



CONTEXTUALIZING THE ARTISTIC DIVIDEND

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ABSTRACT: *Artists have been a central theme in recent debates about the causes of urban development. This article shifts attention to the question of context: in what sorts of places are artist concentrations most likely to stimulate the local economy? To tackle this question, we employ a Canadian national database of local amenities. This database includes roughly 1.8 million total amenities in 1,800 distinct categories, across every Canadian locality. By coding these amenity categories on 16 qualitative dimensions (like self-expression, glamour, or neighborliness), we measure the specific cultural “scene” for each Canadian neighborhood. Our main findings are three-fold. First, in general there is a strong correlation between artist populations and rising local wages. Second, this correlation is strengthened in more self-expressive, glamorous, and charismatic scenes. Third, in contrast to artists, “creative professionals” are linked with lower local wage growth generally and in such scenes. Finally, synthesizing these results, we conclude with a comment about what it might mean for “bourgeois” and “bohemian” lifestyle preferences to become more tightly integrated in contemporary postindustrial contexts, offering evidence based on the location of artists, graphic designers, and advertising firms that processes of functional differentiation and interchange may provide a more compelling explanation than processes of fusion and conflict.*

Artists have been a central theme in recent debates about the causes of urban development (Florida, 2002; Lloyd, 2006; Markusen, 2006a; Silver, Clark, & Graziul, 2011). Most discussion of this issue has focused on the general question of whether and how artists produce urban “dividends,” that is, contribute to broader economic growth across many sectors. This article shifts attention to the question of *context*: in what sorts of places are artist concentrations most likely to stimulate the local economy?

To tackle this question, we employ a Canadian national database of local amenities, the largest and most fine-grained ever assembled, to our knowledge. This database includes roughly 1.8 million total amenities in 1,800 distinct categories, across every Canadian locality. By coding these amenity categories on 16 qualitative dimensions (like self-expression, glamour, or neighborliness), we measure the specific cultural “scene” for each Canadian neighborhood. Merging our scenes measures with economic and residential information allows us to test claims about how and whether the surrounding scene strengthened and weakened the relationship between artist clusters and local economic growth between 1996 and 2006.

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Our main findings are threefold. First, in general there is a strong association between artist populations and rising local wages (as well as median incomes). Second, this association is strengthened in more self-expressive, glamorous, and charismatic scenes. Third, in contrast to artists, “creative professionals” are linked with lower local wage growth generally and in such scenes. Finally, synthesizing these results, we conclude with a comment about what it might mean for “bourgeois” and “bohemian” lifestyle preferences to become more tightly integrated in contemporary postindustrial contexts, offering evidence based on the location of artists, graphic designers, and advertising firms that processes of functional differentiation and interchange may provide a more compelling explanation than processes of fusion and conflict.

ARTS AND CULTURE IN URBAN DEVELOPMENT

Contradiction, Fusion, Conflict

There is now a substantive and growing literature on the role of the arts and culture in postindustrial urban development (O’Connor, 2007 reviews its main lines). We can contrast three major positions that generate competing hypotheses about whether and how arts and culture can be integrated into postindustrial economies. First, Bell’s (1976) original “contradiction” thesis; second Florida’s “fusion” model (2002); third a “conflict” model in Lloyd (2006) and Markusen (2006b).

Daniel Bell’s *The Cultural Contradictions of Capitalism* (1976) linked his path-breaking analysis of postindustrialization (1973) to the cultural sphere. He predicted that two major, linked contradictions would trouble postindustrial societies. In the “techno-economical sphere,” profits would increasingly depend on ever-quickenening cycles of new consumption styles, inducing habits of instant gratification and hedonism in leisure time that would undermine the focus and discipline necessary for productive performance at work. Postindustrial workers would find themselves asked to undertake the impossible task of being “straight by day and swingers by night” (Bell, 1976, p. 72). This contradiction would be heightened by the triumph of modernism in the cultural sphere, which makes syncretism, antinomianism, and hedonism not only economic imperatives but positively sanctioned values. The Protestant ethic, which relies on focus, discipline, and delayed gratification, becomes a straightjacket that an increasingly bohemian culture wishes to escape. The result is a picture of capitalism slowly but surely undermining itself, with rising interest in the arts and culture likely portending declining productivity as fewer people undertake economically valuable work.

Richard Florida’s *The Rise of the Creative Class* (2002) brought many of the issues Bell raised back to the center of economic development debates inside and outside the academy. Florida outlines his central differences with Bell in a chapter called “The Big Morph (A Rant).” For Florida, Bell erred by making the split between “bohemian versus bourgeois” (Grana, 1964) much harsher than it had to be. In fact, Florida argued, originally counter-cultural principles of spontaneity and innovation were being integrated into the heart of postindustrial workplaces themselves, with technology workers as the primary symbols of this fusion: Woodstock plus Wall Street equals Silicon Valley. According to this formula, the rise of generally modernist cultural attitudes would enhance rather than undermine the economic value of postindustrial work by inculcating habits of experimentation and imagination favored by the “creative economy” into the whole class of “creative professionals” that extends beyond artists narrowly construed to include managers, technicians, and administrators. Such professionals would move near and learn from bohemian artist clusters, whose denizens would themselves become less hostile to an economic order that now increasingly welcomes rather than represses them.

