

# **Using Traditional Competitive Advantage Analysis to Guide the Development of Action Plans to Grow the Creative Economy in a Community**

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# Purpose of presentation

1. Context: explain the role of the creative class and culture on local economic development
2. Showcase the Creative Economy Analysis Tool and how it can be used to:
  1. measure the creative economy in a community/region
  2. identify a community's/region's competitive advantages in the creative economy
    - Location Quotients
  3. inform the development of a local strategy/action initiatives to grow the creative economy in a community/region
3. Explain how communities have benefited from using the Creative Economy Analysis Tool

# Impact of the creative class on local economic development

- Places with higher levels of human capital are more innovative and grow more rapidly (Richard Florida).



# Impact of culture on local economic development

- Culture is central to quality of place that is one of the essential ingredients in attracting creative people and resources, as well as, stimulating creativity and innovation (Glen Murray).



# What is the Creative Economy Analysis Tool?

2001-2006 Creative Economy Analysis - OCCUPATIONS Place of Residence		Employment Growth						Shift Share Values			Location Quotient
Mono *	# Jobs '01 Ontario	# Jobs '06 Ontario	# Resident Jobs '01 Mono CSD	# Resident Jobs '06 Mono CSD	Employment Growth Mono CSD	Actual Change (# Jobs) Mono CSD	% Employment Mono CSD 2006	Provincial Effect	Industrial Effect	Regional Effect	Location Quotient 2006 Mono CSD
A011 Legislators	1,850	1,460	0	0	na	0	0.0%	0	0	na	0
A012 Senior government managers and officials	8,965	6,645	30	0	-100.0%	-30	0.0%	2	-10	-22	0
A013 Senior managers - Financial, communications and other business services	24,380	24,190	10	25	150.0%	15	0.6%	1	-1	15	1.62
A014 Senior managers - Health, education, social and community services and membership organizations	6,650	8,070	60	15	-75.0%	-45	0.4%	5	8	-58	2.91
A015 Senior managers - Trade, broadcasting and other services, n.e.c.	19,990	19,110	105	30	-71.4%	-75	0.8%	8	-13	-70	2.46
A016 Senior managers - Goods production, utilities, transportation and construction	22,405	21,760	30	85	183.3%	55	2.2%	2	-3	56	6.12
A111 Financial managers	27,280	28,170	10	55	450.0%	45	1.4%	1	0	45	3.06
A112 Human resources managers	14,460	16,365	0	10	na	10	0.3%	0	0	na	0.95
A113 Purchasing managers	4,070	5,555	10	10	0.0%	0	0.3%	1	3	-4	2.82
A114 Other administrative services managers	13,815	15,595	10	10	0.0%	0	0.3%	1	1	-1	1
A121 Engineering managers	7,950	8,565	0	15	na	15	0.4%	0	0	na	2.74
A122 Computer and information systems managers	23,750	22,430	0	20	na	20	0.5%	0	0	na	1.39
A123 Architecture and science managers	2,460	2,905	35	10	-71.4%	-25	0.3%	3	4	-31	5.39
A131 Sales, marketing and advertising managers	66,010	72,615	20	70	250.0%	50	1.8%	2	0	48	1.51
A141 Facility operation and maintenance managers	22,705	16,245	65	10	-84.6%	-55	0.3%	5	-24	-37	0.96
A211 Retail trade managers	131,605	128,730	45	100	122.2%	55	2.5%	4	-5	56	1.21
A221 Restaurant and food service managers	48,460	40,190	10	20	100.0%	10	0.5%	1	-2	12	0.78
A222 Accommodation service managers	9,610	8,650	15	0	-100.0%	-15	0.0%	1	-3	-14	0
A301 Insurance, real estate and financial brokerage managers	13,355	12,840	10	10	0.0%	0	0.3%	1	-1	0	1.22
A302 Banking, credit and other investment managers	27,490	28,710	15	10	-33.3%	-5	0.3%	1	-1	-6	0.54
A303 Other business services managers	6,440	3,285	0	10	na	10	0.3%	0	0	na	4.77
A311 Telecommunication carriers managers	6,945	4,655	0	0	na	0	0.0%	0	0	na	0
A312 Postal and courier services managers	2,335	1,550	0	0	na	0	0.0%	0	0	na	0
A321 Managers in health care	8,840	7,925	10	10	0.0%	0	0.3%	1	-2	1	1.97
A322 Administrators, post-secondary education and vocational training	4,545	4,205	10	0	-100.0%	-10	0.0%	1	-2	-9	0
A323 School principals and administrators of elementary and secondary education	10,620	10,775	0	25	na	25	0.6%	0	0	na	3.63
A324 Managers in social, community and correctional services	5,210	6,510	0	0	na	0	0.0%	0	0	na	0
A331 Government managers, health and social policy development and program administration	2,160	1,780	0	0	na	0	0.0%	0	0	na	0
A332 Government managers, economic analysis, policy development and program administration	3,205	3,435	0	0	na	0	0.0%	0	0	na	0
A333 Government managers, education policy development and program administration	205	150	0	0	na	0	0.0%	0	0	na	0
A334 Other managers in public administration	2,115	1,765	0	0	na	0	0.0%	0	0	na	0
A341 Library, archive, museum and art gallery managers	1,625	1,285	0	0	na	0	0.0%	0	0	na	0
A342 Managers, publishing, motion pictures, broadcasting and performing arts	5,295	4,645	0	0	na	0	0.0%	0	0	na	0
A343 Recreation and sports program and service directors	3,870	3,730	0	0	na	0	0.0%	0	0	na	0
A351 Commissioned police officers	1,470	640	0	0	na	0	0.0%	0	0	na	0
A352 Fire chiefs and senior fire-fighting officers	665	615	0	0	na	0	0.0%	0	0	na	0
A353 Commissioned officers, armed forces	5,595	6,790	10	0	-100.0%	-10	0.0%	1	1	-12	0
A361 Other services managers	11,560	12,000	25	15	-40.0%	-10	0.4%	2	-1	-11	1.96
A371 Construction managers	22,000	21,555	0	20	na	20	0.5%	0	0	na	1.45

