

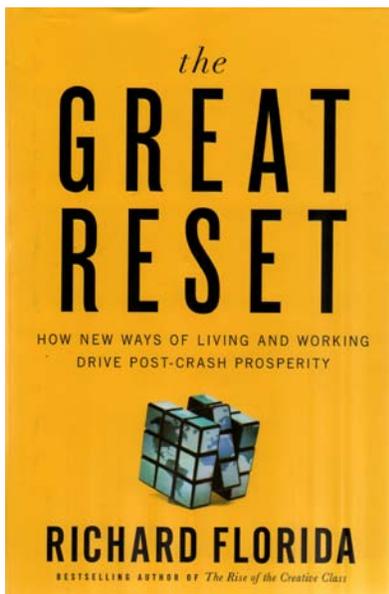


## The Great Reset

How New Ways of Living and Working Drive Post-Crash Prosperity

Richard Florida

*(author of The Rise of the Creative Class)*



Brian picked this off the shelf for a re-read. Richard Florida talks about what he believes is the third 'reset' in our overall economy.

What brought it to mind, believe it or not, was the Occupy Wall Street movement. While attending the Architecture Record Innovation Conference in November 2011, he took time to check out the Occupy site.

The Occupy movement has been criticized as having no coherent message, no spokespeople, unfocused, a rag-tag bunch of unhappy people. They don't seem to be

advocating anything specific, or lobbying government. Yet something about their approach seems to echo Florida's central thesis ... that we need to 'change the system'.



One of the themes of the Occupy movement is the growing divide, especially in America, between the richer and those less rich. The disappearance of the 'middle class'.

Florida talks about that in Great Reset. He says we're into our third 'reset' of the way we live, the way we work, our economic base.

### 1. 1873 Long Depression

- The First Reset
- Shift from an economy based on Agriculture to one based on Industry
- Highlighted by a population beginning to shift from the farm to the city ... Urbanization

### 2. 1930s Great Depression

- Second Reset
- The economy becomes more-and-more based on industry ... and now we foster innovation and mass production. Cities get wired ... just electricity, mind you, the internet comes much later!
- We start to see 'suburbanization' ... the "Mad Men" era.

### 3. 2008 Great Recession

- Florida is calling this the "Great Reset"
- The big shift this time is from a manufacturing base to a knowledge base ... to a 'creative' base

- So, here's where there is maybe some *resonance* with the Occupy movement. One of the themes of Occupy is the growing divide between the rich and the not so rich. "We are the 99%". Now, this is no doubt a stronger message in America where taxpayers bailed out the banks that were considered "Too big to fail!". Which, unfortunately, led the bankers to reward themselves with huge bonuses, funded by taxpayers. The middle class - how do you spell "manufacturing"? - is disappearing. In the Great Reset, Florida posits that the "service" sector of our economy is morphing into the "new" middle class. He cites examples of "service" businesses that are gradually raising salaries and benefits for their employees.
- Florida talks about changing consumption patterns. A move from the 1950's goal of home ownership as being the ultimate signal of prosperity to renting. Why invest so much of one's earnings over a lifetime into bricks and mortar? Why buy a car, at one time a key objective of so many US and Canadian consumers, when one can lease? Or rent a ZipCar? Maybe a major shift in thinking!
- Among many other things, Florida talks about us reorganizing around "megaregions". Ottawa-Toronto-Montreal. And connecting them with high-speed rail. (Of course, the LATEST study into high-speed rail is heading for the shelf ... feds and Ontario are responding that it's not the time to spend big on rail in these 'challenging economic times'. Hmmm ... see my study on Public Private Partnerships ... maybe that's a way to get all the benefits that Florida talks about, and amortize them over the next couple of decades. Most folks seem comfortable taking out a mortgage on their home ... same approach to valued infrastructure? Just asking ... )
- Oh, another point among the many he offers ... increased density in the suburbs. Take a look at Markham Downtown, award-winning mixed use design in a 'suburb' of Toronto that most would associate with "sprawl".



All in all, Great Reset is a pretty interesting read. Give it a look!