The work of Richard Lloyd (2006) and Ann Markusen (2006a, 2006b) provides something of a middle position. Each agrees with Florida that arts and cultural workers stand closer to the center of postindustrial economies. Lloyd stresses especially the importance of “neo-bohemian” neighborhoods in cultural production. Such enclaves feed new cultural styles and talent into the broader cultural economy. Markusen highlights the prominence of artists in many postindustrial workplaces, which increasingly require artists for many services, such as graphic designers, web designers, product designers, marketers, or advertising copy editors. Moreover, artists sell their work to local firms, creating a more stimulating and interesting work environment, and sometimes lead creativity workshops for employees (Markusen & King, 2003). All of this combines to create an “artistic dividend,” where the presence of artists adds value to the work performed by many other people throughout the local economy.

At the same time, each is skeptical about Florida’s fusion model. Lloyd’s neo-bohemians traffic in classical animosities toward stuffy bourgeois cubicle workers just as much as they agonize over their own insinuation into commoditized cultural markets. Markusen (2006b) similarly argues that the label “creative class” masks big political differences and continuing lifestyle clashes between office-bound squares, club-hopping brokers, and artists. Thus, based on this model we would expect to find *both* strong links between artist clusters and growth across the neighboring local economy *and* evidence of persistent conflict between bohemian and bourgeois tendencies in postindustrial cities.

Genius Loci

A recurrent theme in debates about the arts and culture in urban development is *the power of place*. Marshall’s (1890) remarks about the “atmosphere” that pervades and enhances industry clusters is a classic touchstone for a vibrant literature that brings insights about agglomeration effects into the study of arts and culture clusters (O’Connor, 2007 again provides a helpful overview). The central idea is that the buzz of the surrounding scene offers access to tacit, local knowledge about styles, fashions, and sounds that are hard to find elsewhere, as well as supportive communities that encourage risk-taking, personal expression, and creative collaboration (Leadbeater & Oakley, 1999; Storper & Venables, 2004; Currid, 2007). Shopping malls, restaurants and cafes, clubs, theaters, galleries, and boutiques (Scott, 2000) transform postindustrial neighborhoods, providing the ecosystems that add economic value to cultural production and consumption (Markusen & Schrock, 2009).

One important analytical consequence of emphasizing these ecological dynamics is that it sensitizes us to potential spatial variations in the connections between the arts and postindustrial economies outlined above. That is, we can go beyond general claims about the contradictions, fusions, or conflicts endemic to the postindustrial cultural economy. To these we can join specific empirical questions about where and why the arts should or should not be integrated more deeply into the surrounding local economy, that is, where the artistic dividend should be higher or lower.

Consider three such questions. First, contrasting Bell on the one hand to Florida, Lloyd, and Markusen on the other, we can ask whether in general a dividend accrues to artist clusters, that is, whether *places with strong artist concentrations show signs of rising or declining general levels of labor productivity*. Second, joining ideas about the power of place found in Lloyd, Markusen, Florida, Scott, and others, we can ask whether *the artistic dividend is greater when artist clusters are located in a surrounding scene that encourages self-expression, innovative styles of dress and appearance, and spontaneity*. Third, contrasting Markusen and Lloyd on the one hand and Florida on the other, we can ask whether *when the broader set of “creative professionals” mix with artists in a common milieu they stimulate or undermine the contribution of each to the local economy*. We pursue each of these questions below, bringing empirical data to bear on debates

about postindustrialism while illustrating how the context of the surrounding scene can shift and heighten the impacts of other variables.

Measuring the Scene

To tackle these questions empirically, we use an original database of Canadian local amenities and organizations. This database includes a total of roughly 1,800 amenity categories and covers all Canadian Forward Sortation Areas (FSAs), totaling about 1,500.¹ FSAs are the first three digits of the postal code, and are roughly comparable to U.S. zip codes in terms of geographic coverage. The database was compiled from two main sources, downloaded yellow pages listings from 2009 and the 2001 Canadian Census of Business (“Canadian Business Patterns” or CBP).² These sources provide detailed information about the for-profit businesses (e.g., sushi restaurants, yoga studios, camp sites, and clothing stores) and nonprofit organizations (e.g., schools, churches, women’s organizations) in a geographic area.

Our amenities database allows us to measure the overall cultural and aesthetic character of a place, providing an empirical window into seemingly ineffable categories like “atmosphere” and “buzz.” We call this overall aesthetic style of a place its “scene” and seek to capture the scene via its amenity mix, following Silver, Clark, and Navarro (2010). While a scene clearly depends on more than amenities, they still offers significant information about the specific experiences and practices characteristic of a given place. Schools, churches, and playgrounds paint one scene; tattoo parlors, independent artists, and hemp shops a different one.

To transform raw counts of organizations in a given FSA into a scenes measure, each amenity category was coded on 16 qualitative dimensions drawn from classic cultural themes, such as self-expression, transgression, glamour, local authenticity, tradition, neighborliness, rationalism, utilitarianism, and more (Silver, Clark, & Navarro, 2010).³ Multiple coders scored each of the 1,800 amenity categories, routinely meeting to clarify and document the decision-making process so that others can repeat or alter our codes. We checked intercorrelations, and considered 0.8 good. Correlations below 0.7 triggered discussion about why coders differed, leading to more specific coding rules.