# OMAFRA's Creative Economy Analysis Tool: information items

<b>Ontario Employment Trends</b>	<i>Jobs, 01 Ontario</i>
	<i>Jobs, 06 Ontario</i>
<b>Local Employment Trends</b>	<i>Jobs, 01</i>
	<i>Jobs, 06</i>
	<i>Employment Growth</i>
	<i>Actual Change Jobs, 01-06</i>
	<i>% Employment</i>
<b>Local Shift-Share Analysis</b>	<i>Provincial Effect</i>
	<i>Occupation Effect</i>
	<i>Regional Effect</i>
<b>Local Location Quotient Analysis</b>	<i>Location Quotient</i>

# Creative Economy Analysis Tool: filters

- **Creative Occupations**

- Classified using Richard Florida's framework for the creative class
  - super creative core;
  - creative class;
  - service class,
  - working class.



# Creative Economy Analysis Tool: filters

- **Cultural Occupations**

- Classified using Statistics Canada's Framework for Culture Statistics

- Culture occupations

- Creative and artistic production occupations, heritage collection and preservation occupations

- Culture Support Occupations

- Cultural management, technical and operational occupations, manufacturing occupations





# Identifying a community's competitive advantages for the creative economy

- Location Quotient Analysis
  - Measures the relative concentration of each occupation in your local economy compared to a reference area (in our case, Ontario).

$$\text{LQ} = \frac{\% \text{ of } \textit{local} \text{ employment in occupation } i}{\% \text{ of provincial employment in occupation } i}$$

