

**Speech by Carol Coletta, President and CEO, CEOs for Cities
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Some people believe cities like Flint don't matter any more. Distinguished Harvard professor Ed Glaeser says we should quit supporting cities like Flint. Simply give the money to the people and let them all move to Phoenix. (Of course, you might ask, "What money?" Cities aren't even on D.C.'s radar screen and haven't been for years.)

Others believe U.S. cities are no longer deserving of corporate or philanthropic attention. American cities, in their opinion, are no longer sexy. Instead, their attention is focused on causes in more exotic locations – global warming in China and AIDs in Africa. These are worthy causes to be sure, but I would suggest that anyone interested in tackling global warming may want to start closer to home.

And one Michigan pundit, writing in last Sunday's New York Times, suggested we just turn the whole thing over to Blackwater founder and Michigan native Erik Prince and let him figure it out.

Suffice it to say, I disagree with Glaeser and those who dismiss the importance of cities. I also disagree with those who promote metros and regions without recognizing the pivotal role central cities play in their success. Our research shows that the fate of cities and their suburbs move together over time.

In fact, I contend that cities are more important than they have ever been in history. Not only do cities and the metro areas they anchor generate 80 percent of our nation's employment, 80+ percent of our GNP and produce 86 percent of our tax revenue. They also incubate new businesses, connect people, ideas, money and markets and house most of our great universities. Their ports and airports connect us to the world. They are our centers of culture.

But we've treated them during the past few decades as quite disposable. We've used a whole host of federal and state policies to dismantle our cities, seducing us into believing it was "the market" at work.

In fact, attach the word "urban" to any "bad" word and it become worse. Urban crime is worse than crime. Urban poverty is worse than poverty.

The hostility is unwarranted. More to the point, it is dangerous. How can America be competitive in a global economy without dynamic cities? What is America without its cities? Only 20 percent of itself.

More importantly, though, cities are the solution to the most urgent challenges our nation faces.

If you are concerned about...

global warming and sustainability,
access to opportunity in the form of jobs and education,
our ability to produce the innovations we need to compete globally,
obesity and the cost of preventable disease on our healthcare system,
our need to constantly renew ourselves by assimilating newcomers,
even our ability to live peacefully with people of different religions and
different ethnic backgrounds...

then you must be concerned about cities. Because cities are the solution to each of these very real challenges we face as Americans. It is in cities – and only in cities – that we can find the answers we so desperately need. It is the city's density, proximity, walkability, and superior institutional assets that will prove fundamental to finding those answers.

So don't ever let anyone convince you that the fate of Flint is unimportant.

The good news is that markets are moving in the direction of cities for the first time in 50 years. Let me take special note of two of them: talented young adults and people in creative jobs.

You can't pick up a copy of Fortune or Fast Company or Wired and not recognize the importance of young talent. There's a good reason. The U.S. had nearly four million fewer 25-34 year olds in 2000 than in 1990. Two-thirds of the top 50 US metro areas actually lost 25-34 year olds in the last decade.

Now that matters, especially now, because the three trends that have driven the U.S. labor force (and therefore the U.S. economy) over the past 30 years are about to flatten out or decline. Baby boomers are nearing retirement, women now participate in the labor force at the same rate as men (if you adjust for child bearing), and we are not building a lot of new college and university capacity.

And, since 25-34 year-olds are the most mobile people in our society – in 1999, 34 percent of 20 to 29 year-olds moved and 22 percent of 30 to 34 year-olds moved -- a lot of companies and cities are in a race to attract them. The quest to attract and retain college-educated young adults is not about making your city cool. It's about building a talented pool of workers.

There are several things we know about what college-educated 25-34 year-olds want in cities.

We know that young adults are far more likely to live in close-in neighborhoods. In 1980 25 to 34 year-olds were 10 percent more likely than other Americans to live in close-in neighborhoods. By 1990, that percentage had risen slightly to 12 percent. But by 2000, they were 33 percent more likely. And that pattern holds for 47 of the top 50 metro areas.

Between 1990 and 2000, the likelihood that a 25 to 34 year-old will live within 3 miles of downtown increased in every single one of the top 50 metro areas.

So good in-town neighborhoods are key to attracting and keeping young people in your city because that's where many of them want to live.

But that's not all we know. CEOs for Cities conducted a national survey with this key demographic to find out how they made decisions about where to live. The most dramatic finding was this: 64% of them said, first, they choose the city they want to live in. Then they look for a job.

Women are more likely to say this than are men. That's important because young women are 20% more likely than are young men to be college educated today. But a majority of men still say they choose the city first.

What do they want in cities? Being a clean and attractive community tops the list, along with "opportunity to live the kind of life I want to lead." A safe community is third, being green is fourth and ability to afford the kind of home I want is fifth.

After these top five attributes, the next highest-ranked attribute is "makes me feel welcome." College-educated young adults also value vibrant places, where there are lots of things to do, distinctive neighborhoods, and energetic downtowns.