We then use these codes to compute a measure of the average level of each of these dimensions across the entire FSA. We calculate these scores by weighting our data for each locality according to the average coding score (1–5) for each amenity type. We multiply the average coding score for each amenity category (e.g., tattoo parlors) on each cultural dimension (e.g., transgression) by the total number of amenities of that type in the FSA (e.g., 9 tattoo parlors). Summing the total for each dimension yields an indication of the “total output” of each dimension (e.g., glamour or transgression) in each FSA. Dividing this total output by the total amenities then tells us whether the scene in a given FSA more strongly affirms neighborliness or self-expression or any of the other dimensions in terms of which we coded our data, and thus provides a strong measure of the typical range of cultural themes one might expect to find in a given place.

Because of concerns about overlapping data (e.g., the same sushi restaurant, yoga studio, or tattoo parlor being included in both the CBP and the yellow pages listings, and thus being double-counted), we compute separate scenes measures from each data source. This not only allows us to attack the same problem from different angles, it also allows us to evaluate the validity of our constructs by checking our results across different data sources collected by different agencies according to different principles.

The 16 thematic dimensions (self-expression, glamour, transgression, etc.) in terms of which we coded these data were derived from a broader “theory of scenes” that surveys both classical and contemporary discussions in cultural, aesthetic, and urban theory (Silver, Clark, & Navarro, 2010). A scene, or the lifestyle of a given place, combines multiple dimensions—for example,

TABLE 1

Key Amenities for Two Multidimensional Scenes, *Renoir’s Loge* and *Grit as Glamour*

Renoir’s Loge	Grit as Glamour
Theatres, motion picture and video production, independent artists, writers, and performers, postproduction and other video production services, agents and managers for artists and entertainers, motion picture producers and studios, musical groups and artists, full service restaurants, sound recording services, motion picture and video distribution, architectural services, café terraces, photographic services, charitable and community organizations, restaurants, performing arts promoters, social advocacy organizations, pastry shops, communication and public relations consultants, graphic designers, marketing consultants, multimedia, periodical publishers, arts and cultural organizations	Motion picture producers and studios, restaurants, theatres, recording service-sound and video, music-records, compact discs and tapes-retail, arts and cultural organizations, variety stores, night clubs, music arrangers and composers, art restorations, artists-commercial, talent agencies, café terraces, interior designers, modeling agencies, art galleries, fine artists, acupuncturists, entertainment bureaus, incense, herbal products, coffee houses, accessories-fashion, taverns, women’s apparel, schools-language, book dealers-used and rare, oriental goods, chinese foods, yoga instruction, social and human service organizations, environmental conservation and ecological organizations, hemp products, tattooing, AIDS and HIV information and support services, beads, advertising production, sex shops, multimedia services, piercing and body art, adult entertainment, custom made shirts, leather goods, antique dealers, independent artists, writers, and performers, musicians, recording studios, graphic design services, used merchandise stores, political organizations, other individual and family services, book stores and news dealers, travel agencies

This table shows key amenities strongly associated with *Renoir’s Loge* and *Grit as Glamour* scenes.

a neighborhood might combine self-expression, charisma, and transgression in a sort of “urban alternative” scene. For present purposes, we focus not on the individual dimensions but rather on specific types of more holistic, complex, multidimensional scenes likely to enhance artistic dividends in ways consistent with the literature reviewed above.

Consider in particular one scene from each of our data sources. These specific scenes were derived based on factor analyses of all 16 thematic dimensions, which are included in the appendix. Table 1 provides a perhaps more intuitively accessible summary of many of the amenities most strongly correlated with these scenes.

We call our first multidimensional scene *Renoir’s Loge*. Expressing an emerging interest in the spectacle and theatricality of modern life, Renoir’s painting *La Loge* (Theater Box) depicts an elegant couple on display at the theater, capturing the drama and excitement of Parisian fashionable society. Combining themes of glamour, charisma, and formality, this measure is based on CBP data and is strongly associated with theaters, performing arts promoters and facilities, musical groups, restaurants, multimedia firms, café terraces, and arts and cultural organizations. It is highly concentrated in Canada’s urban centers, with all of the 29 highest-scoring FSAs located in Toronto or Montreal (Toronto’s highest-scoring FSA, M5V, contains the entertainment district; Montreal’s, H2W, is the center of the Plateau Mont-Royal district, and contains the highest percentage of artists of any Canadian FSA).

The second we call *Grit as Glamour*. We create this measure through a two-step process. First, *Grit as Glamour* is based on a multidimensional scene we call *Baudelaire’s Exiles*, which we

initially derived, like *Renoir's Loge*, based on a factor analysis of all 16 dimensions, reported in the appendix. The name comes from Baudelaire's *The Swan*, which defined the bohemian sensibility this factor seems to capture, singing of "the sailors forgotten on some isle, of the captives, of the vanquished. . .of many others too!"—the counter-cultural urban exiles and misfits for whom fashion and art are forms of resistance, and outsiders from rag-pickers to prostitutes to marginalized ethnic groups symbolizing life on the edge. Based on our yellow pages data, this measure joins self-expression with exhibition, transgression, and ethnic authenticity. It is strongly associated with nightclubs, independent artists, musical groups, fashion designers, fine arts, coffee houses, lingerie stores, yoga studios, leather goods, sex shops, tattooing, and body art studios.