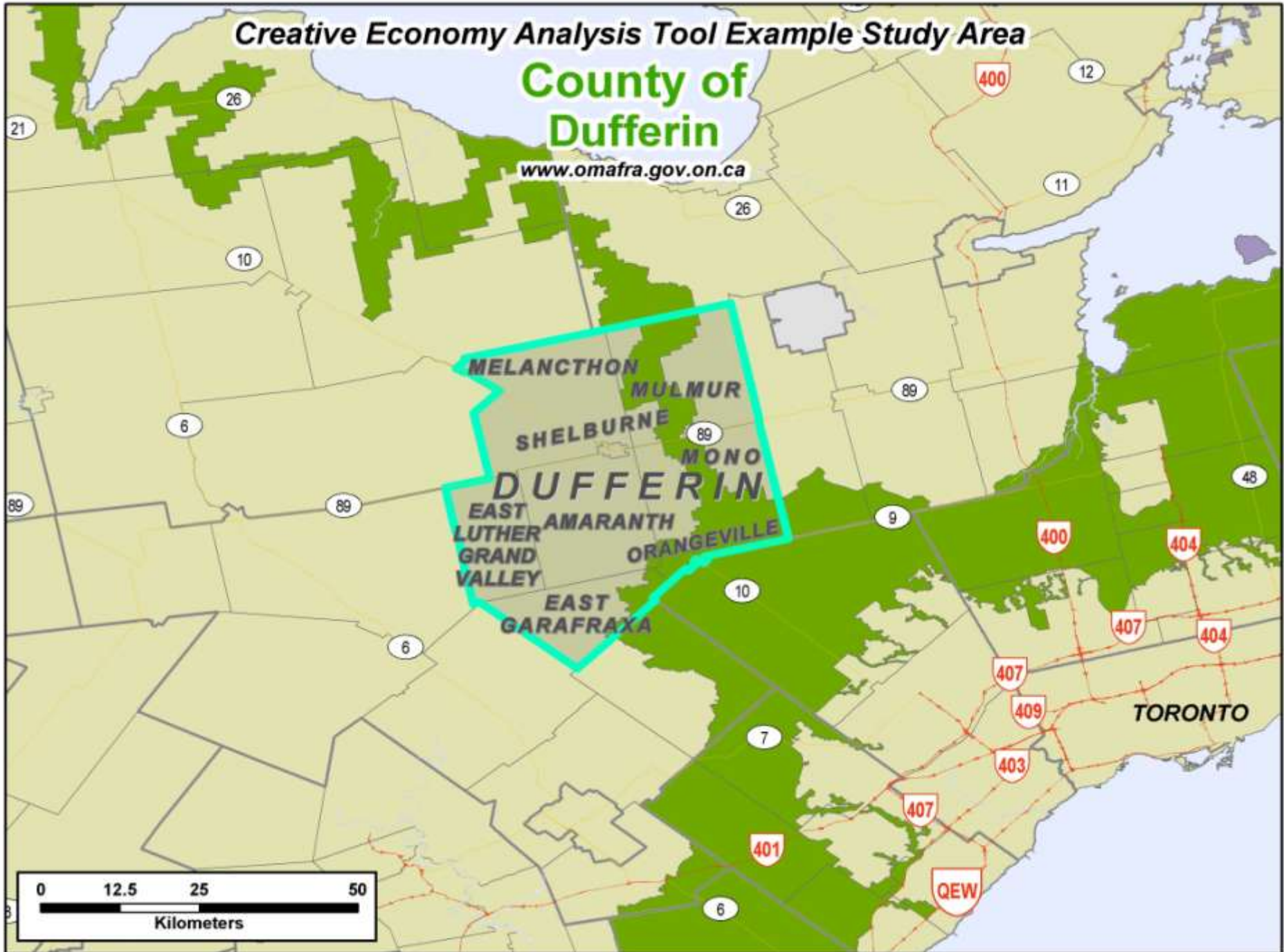
# Identifying a community's competitive advantages for the creative economy

- Location Quotient Interpretation:
  - If  $LQ > 1$ , occupation  $i$ , over-represented or disproportionately concentrated
  - If  $LQ = 1$ , occupation  $i$ , is proportionately concentrated (represented)
  - If  $LQ < 1$ , occupation  $i$ , is under-represented
- *Local occupation specializations signal local competitive advantages*
- *To identify significant specializations, use a higher cut-off (e.g., 1.2)*

*Creative Economy Analysis Tool Example Study Area*

# County of Dufferin

[www.omafr.gov.on.ca](http://www.omafr.gov.on.ca)



## 2006 Location Quotients for The County of Dufferin

	Employment		Location Quotients
	Total	%	2006
<b>Analysis Summary</b>	<b>2006</b>	<b>Share</b>	<b>Dufferin</b>
<b>Culture Occupations</b>			
Culture	500	1.7%	0.84
Culture Support	515	1.7%	1.01
<b>Richard Florida Class Structure</b>			
Super Creative Core	3,390	11.4%	0.68
Creative Class	7,455	25.1%	0.76
Service Class	12,735	42.8%	0.98
Working Class	8,365	28.1%	1.33
Fishing/Farming/Forestry	1,155	3.9%	1.54
<b>Total</b>	<b>29,725</b>	<b>100.0%</b>	<b>1</b>

