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## Micropolises are Where the Action Is

By Charlie Grantham and Jim Ware

This is the first in a new series of articles we will bring you this year. During the past few months we have become involved in a number of economic development efforts, mostly at the request of local officials, state agencies, and, yes, even some politicians.

Not that we are without total experience in the area (see for example Bressler and Grantham, [Communities of Commerce](#), McGraw-Hill, 2000), but we didn't actively seek out this niche.

So, you may be asking, "Just what does economic development have to do with the future of work?" In our opinion, economic development represents the supply side of the talent equation. You business types who are concerned with recruiting and retaining quality talent – the demand side – know you have to pay attention to where that talent is, and where it's going to be in the future. Well, the economic development folks are the ones who focus on attracting and retaining both talent and your business operations to their specific geographic area.

Since we're now hearing from both sides of this equation, and in keeping with the spirit of this newsletter we thought this would be a good time to say something about just *where* we believe work in the future will take place.

Traditionally, economic development was characterized by the public service equivalent of the white-shoed used car salesman. "Come on down, bring your factory (or, more recently, your Wal-Mart) to our nice little suburb." What we see happening with the evolving future of work is going to change that approach, and rather dramatically.

We have pointed out time and time again that workers (especially highly-talented and in-demand knowledge workers) are going to migrate to *where* they want to live first, and then economic opportunity will follow.

One of our patron saints, Richard Florida, was one of the first to document this new migration pattern in his now-classic [The Rise of the Creative Class](#). Joel Kotkin in his book on the [New Geography](#) (reviewed in these pages just last month) was another pioneer.

A new spate of like-minded tomes has appeared more recently: [Boom Town USA](#) by Jack Schultz (reviewed by Charlie this month) and [Life 2.0](#) by Rich Karlgaard are among the best. (By the way, for the record, the links embedded here will take you to each book's description on the Amazon.com website. We offer these links merely as a convenience to our readers; we have absolutely no financial interest in whether you buy any of the books we mention, or where you buy them).

Just where are these oases of talent going to be? Each of these authors offers a different perspective. And we think they are all right in one way or another. One of our research pathways this year is going to include putting a little more specificity on how the economic development profession, and the public they serve, can identify emerging talent centers around the country (and the globe, for that matter). We want to help communities morph

themselves into places where people want to live and raise their families; that will help bring the economic prosperity of the new world of work to those areas.

So we're going to start in one of the least likely places to get a clue about what's going on in the labor market in the United States: The Bureau of Census. Talk about dry, those guys sometimes seem to have invented boredom. As a young graduate student one of us (Charlie) relished working with census data precisely because it was so unglamorous. Almost no one was interested in "economic geography" as it was called back then. It was easy to find something new because very few people were looking at the data at all (and that's a terrific opportunity for a graduate student).

Well, just over a year ago, in the summer of 2003, the Census Bureau actually created a new geographic classification. We have all heard of Standard Metropolitan Statistical Areas (SMSA's), rural areas, cities and megopolises. Now, believe it or not, we have a new designation to contend with: *micropolitan* areas.

First let's talk about what micropolises are and then why we find the concept so fascinating. A micropolitan area is defined as a geographic location that has at least one town of between 10,000 and 50,000 people, with proportionately few residents working outside the area (see <http://www.census.gov/population/www/estimates/00-32997.pdf> for details).

These are not suburbs. These are typically those areas lying slightly beyond the influence of the much larger SMSA's. Says Michael Ratcliffe of the Census Bureau: "Out in the vast nonmetropolitan part of the country, there are urban population centers that are quite important. Some of these communities were in effect lost to our analysis."

Where are these micropolises? Actually, they're all over the country. Try Granbury, Texas; Defiance, Ohio; Alamogordo, New Mexico; and Elko, Nevada, to name just a few examples. There are 567 of these micropolitan areas in the United States; 28 million people live in them. Over the last decade the total population growth across those 567 micropolises was 8%, well below the 13% for the United States as a whole.

If you want all the details go to:

<http://www.census.gov/population/www/cen2000/phc-t29.html>.

But that average of 8% conceals some major differences among the micropolitan areas. 16% of them actually experienced negative growth rates. But a number of them were actually "boom towns." 30%, or 215 of them, have had above-average population growth rates, while 38 specific locations each grew at 30% or more in the last decade. Now that's an economic developer's dream!

Why are these micropolitan areas so important? Two things strike us. First, these are areas that talented people (the key future work force) will find attractive. These areas are, and will continue to be, the first stops (and often the last as well) on their migration journeys.

Now, admittedly, it's a bit more complicated than that. You have to take many more factors into consideration, but if you could combine the key ideas in everyone's work in this arena and throw in a couple of social capital indices, you'd be most of the way towards figuring out what the geographic landscape of the future work force will look like by the next census in 2010. That's our task for the coming year.

But it is perhaps even more important to stop and think about why the US Census even bothered to go through all those machinations to create this whole new category. It's the

money! The re-distribution of wealth and investment in developing social capital in the United States takes places through a process in which funds move to geographically defined areas. You can't send tax dollars (or private investments either) to New York City unless there is a specific location called "New York City." It's like you can't get a letter unless you have a street address or a PO box number.

Now these high-growth, high attractor areas have an "address" where the investors and the public officials can send the check. And it hasn't been lost on Federal, State, and local governments (and politicians) that these micropolitan areas are becoming far more politically active as the population demographics shift in their direction. There's a lot of votes out there, folks (and, of course, tax revenue potential as well).

We believe these micropolitan areas, and nearby smaller metro areas, will be the final destination of the migrating talent in the US over the coming decade. They are the hot spots – and the cool communities – to watch.

We'll be writing more about these new communities and the talent that's moving there, and why, in future months. And we're committed to digging out more information about that talent and how corporate folks can find and leverage it, whether you ever locate an actual corporate facility there or not.

And, as always, we invite your commentary and opinions. What's been your experience with these independent, small "micropolitan" areas? Do you live in one? Are you looking for one? We'd love to tell your stories in the coming months.

### **About the Work Design Collaborative and *Future of Work Agenda***

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