Second, to heighten a crucial aspect of classical and contemporary depictions of bohemia, we multiplied *Baudelaire's Exiles* by the percent of the population that is a visible minority, as measured in the 2006 Census of Population. The interaction term—*Grit as Glamour*—is the result. Our inspiration for this transformation is again Baudelaire, as well as Richard Lloyd's *Neo-Bohemia*. Indeed, *The Swan* notably includes among its "exiles" a "negress . . . trudging through muddy streets." And in Lloyd's (2006) update, for neo-bohemians, "sharing the streets with . . . nonwhite residents . . . is part of their image of an authentic urban experience" (Lloyd, 2006, p. 78), that transforms grit into glamour. Our measure, *Grit as Glamour*, indeed seems to more reliably identify bohemian neighborhoods than the amenities-based *Baudelaire's Exiles* variable alone does. For instance, the FSA that includes Toronto's iconic Queen West is ranked #27 nationally on *Baudelaire's Exiles* alone but #1 on *Grit as Glamour*, the interaction. Vancouver's V6A, containing its Downtown Eastside neighborhood and home to both "Canada's poorest postal code" (Matas & Peritz, 2008) and the city's highest percentage of artists, is ranked 99 on the amenities-based *Baudelaire's Exiles*, but 4 on the interaction with visible minorities, *Grit as Glamour*. We therefore use *Grit as Glamour* as our operational measure of a more bohemian scene.

Table 1 summarizes amenities from both the CBP and yellow pages data that are strongly associated with *Renoir's Loge* and *Grit as Glamour*. *Renoir's Loge* and *Grit as Glamour* are positively but relatively weakly correlated, around 0.3, suggesting that they do indeed tap into related but different types of generally artistic scenes, with *Renoir's Loge* showing more of a glamorous and fashionable sensibility and *Grit as Glamour* a more counter-cultural edge. However, the temporal difference in data collection may matter in that *Renoir's Loge* data come from a time point (2001) closer to the period we are studying (1996–2006) and *Grit as Glamour* data come later (2009). Still, as they are based on thousands of amenities, these scenes scores likely change relatively slowly, as work elsewhere has shown (Silver, Clark, & Graziul, 2011). Nevertheless, these issues of temporality do warrant caution, so we tend to give priority to results generated from our earlier CBP data.

Other Variables

To address our three main questions, we merged these scenes measures with socio-demographic information drawn from the Canadian Census of Population for 1996, 2001, and 2006. Our main dependent variable is the classic measure from the human capital literature of gains in the value of labor, the increase in wages,⁴ in this case from 1996 to 2006 (Becker, 1964, 1993; Mincer, 1974). This literature holds that optimally firms pay higher wages for more valuable work (in that they would not pay high wages for tasks from which they receive little return), and that though the optimum is not always reached, in general wages tend to follow principles of supply and demand.

This assumption becomes more plausible when we are looking at local differences in aggregate wages rather than national averages. This is a major theme in Matthew Drennan's *The Information Economy and American Cities*, which shows for instance that since 1969 wages in the centers

of human capital and the information economy (like Boston or the San Francisco Bay Area) have grown well above the national average rate. By contrast, wages have grown far more slowly than the national average rate in “metropolitan economies with traditional specializations in manufacturing or distribution,” like Youngstown (Drennan, 2002, p. 8).

Broadly speaking, then, we can safely treat variations in the rate of wage increases across localities as variations in the overall value being generated by their labor force. Why wages rather than income? Florida, Mellander, and Stolarick (2008) make a compelling case in this regard. Income is a composite of wages together with interest, transfers, capital gains, and the like. It is thus less directly indicative of the economic value that accrues to work and is better thought of as a measure of wealth. Southern Florida has high income levels, but a relatively small portion of this wealth comes from the work performed there. Still, because much past work analyzes median income as a measure of broad-based economic growth, we ran supplementary analyses using this variable as an outcome as well. The basic patterns we find are substantially the same for median income as for wages.

Florida, Mellander, and Stolarick (2008) conclude that, micro-variations aside, “at the aggregate level, the regional wage level will reflect the regional labor productivity” (p. 8).⁵ Our wage growth measure is also a local aggregate, but at a lower level, allowing us to pick up patterns that may be missed when analyzing only metro areas. This follows directly from the theoretical discussion above. The “artistic dividend” hypothesis, whether as formulated by Markusen or in the variants proposed by Florida and Lloyd, is not primarily about artist wages but rather about how the presence of artist clusters enhances the value of all sorts of work done across large swathes of the local economy.

Our measure of artist concentrations is taken from Hill (2005), and is the percentage of the labor force employed in more purely artistic occupations in 2001, specifically: actors; artisans and craftspeople; conductors, composers and arrangers; dancers; musicians and singers; other performers (such as circus performers and puppeteers); painters, sculptors, and other visual artists; producers, directors, choreographers, and related occupations; and writers.⁶ We measure the nonartistic components of Florida’s creative class by combining occupational categories into “creative professionals” according to specifications laid out in the appendix to Florida (2002).⁷

We also include in our analysis a battery of controls that might otherwise account for wage increases such as education, employment rate, income, rent, and population. These allow us to evaluate whether the hypotheses about the artistic dividend hold independent of other admittedly potent forces. For instance, controlling for average education accounts for classic human capital arguments, where growth comes from concentrations of highly skilled persons whose talents not only add value to their work but also raise each other’s performance. Income accounts for the fact that the rich tend to get richer and that more broadly shared prosperity means more effective demand for more (and more varied) goods and services; population for the fact that sheer numbers are often stimulants to growth and specialization. Controlling for rent helps to account for the possibility that wage increases come from high-income persons moving to low-rent places.