## 2006 Location Quotients for The County of Dufferin

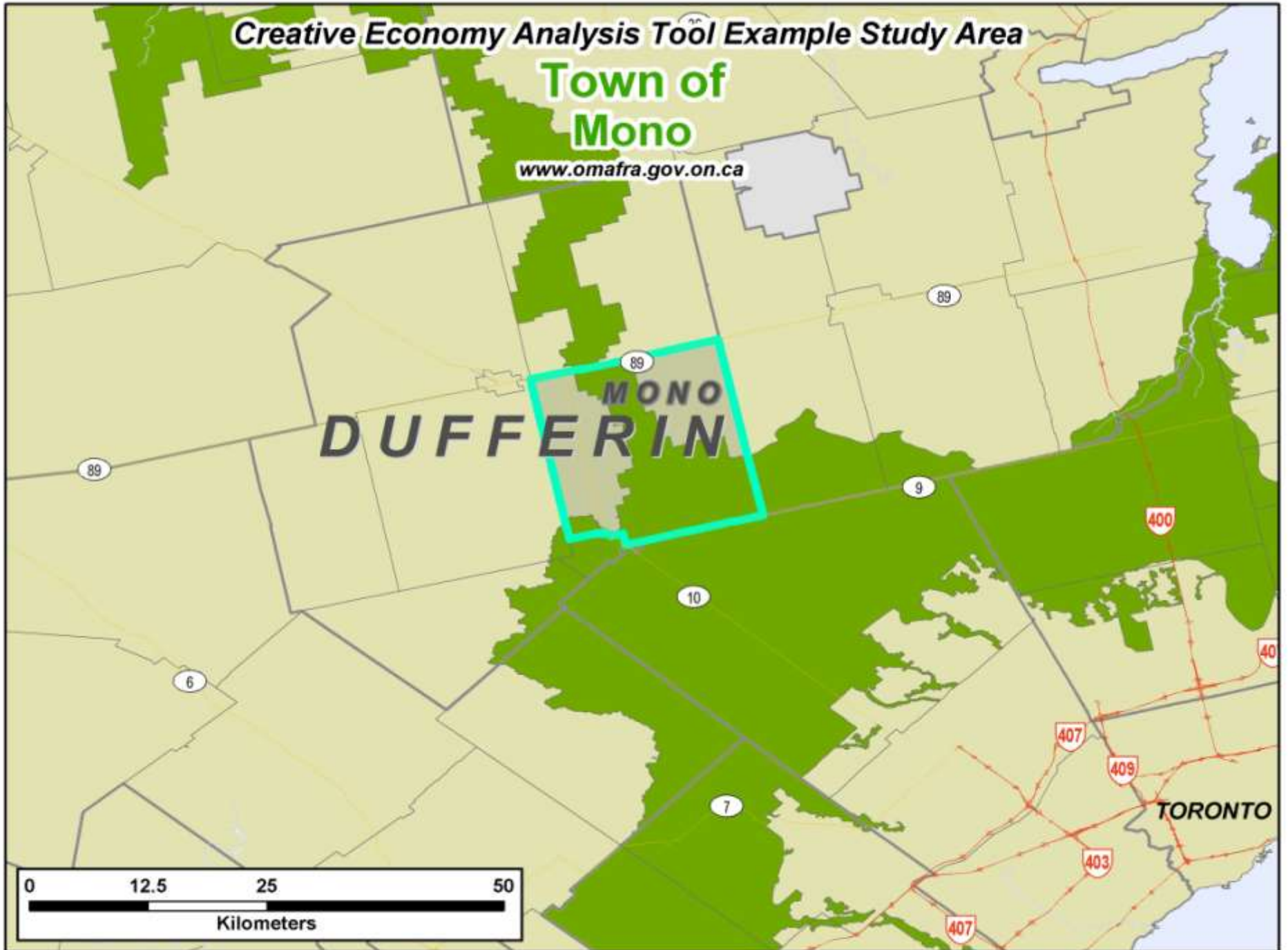
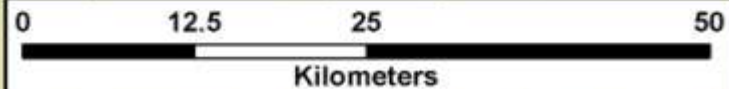
	Employment		Location Quotients
	Total	%	2006
<b>Occupations (NOC-S): Super Creative Core</b>	<b>2006</b>	<b>Share</b>	<b>Dufferin</b>
C172 Air traffic control and related occupations	45	0.2%	6.59
C045 Petroleum engineers	10	0.0%	5.05
C171 Air pilots, flight engineers and flying instructors	95	0.3%	4.53
C154 Land survey technologists and technicians	15	0.1%	3.86
C125 Landscape and horticultural technicians and specialists	75	0.3%	3.54
C164 Construction inspectors	75	0.3%	3.11
F125 Audio and video recording technicians	40	0.1%	2.05
E036 Recreation, sports and fitness program supervisors and consultants	45	0.2%	1.94
F032 Conductors, composers and arrangers	10	0.0%	1.88
C152 Industrial designers	35	0.1%	1.59
F036 Painters, sculptors and other visual artists	50	0.2%	1.55
C053 Urban and land use planners	25	0.1%	1.47
C133 Industrial engineering and manufacturing technologists and technicians	55	0.2%	1.32
C143 Industrial instrument technicians and mechanics	20	0.1%	1.18
C034 Chemical engineers	20	0.1%	1.15
F141 Graphic designers and illustrators	120	0.4%	1.06
C051 Architects	25	0.1%	1.01
C046 Aerospace engineers	10	0.0%	0.98
C141 Electrical and electronics engineering technologists and technicians	55	0.2%	0.97
C031 Civil engineers	70	0.2%	0.96
C013 Geologists, geochemists and geophysicists	10	0.0%	0.96
F031 Producers, directors, choreographers and related occupations	40	0.1%	0.94
F121 Photographers	25	0.1%	0.94
C181 Computer and network operators and web technicians	80	0.3%	0.85
F035 Actors and comedians	15	0.1%	0.85
F127 Support occupations in motion pictures, broadcasting and the perform. arts	10	0.0%	0.83
F144 Artisans and craftspersons	25	0.1%	0.81
F024 Professional occupations in public relations and communications	55	0.2%	0.79
C021 Biologists and related scientists	20	0.1%	0.79
F143 Theatre, fashion, exhibit and other creative designers	15	0.1%	0.76
<b>Total</b>	<b>29,710</b>	<b>100.0%</b>	<b>1.00</b>

