilled labour (Talent Index) or technology related employment (Tech-Pole Index)?¹⁵

Based on an analysis of the data, researchers have observed that:

- There is a strong relationship between the Bohemian Index and the Talent Index pointing to a link between cities with a vibrant cultural scene and a rich pool of talent.¹⁶
- The relationship between the Talent and Mosaic indices is less strong, but still positive. This means that places, which have a larger percentage of foreign born citizens, tend to have, and be attractive to, talented workers. The results for Hamilton demonstrates that this relationship does not always hold true as the city

ranks very high on the Mosaic Index, but ranks much lower in Talent. However, it is important to note again that the Talent Index only considers citizens with a BA or higher and thus excludes other forms of post-secondary education.¹⁷

- The link between talent and technology is such that cities with larger concentrations of technology-oriented employment tend to retain, attract and produce talent effectively.¹⁸
- The strongest link found in the analysis was that between the Tech-Pole and Bohemian Indices demonstrating a significant relationship between creativity and employment in knowledge-intensive economic activity.¹⁹

Implications for Hamilton

Hamilton's rankings, as well as the growing gap between itself and the Canadian average, indicate that the city has some work to do if it is to address the key areas of Talent and the Bohemian Index. This is achieved through strategies that enhance Hamilton's ability to attract creative and talented human capital. In confronting this challenge, policy makers should direct investment into areas of the city that are attractive to this Creative Class. A major survey prepared for the Michigan Economic Development Corporation looked at this very issue.²⁰ The survey targeted university and recent college graduates and found that while job opportunities play an important role in choosing a place to live, quality of life was significantly more important. This study adds to mounting evidence showing that the new generation of workers, especially those in the Creative Class, choose location first and then look for jobs in those locations.²¹

This may be described as "Quality of Life" (QOL), but it goes beyond the traditional definition of QOL as measured by education, health care, housing, and environment.²³ Quality of life, in the creative class debate, is also a matter of urban character and diversity. For example, issues such as downtown revitalization, waterfront redevelopment, support for rich cultural, natural, and built heritage environments have elevated importance as they give the city a distinctive character and become the city's competitive edge in attracting talent from neighbouring cities. Creative workers seek authentic environments with a sense of history and a diversity of opportunities both in work and in leisure.

Moving Forward

Given the City's standing on the indices as compared to its national counterparts, it is clear strategic efforts are required. Looking ahead, the following recommendations are offered to help Hamilton gain ground in the competition to attract and retain the Creative Class:

Hamilton should ensure its efforts at economic development enhance, rather than hinder the progress being made on downtown revitalization. Hamilton's current urban landscape is a testament to the fact that greenfield development typically results in a shift of wealth from more depressed areas, to the newly developed ones. Thus, what is considered new development on the fringe must be evaluated based on its impact on the older urban areas, including the downtown.

Built heritage should be recognized as economic development infrastructure and invested in accordingly. The large number of tremendous heritage structures and urban spaces which exist in Hamilton's core is unique in the Greater Toronto Area and Golden Horseshoe. Heritage clusters in Toronto, such as the Distillery District, are locations in high demand by people and business and draw tourists to that city. However, affordability of such areas has rendered these desirable locations cost prohibitive for many businesses. Conversely, Hamilton is increasingly becoming known for its significant architectural assets, but lack of investment and upkeep has taken its toll as witnessed by the deterioration of such landmarks as the Tivoli theatre. Thus, Hamilton should recognize the potential of its heritage and become more aggressive at preservation and restoration.

Hamilton should accelerate efforts to attract new knowledge-based jobs and business to the downtown. The urban core, with a variety and abundance of interesting spaces and heritage structures is a competitive advantage over suburban neighbours to the east. Downtown Hamilton possesses the built characteristics and level of density that is conducive to clusters of knowledge-based businesses, artistic industries, cultural activities, and academic institutions. Further, there are existing clusters of entertainment uses in parts of the downtown (restaurants, nightclubs, Theatre Aquarius, the Art Gallery, and Hamilton Place, James Street North) that are attractive to the Creative Class. Surrounding the core are attractive and affordable neighbourhoods to go along with a handful of residential developments in the core itself. These are the ingredients for economic success. In fact, suburban cities, such as Burlington, are now attempting to create these types of downtown cores and are pursuing post-secondary institutions to locate there. Hamilton should not wait to actively solicit the relocation of suitable post-secondary facilities to the downtown. Additionally, as evidenced by the Tech-Pole Index, Toronto is a hot bed of technology based industry and Hamilton should develop a program to entice some of these businesses to downtown, helping to create a cluster of high paying knowledge-based employment.