All results we report are net of these other variables. That is, holding constant rent, education, income, population, and so on, our results show whether an increase in the artist share of the population brings with it relatively higher growth in FSA average wages across the local labor force. In further supplementary analyses we also explored other variables: *change* in rent and *change* in the share of the local population with a university degree, which may plausibly account for part of a locality’s wage gains (a gentrification hypothesis); and variables featured in recent discussions about the social conditions of productive creative economies: singles, nonreligious persons, public transit use, and walking to work. None substantively altered our main results.

These concepts and measures allow us to build on a sizeable and growing body of research into urban culture and aesthetics in Canada. Most research focuses on neighborhood and city case studies, documenting in rich detail their symbolic contents (Blum, 2003; Leslie & Rantisi, 2009;

Table 2

Between 1996 and 2006, FSAs with Artist Concentrations had Strong Local Wage Growth

Dependent variable: Percent change in average employment income, 1996 to 2006	Model 1	Model 2
Total Population (logged)	0.076*	0.066*
Percentage of total population 15 years and over with university bachelors degree or higher	0.331***	0.111
Employment rate	0.189***	0.054
Average gross rent in private dwellings	-0.216***	-0.06
Median family income	0.262***	0.366***
Artists as percentage of total workers, 2001 (logged)	0.251***	0.208***
Creative professional as a percentage of all workers	-0.191***	-0.151**
Percent change in average FSA rent, 1996 to 2006		0.375***
Change in percentage of total population 15 years and over with university bachelors degree or higher, 1996 to 2006		-0.029
Percentage of employed labor force that takes public transit to work		0.023
Percentage of employed labor force that walked to work		0.063
Percentage single never married		0.053
Percentage no religion		-0.011
Adjusted R-squared	0.263	0.378

This table shows some drivers of local wage gains in Canada. These are standardized OLS regression coefficients. "Artists" include actors; artisans and craftspeople; conductors, composers and arrangers; dancers; musicians and singers; other performers (such as circus performers and puppeteers); painters, sculptors, and other visual artists; producers, directors, choreographers, and related occupations; and writers. "Creative professionals" include senior and specialist managers; managers in retail, food, and accommodation; professionals and administrators in finance; and technical occupations in science and health. Unless otherwise noted, data are for 1996. N = 1567 FSAs. All Variance Inflation Factors (VIFs) are 6 or below; most are less than 3. Source: Statistics Canada. *p<0.05, **p<0.01, ***p<0.001.

Straw, 2002; Moore & Risk, 2002). Others have analyzed specific cultural organizations and their impacts on local identities and meanings (i.e., Jenkins, 2005; Patterson, 2009), focused on smaller sets of amenities across a subset of (mid-sized) cities (Reese, Faist, & Sands, 2010), or analyzed the impacts of proxies for amenities (like home values) on cultural worker location in smaller cities (Denis-Jacob, 2012). But none of these have been able to even ask questions about place aesthetics and local development in a national comparative context. Our analysis investigates Canada’s cultural scenes extensively and comparatively, across all localities.

Analytical Strategy

We employ a two-stage analytical strategy. First, we run national OLS regression models to determine if artist concentrations are generally correlated with rising local wages. Second, we use quantile-style analysis to determine if these associations change as the surrounding scene becomes more intensively defined by *Renoir’s Loge* or *Grit as Glamour*. Specifically, we split our file into thirds on each scene and run our models within each group, looking to see if the relationships change between artists, creative professionals, and wage gains across levels of scenes.

Results

Table 2 shows national OLS regression results. FSA change in average employment income is regressed on total population, percentage of the population with a bachelor’s degree or higher, median family income, average gross rent, employment rate, percentage of the workforce in

artistic occupations, and percentage of the workforce in creative professional occupations. We then add to this core group of variables change in the share of the population with university degrees, change in average rent, percentage singles with no religious identification, who walk to work, and who take public transit to work.

Results in Model 1 indicate, consistent with much past literature on human capital, that the share of the population that holds a university degree is a strong predictor of local wage growth. Income and artist populations are also strongly linked with increases in local wages, followed by employment rates. Wages rose at lower rates in high-rent neighborhoods as well as in neighborhoods with numerous creative professionals.

Adding the other variables included in Model 2 changes the picture somewhat. Wages rose sharply where rent was increasing. Moreover, including change in rent in the model suppresses the coefficients for university graduates and employment rate. At the same time, even after accounting for changes in rent, artist concentrations remain strongly associated with higher local wage growth, creative professional concentrations with lower local wage growth. Walking, public transit use, singles, change in university graduates, and secularity are insignificant.

Contrary to Bell's predictions and aligned with Florida, Lloyd, and Markusen, artist concentrations are strongly linked with rising local wages—they are not sapping the postindustrial economy's energy, but fuelling it. At the same time, these results should give us pause about attributing too much by way of postindustrial productivity to a generic creative class. Growth is occurring where artists and highly educated persons cluster, but not necessarily where we find Florida's "creative professionals" such as managers and technicians.

