

Top 10 “Megaregions”

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The core of the U.S. economy is made up of roughly a dozen **megaregions that stretch into Canada and, in some cases, Mexico**. They generate the great bulk of America’s output, and are increasingly becoming magnets for top talent and jobs.

1. Bos-Wash

Where: Stretches some 500 miles down the East Coast of the U.S. from Boston, through New York, to Washington

Population: 54.3 million

Economy: \$2.2 trillion

Leading sectors: Finance, media, biotech

Key creative-class jobs: Computer engineer, fashion designer, investment dealer, lawyer

The Bos-Wash corridor is the world’s second-largest megaregion in terms of economic output — only Greater Tokyo is bigger. Today, it is home to more than 18 percent of all Americans, and its economy is bigger than that of France or the United Kingdom — and it’s more than double the size of India’s or Canada’s. Though broadly based, its economy has considerable specialization and strengths. New York is highly specialized in finance and business services, as well as arts and culture. Boston is known for its biotech industries and education resources.

The region will prevail as one of the most resilient megas. Not only does it contain the seat of U.S. government and banking, it boasts two of the top tech clusters in the world — the Dulles Corridor near Washington, D.C., and Route 128 outside of Boston. In her study of high-tech industry in Silicon Valley and around Route 128, the University of California’s Annalee Saxenian found the superior performance of such clusters turned on the adaptive capabilities of the region’s well-developed networks of entrepreneurs, venture capitalists, technologists, and newly minted university talent. Those trends tend to scale in a super-linear fashion.

2. Chi-Pitts

Where: It runs from Pittsburgh and Cleveland through Detroit, Chicago, and Minneapolis

Population: 46 million

Economy: \$1.6 trillion

Leading sectors: Manufacturing, transportation, commercial real estate, retail

Key creative-class jobs: Industrial and mechanical engineers, logistics and supply chain managers

The Chi-Pitts megaregion is anchored by America's "second city," Chicago, whose economy is larger than Sweden's. Chicago's lakefront renaissance — its incredible 20th-century architecture and marvelous refurbished neighborhoods — illustrates how older communities can highlight their own brand of aesthetics. Much of this is due to the efforts of Mayor Richard Daley, who has reached out beyond landmarks like the new Millennium Park and improved lakefront to bolster many of the city's neighborhoods by refurbishing smaller community parks and gardens, planting trees, installing public art, and adding hand-painted benches and flower beds.

Those visual characteristics are some of the ties that bind talent to affluent communities. In 2000, more than two-thirds of the residents of downtown Chicago held college degrees — levels that are more typically seen in wealthy suburbs.

But this urban core likely will prosper at the expense of many older industrial cities, suburbs, and outlying rural areas in the Chi-Pitts megaregion. The Clevelands and Pittsburghs of the world will find themselves increasingly squeezed between twin pincers as top business functions gravitate to larger regions like Chicago, and production shifts to centers like Shanghai, China.

3. Char-lanta

Where: It runs from Raleigh-Durham, N.C., through Charlotte, N.C., to Atlanta

Population: 22 million

Economy: \$730 billion

Leading sectors: Finance, biotech, telecom manufacturing

Key creative-class jobs: Computer systems designer, systems analyst, chief scientist, bioprocessing technician

Think of this mega as a tripod: The regional headquarters center and talent magnet of Atlanta is the main leg, and the other two are made up of the regional financial center in Charlotte and a regional tech center in the North Carolina Research Triangle. Atlanta, Raleigh-Durham, and Charlotte have the highest concentration of young residents (between the ages of 25 and 34) in the United States, and Raleigh-Durham-Chapel Hill ranks No. 1 in the country for having the largest percentage of young people with a bachelor's degree or higher education (45 percent). Looking forward, one can already imagine Chat-lanta and Bos-Wash forming a super-megaregion along the eastern seaboard of the United States, with the territory anchored by New York in the north and Atlanta in the south.

4. SoCal

Where: It runs from Los Angeles, through San Diego, and into Tijuana, Mexico

Population: 21.4 million

Economy: \$711 billion

Leading sectors: Entertainment, finance, biotech, digital technology

Key creative-class jobs: Entertainer, agent, CFO, accountant

Los Angeles boasts preeminence in film, entertainment, and popular culture. It is also a major port and a key destination for finance, banking, and technology firms. San Diego adds world-class information technology, telecommunications, and biotechnology. And Tijuana brings one of the world's largest manufacturing centers, specializing in television, electronics, and high-tech production. This is a powerful combination. The region is one of very few in the world that combines cutting-edge creativity and innovation with the ability to manufacture products in a relatively low-cost environment.

5. Tor-Buff-Chester

Where: It runs from Toronto through Buffalo, N.Y., and Rochester, N.Y.

Population: 22 million

Economy: \$530 billion

Leading sectors: Arts, finance, film, information technology

Key creative-class jobs: R&D project manager, investment banker, marketing executive

A more appropriate name for this region might be “Tor-Buff-looMon-tawa,” because this mega stretches much farther than its three anchor cities: from Waterloo and London, Ontario; eastward to Ottawa, Montreal, and Quebec City; and down to Syracuse, N.Y., Ithaca, N.Y., and Utica, N.Y., in the south. It makes this international mega the fifth-largest region in North America and the 12th-largest in the world.

Toronto is a significant economic center with superb universities, leading arts, entertainment, design, and culture industries; it also has what is arguably the most diverse population in the world. Like London, but unlike most major U.S. cities, Toronto offers schools that work, low crime, and safe streets. Unlike London — or New York, Los Angeles, and San Francisco — Toronto also remains reasonably affordable, which allows it to retain residents from a wide mix of social and economic classes. Nearby, Waterloo, Ontario, provides a major technology center, housing Research-In-Motion, the “BlackBerry company.” On the U.S. side of the border, Rochester, though losing residents, remains one of the world's leading centers for opto-electronic and research-intensive companies like Xerox, Kodak, and many of their key suppliers.