*Creative Economy Analysis Tool Example Study Area*

**Town of Mono**

[www.omafra.gov.on.ca](http://www.omafra.gov.on.ca)

**MONO**  
**DUFFERIN**



## 2006 Location Quotients for the Town of Mono

	Employment		Location Quotients
	Total	%	2006
<b>Analysis Summary</b>	<b>2006</b>	<b>Share</b>	<b>Mono</b>
<b>Culture Occupations</b>			
Culture	165	4.2%	2.11
Culture Support	80	2.0%	1.19
<b>Richard Florida Class Structure</b>			
Super Creative Core	710	18.1%	1.08
Creative Class	1550	39.4%	1.2
Service Class	1445	36.8%	0.84
Working Class	670	17.0%	0.81
Fishing/Farming/Forestry	165	4.2%	1.66
<b>Total</b>	<b>3,930</b>	<b>100.0%</b>	<b>1</b>

# Informing the development of strategies to grow the creative economy

- Community Consultation:
  - The Creative Economy Analysis Tool can point to cultural and creative occupations that enjoy local competitive advantages. The information cannot, however, identify what the actual competitive advantages are.
  - It is important to identify what factors have contributed to the local competitive advantages:
    - Natural amenities
    - Outdoor recreation opportunities
    - Cultural opportunities
    - Quality of local schools
    - Social tolerance
    - Lifestyle attributes
    - Influence of local industries
    - Public green space
    - Walkable, mixed-use neighbourhoods
    - Sidewalk commerce
    - Old buildings
    - Public space design
    - Distinctive architecture
    - Viable transportation choices
    - Open markets
    - Alfresco dining



# How communities have benefited from using the Creative Economy Analysis Tool

- *“Support a cultural mapping project”*
- *“Profiling the community, and zeroing in on the creative economy component”*
- *“Foster local understanding of the importance of the creative economy”*
- *“Support a statistical analysis of the creative economy”*
- *“Foster understanding of the status of the creative economy relative to other comparable communities”*
- *“Determine opportunities to grow the creative economy”*
- *“Demonstrate the size and significance of the creative class, which changes perception and creates positive environment for policies designed to grow and expand the creative class”*
- *“Having hard data adds to the credibility to the study and has gotten the attention of community leaders because it has provided new/unique perspectives”*
- *“Targeting consultations with the creative class. The consultations were extremely useful helping to inform recommendations to grow the creative economy”*

## Questions?

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