Scenes Enhance the Artistic Dividend

Figures 1 and 2 add two crucial points. First, though artists are *generally* associated with rising aggregate local wages, the association is *strongest* when they are surrounded by a supportive scene. That is, for both *Renoir's Loge* and *Grit as Glamour*, the relationship between artist clusters and wage gains is strongest when the scene is most intense. In the case of *Renoir's Loge* in particular, there is a fairly linear and dramatic increase in the impact of artists on wages as we move from the FSAs with the lowest to those with the highest scene scores. Networks of collaborators, critical and engaged audiences, and a general mood conducive to experiment, risk, and performance likely conspire to produce what Brian Eno calls "scenius," the collective enhancement of individual creative potential through participation in a scene. This result may inform public policy debates about maintaining the residential link between artist and scene, and perhaps also those around acknowledging the strong artistic contribution to the local economy that occurs despite the fact that artists themselves often have lower wages than their education levels would predict.

Creative Professionals are Buzzkills

Second, we note that the "creative professionals" category—managers, technicians, administrators—shows a near-opposite trend. In the most heavily performance arts-oriented *Renoir's Loge* scenes that fuse glamour, charisma, and formality, creative professionals' presence is associated with *lower* local wage growth, while the relationship is insignificant elsewhere. That is, the national pattern is concentrated *only* in this particular segment of the country. If artist concentrations and *Renoir's Loge* conspire to produce a heightened mood of creative productivity, when "creative professionals" move in, they seem to kill it—again, even accounting for key demographic factors like rent, education, income, and population.⁸ Across *Grit as Glamour* scenes, the pattern is less stark, in that creative professional concentrations predict less growth in the least as well as the most bohemian scenes. In both cases, however, these results seem to

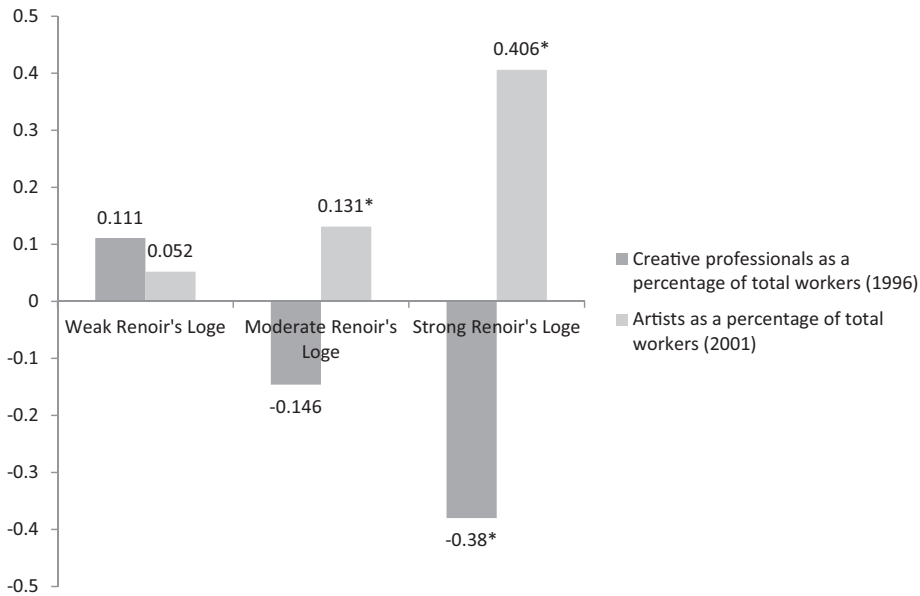


FIGURE 1

The Relationship Between Postindustrial Occupations and Wage Growth Varies Across *Renoir's Loge* Scenes

This figure shows how the impact of artist and creative professional concentrations on local wage growth shifts depending on the scene. Bars show standardized OLS regression coefficients. In addition to artists and creative professionals, the full model includes total population, median family income, employment rate, average rent, and the share of the population with a university degree or higher. Analysis of this full model was repeated within thirds of all Canadian FSAs ($N = 1567$), ranked according to their *Renoir's Loge* score. Higher bars indicate a stronger association between each of the two variables and local wage growth within a given third of *Renoir's Loge*. All VIFs are 6 or below, most are less than 3. Source: Statistics Canada. * $p < 0.05$.

support Markusen (2006b) and Lloyd (2006): the creative class is *not* a homogenous consumption bloc, and elements within it even point in opposite directions.

Functional Interchange?

The fusion model does not seem to accurately describe the new relationships emerging between traditionally bohemian and bourgeois elements within postindustrial urban economies. In fact, the artist clusters around which some of the greatest dividends for the local economy accrue are those that have the fewest “squares.” Nevertheless, even if conflict persists at the extremes, it would be highly unlikely for the broad social transformations described by Bell, Florida, and others to have left the relationship between the worlds of art and business firms unaltered. We conclude by suggesting that a model of functional differentiation and interchange might help us to better capture this change.

The *locus classicus* for this approach is the work of Talcott Parsons (1971), refined and extended by others (Alexander, 2006; Lidz, 2001; see also Joas, 2008 for a more pragmatist version). In main lines, the idea is that new social potentials—economic, political, expressive—are typically unlocked when formerly fused functions are separated, allowing each to develop on its own terms. The classic example is the differentiation of household and firm, out of which



FIGURE 2

The Relationship Between Postindustrial Occupations and Wage Growth Varies Across *Grit as Glamour* Scenes.