6. NorCal

Where: It surrounds the San Francisco Bay area, from Silicon Valley in the south to the Napa Valley wine region in the north

Population: 13 million

Economy: \$477 billion

Leading sectors: Biotechnology, software, digital content, computer and telecom design, manufacturing

Key creative-class jobs: Venture capitalist, winemaker, software engineer, Web designer

Venture capital is a useful indicator of where high-tech industries cluster. In the first quarter of 2007, three regions — Silicon Valley, San Diego, and greater Boston — accounted for 60 percent of all venture capital investment. More than half of those investments went to Silicon Valley, which commands between 20 and 65 percent of all venture investments in a wide range of high-tech fields. And Silicon Valley shows no signs of slowing down. Despite the costs of doing business in the Valley, high-tech firms continue to flock there, bringing jobs with them. A 2006 Wall Street Journal story titled, “New Hot Spot for High-Tech Firms Is the Old One,” noted the relocations of five companies to Silicon Valley: Mobius Microsystems, a maker of technology that regulates timing pulses in microchips, moved from Detroit; VideoEgg, a Web-video company, and LicketyShip, an Internet firm that facilitates local deliveries, both moved from New Haven, Conn.; Meetro, a maker of mobile social-networking software, shifted from Chicago; and Box.net, an online file-storage and file-sharing site, relocated from Seattle.

The average annual wage for high-tech workers in the Silicon Valley that year was some \$50,000 higher than the national average, but the resources offered by the cluster more than offset these costs. “There’s a unique set of resources in Silicon Valley that don’t exist in other places,” Matt Sanchez, one of VideoEgg’s founders, told the Journal. “So if you’re going to build a tech company, this is the place to do it.”

7. SoFlo

Where: The southern half of Florida, which includes Miami, Orlando, and Tampa

Population: 15 million

Economy: \$428 billion

Leading sectors: Tourism, health care, trade, real estate development

Key creative-class jobs: Nurse, pharmacist, real estate developer

This mega’s strengths include Miami’s role as a gateway for Latin American banking and investments. It also boasts entertainment and design, with considerable capability in arts and entertainment technology in Orlando, which is also home, of course, to Disney World — a major incubator for pop culture. West Palm Beach is an up-and-coming biotech and marine biology research center. It also boasts one of the country’s two wealthiest metropolitan regions: Naples,

Fla. — the other is Silicon Valley. The origin of wealth in those regions is strikingly different: Where wages make up less than 25 percent of income in Naples, they are responsible for more than 90 percent of all income in San Jose, Calif., the center of Silicon Valley. In terms of Florida as a whole, it has been ranked the fastest-growing state in terms of population for several years.

8. Dal-Austin

Where: A substantial economic triangle that encompasses Dallas, San Antonio and Austin, Texas

Population: 10 million

Economy: \$370 billion

Leading sectors: Computer and microchip manufacturing, banking, real estate development

Key creative-class jobs: Semi-conductor engineer, financial manager, wind developer

With an \$800 million new Toyota truck plant in San Antonio, Daustin is America's fastest-growing automotive manufacturing center. The region is also home to a growing wind-energy industry, as Texas has now surpassed California as the nation's top producer of this post-petroleum green technology. But Daustin's core value-added employment is still concentrated in the chip industry in Austin, which is also home to the world's largest personal computer-maker, Dell. Roughly 40 percent of the work force in Austin is employed in creative-sector work — four times as many as the national average. But Austin will face increasing competition, not only from Silicon Valley but also from up-and-comers like Bangalore, India; Dublin, Ireland; and Tel Aviv, Israel.

9. Hou-Orleans

Where: The sunbelt that runs from Houston to New Orleans

Population: 10 million

Economy: \$332 billion

Leading sectors: Energy, coastal infrastructure development, aerospace, other manufacturing

Key creative-class jobs: Petroleum engineer, geoscientist, civil engineer

The oil sector is a key creative-class employer: More than a third of America's petroleum engineering jobs are in Houston. It's also one of the three most affordable major metropolitan regions in the country (alongside Austin and Minneapolis). But oil is a double-edged sword: Houston may not hold a candle to Manhattan in terms of real estate, but rising gas prices are destined to affect the former in worse ways than the latter, simply because New Yorkers are more likely to utilize mass transit than their Texan counterparts. On the upside, Hou-Orleans will have one of the highest surges in the next decade of workers under the age of 25, largely thanks to a boom in the Latino population.

10. Cascadia

Where: It stretches from Medford, Ore., and Portland, Ore., through Seattle, and into Vancouver, British Columbia

Population: 9 million

Economy: \$260 billion

Leading sectors: Software, e-commerce, global retail, tourism

Key creative-class jobs: Aerospace and forestry engineer, software developer

Coupled with its historical strength in aerospace manufacturing — local anchor employer, Boeing, earns more export revenues than any other American company — it is also a global center of software and Internet-based industries with companies such as Microsoft, Amazon, and Real Network. It also is home to leading lifestyle and consumer brands such as Starbucks, Nike, REI, Nordstrom, and Costco. You can see the comparative advantage of high-powered cities like Seattle to older industrial metropolitan regions in the east: The trends for residents with graduate degrees show a similar pattern. In 2004, more than 20 percent of the adult population in Seattle held advanced degrees, compared to 4 percent in Detroit.

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