We know that our cities must clearly telegraph "Opportunity is available here for you to achieve your goals." "You are welcome here." "Bring us your best and we'll put it to work." Wrap these into something called "opportunity culture."

Now, this generally runs directly counter to the way most economic development strategies are built. They are too often willing to sell out a community's livability – or ignore it -- for jobs. This is *not* a trade-off. Livability and jobs are absolute compliments when it comes to attracting and keeping talent.

That's what we know generally about talented young adults. We'll know more in February when our next study is completed.

Let's talk about the second market showing a strong preference for cities: creatives. Now, this is NOT the much-discussed (and much misunderstood) "creative class." Instead, I am talking about people in creative occupations – occupations in

the arts, publishing, broadcasting, architecture, advertising and design, performing arts, and museums. They account for 2.2 million jobs in 2004 or 1.9 percent of total jobs in the U.S.

Just to put the importance of this sector in perspective....that is almost a million more jobs than the 1.3 million manufacturing jobs making computers and electronics and 400,000 more than the 1.8 million jobs that manufacture transportation equipment (cars, planes, trucks, boats, etc).

Creative workers prefer close-in neighborhoods in most metro areas. Remember I told you that young adults were 33% more likely than other Americans to live in close-in neighborhoods. Listen to this: For the top 50 metro areas, creative workers are 53% more likely than other workers to choose to live in close-in neighborhoods.

The concentration of creative jobs is almost as great.

In the top 50 metro areas, 41% of all creative jobs are within three miles of the Central Business District. That compares to only 17% of total jobs. And creative jobs are more centralized than other jobs in 49 of the 50 largest metropolitan areas. Overall, creative jobs are only one-third as likely to be as sprawling as other jobs. Creative jobs sprawl is less than other jobs in all but two of the top 50 metro areas.

That's not surprising, given the fact that we now know that place is crucial to innovation. As Richard Lester, innovation guru at MIT, says, four things are necessary for innovation: smart people with ideas, tolerance for risk, a supportive market for new ideas and places to share ideas. Contrary to predictions that technology would render place unimportant, it turns out that fuzzy, tacit knowledge is shared far more effectively face to face.

A writer for Psychology Today pointed out that density and diversity are the "it factors" of urbanism because they so increase our ability to meet more and different people.

And let me tell you how important providing places to meet really is for the creative industries. The creative industries are generally made up of very small businesses and very large businesses. And many creative workers don't work for "businesses" at all. 25.6% work for themselves, compared to 5.6% of all workers.

These aren't the only two demographic groups showing a preference for cities. We are also seeing interesting movement by families with kids and empty nester boomers. So these are very good trends working to the advantage of cities.

Here's more good news: We are beginning to have a much better understanding of the things cities have to be very good at doing in a knowledge economy. Two of them I've already talked about: strong core cities and the development and attraction and retention of talent. Here are the other three: connections, distinctiveness and innovation.

Cities will have to be very good at attracting and retaining talent.

They must excel in enabling connections among their citizens, the city and the region, and the region to the global economy.

Cities must have enough confidence to magnify their distinctiveness or difference, which is, after all, fundamental to competitive strategy in the words of Harvard Professor Michael Porter, rather than employ every tired old "best practice" that worked the first time and chases the success of others.

And cities must foster innovation everywhere in every way.

If you want to strengthen Flint over time, then you'll have to learn how to be very, very good at these five things.

Just a few words about how you approach your task. Let me tell you one thing you shouldn't do: Don't mindlessly copy some other city's so-called "best practice." As business strategist Gary Hamel once told me, "Once something is recognized as a best practice, it can no longer be a best practice." Plus, your circumstances – and your opportunities -- may be far different than that of the city you are attempting to emulate. You may think, "We'd never be that stupid," but look at all the cities that wasted years trying to copy Silicon Valley. You can see how well that worked out.

So you're going to have to follow your own path on this one. One of the best ways to do that is to push power to the edges. Invite co-creation of strategies and invite citizens to help execute them. Technology today enables that, and I think it is one of the most exciting possibilities for cities like Flint.

The other is to do that in the context of a big dream about what the people of Flint can do together for the rest of the world.

Just note the experience of Teach for America. Ten percent of the graduates at University of Chicago and Duke applied to become teachers in America's worst schools. More than 8% of graduating seniors at Notre Dame, Princeton, and Wellesley applied. 11% of the senior classes at Amherst and Spelman. Nearly 20% of the 2007 applicants were math, science, or engineering majors.

How can a city like Flint become the Teach for America of cities? People don't apply to Teach for America to teach. They apply to change the world. They apply to change the most expensive and arguably the most important American public institution.

What in Flint could call people to the same sort of challenge, a vision with the same sort of power? If I were you, I wouldn't be looking for best practice or worrying about cool cities or waiting for some guru to sprinkle fairy dust on Flint. I'd be inventing the next big challenge for America and putting Flint at the center of it.

America needs a strong Flint. And anything we can do to help you make Flint more successful, we stand ready to do. We invite you to participate in CEOs for Cities' national network of urban leaders so that together we can make a more successful America by making America's cities stronger.