Infrastructure investment should be targeted at maintaining and encouraging development of existing urban areas. With the completion of the Red Hill Creek Expressway, the city's transportation infrastructure will be sufficiently built out. Any new infrastructure investment should focus on making maximum use of existing urban areas over new greenfield sites, such as the new McMaster Innovation Park.

The redevelopment of Hamilton's west harbourfront should be accelerated. The amenity value of the west harbourfront, both to existing and future residents of the areas, as well as to Hamiltonians overall is immense. Rarely, if anywhere, is there the ready potential to boost city image, quality of life, and encourage central city infill and the subsequent strengthening of downtown, by focusing on the redevelopment of a relatively small area of the city. Thus, Hamilton should accelerate its efforts at waterfront redevelopment. Major infrastructure projects, such as the relocation of the CN marshalling yard on Stuart St., should be prioritized, and the City should solicit the aid of senior levels of government to help facilitate redevelopment.

Hamilton should promote local tourism. A cornerstone to creating a livable city is for citizens to have pride of place. Hamilton possesses immense cultural and natural heritage but unfortunately it is not promoted to citizens nearly enough. Thus, tourism efforts should not only seek to foster more visits from people who live outside of the city, but from within Hamilton's borders as well.

Conclusions

If Hamilton is to prosper into the future, it will need to become a serious competitor for the Creative Class. The city's rankings on the Talent, Bohemian, Mosaic, and Tech-Pole indices point to the fact that while Hamilton possesses the potential to succeed at this, it needs to redouble its efforts in shaping the kind of urban environment that is vibrant and unique as compared to its neighbours. As more and more people seek the type of lifestyle offered by a creative city, Hamilton has the opportunity to position itself as a magnet for these citizens, helping to forge a renaissance of the city overall.

References

¹ Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. ii, http://www.creativeclass.org/acrobat/ontario_report.pdf

² Florida, Richard (2002). *The Rise of the Creative Class*. New York: Basic Books, p. 68-69.

³ Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. 3-4.

⁴ These include: writers; producers, directors, choreographers and related occupations; conductors, composers, arrangers; musicians, singers; dancers; actors; painters, sculptors and other visual artists; photographers; graphic designers, illustrating artists; interior designers; theatre, fashion, exhibit and other creative designers; artisans, craftpersons; patternmakers.

⁵ The Tech-Pole measure is based on an index created by the Milken Institute. The index considers a variety of profession categories: aircraft, aircraft parts; electronic equipment; pharmaceutical, medicine; scientific and professional equipment; telecommunications carriers; other telecommunications industries; computer and related services; architectural, engineering and other scientific and technical services, medical and other health laboratories; motion picture, audio and video production and distribution. Canadian data are derived from the Small Area File (SAF) of the Longitudinal Employment Analysis Program (LEAP) maintained by Statistics Canada. For Canada, high-technology industries are defined using the 1980 Standard Industrial Classification (SIC) at the 3-digit level.

⁶ Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*.

⁷ Gertler, Meric S. and Tara Vinodrai (2004). *Competing on Creativity: Focus on Halifax*. http://www.greaterhalifax.com/media/documents/Competing_on_Creativity_Focus_on_Halifax.pdf

⁸ Adapted from: Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. 6.

⁹ Adapted from: Gertler, Meric S. and Tara Vinodrai (2004). *Competing on Creativity: Focus on Halifax*.

¹⁰ Adapted from: Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. 7.

¹¹ Adapted from: Gertler, Meric S. and Tara Vinodrai (2004). *Competing on Creativity: Focus on Halifax*.

¹² Adapted from: Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. 8.

¹³ Adapted from: Gertler, Meric S. and Tara Vinodrai (2004). *Competing on Creativity: Focus on Halifax*.

¹⁴ Ibid.

¹⁵ Gertler, Meric S., et al. (2002). *Competing on Creativity: Placing Ontario's Cities in North American Context*, p. 10.

¹⁶ Ibid.

¹⁷ Ibid., p. 11.

¹⁸ Ibid., p. 12.

¹⁹ Ibid., p. 14.

²⁰ Michigan Economic Development Corporation. (2004). *Michigan Cool Cities Survey: Summary of Findings*. http://www.coolcities.com/cm/attach/7DAC9167-89CF-46DB-834C-2382ED19B15/Summary_Findings.pdf

²¹ Florida, Richard (2004). *Revenge of the Squelchers: The Great Creative Class Debate*, p. 7-8, http://www.creativeclass.org/acrobat/squelchers_document050204.pdf

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