This figure shows how the impact of artist and creative professional concentrations on local wage growth shifts depending on the scene. Bars show standardized OLS regression coefficients. In addition to artists and creative professionals, the full model includes total population, median family income, employment rate, average rent, and the share of the population with a university degree or higher. Analysis of this full model was repeated within thirds of all Canadian FSAs ($N = 1567$), ranked according to their *Grit as Glamour* score. Higher bars indicate a stronger association between each of the two variables and local wage growth within a given third of *Grit as Glamour*. All VIFs are 6 or below, most are less than 3. Source: Statistics Canada and the yellow pages. * $p < 0.05$.

modern commercial society emerged. However, differentiation can also create conflict between the now distinct roles (e.g., worker, family member), which can be resolved through a process of reintegration and interchange, where each somehow functionally contributes to the other. One way this can occur is through the emergence of new roles that stand between the others and combine elements from each. Parsons called this process “value generalization” (also see Joas, 2008), where the new role embodies more general values that each of the others share, permitting its occupants to be accepted in and to move between both distinct social arenas. If successful (and there is no guarantee of this), the result is that, even if conflict persists between “purists” who live in separate spheres, there can be system-level integration where each sphere can contribute to the other.

If such a process of interchange were occurring between artists and businesspeople, bohemian and bourgeois, creative core and “creative professionals,” what would it look like? Each specializes in distinct activities, the one economic, the other expressive, which is the classic source of their mutual animosity (Grana, 1964). Yet, as authors as different as Florida, Lloyd, and Markusen would agree, those domains are becoming more mutually reciprocal in postindustrial societies. But in a functional interchange model, we would not necessarily expect the two groups to happily mix in the same scenes and the same spaces. Instead, we would look for the emergence of new roles able to move back and forth between the two while embodying some higher-order value that both can affirm.

We suggest that graphic designers may provide one example of this sort of role. In many cases trained in art schools, often aspiring to be fine artists (and many *are* at night and on weekends), but also ready to come to corporate meetings (on time) with Powerpoint presentations and charts and billable hours, graphic designers occupy roles where moving back and forth from boardroom to bohemia is often an expectation and acquired ability (cf. Currid, 2007). Moreover, “design” embodies a value, creativity, shared in business and art, and able, especially with the expansion

TABLE 3

Graphic Design Straddles Art and Business

	Arts and Cultural Organizations	Artists as % of Total Workers 2001	Graphic Design Services	Advertising Agencies
Arts and cultural organizations	1	0.317	0.316	0.072
Artists as % of total workers 2001	0.317	1	0.494	0.191
Graphic design services	0.316	0.494	1	0.634
Advertising agencies	0.072	0.191	0.634	1
Administrative and general management consulting	-0.07	-0.034	0.289	0.527
Investment advice	-0.076	-0.162	0.063	0.337

This table shows partial correlations for all Canadian FSAs ($N = 1576$) of artists, arts, and cultural workers, graphic design services, and advertising agencies with one another and with management consulting and investment advice. Controls are total population, total amenities, rent, income, and the percentage of the population holding a bachelors degree or higher. All correlations are statistically significant ($p < .05$), except for the one between "administrative and general management consulting" and "artists as % of total workers 2001."

of advertising and marketing, to provide crucial functional contributions to the success of each.

Table 3 provides some evidence for this interchange model. It shows partial correlations of arts and cultural organizations, artists as a share of the total labor force, advertising agencies, and graphic design firms with one another as well as with two more "purely" business organizations, management consulting firms and investment advice firms. We use partial correlations to control for population, rent, income, education, and total amenities, all of which might influence where artists, advertising, and graphic design firms locate. Results show a strong pattern. Graphic designers are strongly correlated with *both* arts variables *and* advertising agencies, *as well as* with management consulting firms and investment advice. Artists and arts and cultural organizations, however, are strongly correlated with graphic design firms but *much more weakly* with advertising agencies and *negatively* with management consulting and investment advice. Advertising, by contrast, is *highly likely* to be located near graphic design, management consulting, and investment advice, while *the association with artists is weaker and weakest with arts and cultural organizations*. Graphic design seems to stand between and bridge across art and business.

Clearly we should not overinterpret this evidence. But it is suggestive, at least pointing empirically toward emergent tendencies where graphic design bridges art and business while allowing each to remain relatively distinct. That is, while the division between bourgeois and bohemian, or artist and "creative professional," may continue in the 21st century, the social structure may now contain roles that, by having a foothold in each, help to mediate their differences. The urban landscape in turn reflects this complex order of differentiation and interchange rather than only conflict and fusion.

CONCLUSION

This is by no means the last word on these issues. A number of further directions could be pursued. We might look for subtle differences in how different scenes shift the social consequences of artist and other types of clusters (like technology firms), as well as how the scene might interact with other variables such as social diversity, building stock diversity, density, walkability, and more. We could analyze how scenes mediate the relationship between artists and different outcomes, economic (like rents and income), social (like trust), or political (like party voting or movement activism). Cross-national analysis would allow us to determine the extent to which

the value granted to different scenes is influenced by national policy and culture. For instance, exploratory work shows that in Toronto and Montreal (and Chicago) more utilitarian, formal, and rationalist scenes are strongly correlated with high rents, while in the Los Angeles, New York, and Seoul areas this relationship is nonexistent or negative, with self-expressive scenes having the highest rents in these cities.

We might also use techniques like geographically weighted regression that permit us to analyze geographic areas not only independent of one another but in terms of their proximity to one another. In this way, we could explore hypotheses about the “catchment area” of various scenes to assess the extent to which they impact and are impacted by processes occurring nearby. And we could supplement our admittedly only suggestive account of functional interchange with case studies and extended data analysis of roles beyond graphic design in order to produce a more refined account of the emergent “linked ecologies” (Abbott, 2005) in postindustrial cities.

Still, this study has been able to accomplish some important work. We have brought together into dialogue key perspectives on postindustrial urban transformation and translated their differences into empirically testable questions. We have brought to bear innovative data on these questions, using them to measure concepts like “atmosphere,” “buzz,” or “scene” that are typically thought to be ineffable or only analyzable through close ethnographic observation. And we have used these data both to evaluate existing theories and to move toward new ones. While artist clusters do seem to play key roles in the expanding creative economy, the evidence suggests skepticism toward a generic creative class whose elements, from artists to technicians to managers, are fusing with and becoming more similar to one another. Instead, a model of functional differentiation and interchange might help us to understand how conflict and integration can be contained in one evolving system.

APPENDIX

TABLE A1

Scenes Factor Analysis Summary

Structure Matrix	<i>Renoir's Loge</i>	<i>Baudelaire's Exiles</i>
Traditional	0.1	-0.056
Self-expressive	0.398	0.692
Utilitarian	-0.363	-0.303
Charismatic	0.734	-0.097
Egalitarian	0.176	-0.122
Neighborly	0.107	-0.036
Formal	0.571	-0.204
Exhibitionistic	-0.166	0.834
Glamorous	0.87	0.223
Transgressive	-0.114	0.43
Rationalist	-0.217	-0.253
Local	-0.015	-0.009
State	0.033	0.359
Corporate	-0.32	-0.015
Ethnic	-0.01	0.684
Natural	0.593	0.321

Note: Extraction method: Principal component analysis. Rotation method: Oblimin with Kaiser normalization. Data are for Canadian FSAs. *N* = 1567. Key dimensions are in bold.

ENDNOTES

- 1 We chose FSAs rather than census tracts because (a) FSAs cover the entire country, while census tracts cover only places with an urban core population of 50,000 or more, and (b) FSAs are relatively geographically stable, while census tracts vary more from year to year.
- 2 We used PageRaptor software to download the yellow pages categories in 2009–2010 from yellowpages.ca. Our local level CBP data are from 2001, though we have city-level CBP data from 1999 to 2008.
- 3 These dimensions come from a variety of sources from the world of culture (like poetry, novels, films, painting, plays) as well as philosophy, social theory, cultural, and aesthetic theory, journalism, ethnographies, surveys, and more. The goal is to get a broad range of dimensions that capture, alone or in combination, the types of experiences that participants themselves, as well as critics and observers, have historically found in scenes.
- 4 Our Canadian Census of Population measure indicates the average wages of people who live in an area, not people who work there. However, we do not believe that this substantially alters our main findings, as we have no reason to expect that people's work or intellectual lives are affected only by the mood or "scene" surrounding their workplaces. An amenity that encourages self-expression, such as a jazz club, can inspire a worker whether he encounters it near his home or near his workplace. And while it seems likely that, especially for members of "the creative class," the distinction between home and work is not as strong as it once was, there is little academic research on the topic (an example from the policy domain is City of Toronto, 2011). This is a prime area for future research.
- 5 The classic source is Marshall: "[Competition] tends not to equalize, but to render unequal the average weekly wages in two districts in which the average standards of efficiency are unequal" (Marshall, 1890, p. 572).
- 6 This artist variable comes from a custom data request to Statistics Canada conceived of and commissioned by Hill Strategies Research, and downloaded from their website, http://www.hillstrategies.com/resources_details.php?resUID=1000137. Publicly available occupational data include a variable for "arts, culture, and recreation." The 1996 version of this variable is correlated 0.9 with the narrow arts measure for 2001 so we feel confident using the narrow measure, which fits more directly into our theoretical discussion.
- 7 "Creative professionals" include: senior and specialist managers; managers in retail, food, and accommodation; professionals and administrators in finance; and technical occupations in science and health. We also created a measure of Florida's "super creative core," which includes the nonartistic core of the creative class, such as scientists and professors. However, this measure was highly collinear with the simple measure of residents with a bachelor's degree or higher, so we use the latter instead. Clark (2004) and Glaeser (2004) similarly find that some of Florida's results conflate "creativity" with "education."
- 8 Nonartistic creative professionals still may make important contributions to these types of scenes; there is more to life than rapid wage gains. These places with strong *Reinoir's Loge* and *Grit as Glamour* scenes may in fact offer valuable leisure goods to creative professionals, who pay a premium to live in these scenes. That is, for artists, the scene directly feeds into their work as a factor of production, whereas for creative professionals, it has consumption value, after work and on the weekends. This interpretation would be consistent with the economic literature in which amenities are construed as compensation for lower real wages (cf. Glaeser, Kolko, & Saiz 2011).

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