



Insight: Measuring Manhattan's Creative Workforce

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*The NYUSPS Schack Institute of Real Estate Urban Lab
develops new understandings of the economic and real estate trends that are shaping our cities.*

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Key Takeaways

- **Creative Class.** Forty percent of Manhattan workers belong to the Creative Class, a share that is 61 percent larger than the U.S. average. Six in ten Manhattan residents are members of the Creative Class.
- **Projected Growth.** Manhattan’s Creative Class is projected to grow 12 percent by 2025.
- **Arts, Media, and Design Stronghold.** Manhattan’s Arts, Design, and Media cluster has more than three times the concentration in New York than the national average.
- **Business, Finance and Management.** Manhattan’s Business, Finance, and Management cluster accounts for more than 37 percent of its Creative Class.

The Great Recession of 2007-2009 sent shockwaves throughout the U.S. economy. Few places were harder-hit than New York City, the nation’s most densely populated urban area and its financial nerve center. Wall Street and its banking industry were brought to the brink of collapse, and then the city was slammed by two devastating hurricanes. And yet within just a few years, the city pulled off a “Great Reset,” powered in no small part by its creative economy and its talented knowledge professionals.

This group—known formally as the Creative Class—consists of people who make their livings by using their minds, whether in science, technology, law, and medical industries, or academia, media, management, and finance.¹ The Creative Class also includes musicians, artists, and writers. Simply put, Creative Class jobs drive economic growth and offer the highest salaries in today’s cities. That is even more the case in New York.

The majority of New York’s creative professionals work in Manhattan, the city’s creative hub and an enclave for the nation’s highest earners; their average salary is \$96,970. Nearly 40 percent of Manhattan workers—just over a million—are members of the Creative Class and the number is expected to grow by an estimated 11.8 percent over the next decade. The Location Quotient (LQ) for Manhattan’s Creative Class is 1.61, meaning that its share of creative workers is 61 percent higher than the national average.

Figure 1: Manhattan Occupational Payroll Clusters

Cluster	LQ	Employment	Share of Employment	Annual Salary
Creative Class	1.61	1,033,516	40.0%	\$96,970
Service Class	1.13	1,214,429	47.0%	\$46,051
Working Class	0.68	336,793	13.0%	\$43,118

Source: QCEW Employees, Non-QCEW Employees - EMSI 2015.2 Class of Worker

This poses a stark contrast to Manhattan’s Service and Working classes. The Service Class works in low-paying, low-skill routine jobs in food preparation and service, retail trade, personal care, clerical and administrative positions, and more. With 1.2 million workers and an LQ of 1.13, the Service Class is both larger than the Creative Class and slightly more concentrated than the national average. Its members earn average annual salaries of \$46,051 – half (48 percent) of what Manhattan’s creative professionals earn.

Manhattan’s Working Class—which consists of blue-collar jobs in production, construction, transportation, cleaning, and building and grounds maintenance—accounts for just 13 percent of the borough’s workforce and its concentration is well below the national average (LQ of 0.68). The Working Class brings home an annual salary of \$43,118 per year, which is even less than the Service Class earns.

Manhattan’s Creative Class

Although finance and technology occupations make up a large portion of Manhattan’s Creative Class, creative workers with skills in law, healthcare, arts, and engineering have also significantly contributed to the city’s recovery. Figure 2 (below) breaks out each creative cluster by category and salary, and Figure 3 (below) graphs the location quotient, total employment and employment growth of each cluster to showcase those that are competitive strengths, and that are declining or emerging.

Figure 2: Manhattan Creative Occupational Payroll Clusters

Occupational Cluster	LQ	2015 Employment	2011-2015 5-Year Growth	2025 Employment	10-Year Projection	Annual Salary
Arts, Design, and Media	3.31	115,411	9.0 %	126,602	9.7 %	\$73,838
Legal	2.98	57,013	0.5 %	57,369	0.6 %	\$142,122
Business and Financial Operations	1.75	224,039	10.5 %	254,695	13.7 %	\$92,118
Computer and Mathematical	1.43	103,330	18.3 %	122,363	18.4 %	\$102,767
Management	1.27	161,100	9.3 %	177,166	10.0 %	\$158,500
Education	1.21	185,278	5.5 %	203,322	9.7 %	\$61,692
Community and Social Service	1.11	48,040	2.9 %	53,048	10.4 %	\$55,508
Science	0.85	18,048	7.1 %	19,783	9.6 %	\$72,499
Healthcare Practitioners	0.65	93,593	9.3 %	106,871	14.2 %	\$97,338
Architecture and Engineering	0.62	27,665	18.0 %	33,842	22.3 %	\$86,367

Source: QCEW Employees, Non-QCEW Employees - EMSI 2015.2 Class of Worker

With nearly 225,000 employees, Business and Financial Operations is by far the largest creative cluster in Manhattan, exceeding the national average by 75 percent (LQ 1.75). This should come as no surprise,

since business and finance jobs have driven Manhattan's growth for decades. From 2011 to 2015, the cluster grew by 10.5 percent, and it is projected to grow another 13.7 percent by 2025. Certain financial occupations in Manhattan, like personal finance advisors and securities, commodities, and financial service professionals, are five to seven times more concentrated than the U.S. average. Business and Finance professionals are also some of the highest-earning creative workers in Manhattan, with an average salary of \$92,118 a year.

The Education cluster accounts for more than 185,000 employees. Its concentration not only exceeds the national average (LQ 1.21), but is also anticipated to grow by 9.7 percent in the coming decade. This is critically important as New York continues to position itself as the nation's idea capital, with its host of strong academic institutions. Manhattan's education professionals earn far less than most of their creative colleagues, with an annual salary of \$61,692.

The arts are also large contributors to Manhattan's creative economy. With over 115,000 employees, Manhattan's Arts, Design, and Media cluster is a whopping 331 percent more concentrated than the U.S. average (with an LQ of 3.31). The strength of this occupational group can be largely attributed to the borough's sizeable advertising, media, fashion, film, and theater industries. Manhattan's share of fashion designers, for example, is more than 15 times the national average. Its share of art directors, producers and directors, actors, costume attendants, and so on are all more than nine times greater than the U.S. average. Employment in this cluster has increased by 9 percent from 2011 to 2015, and is anticipated to grow by another 9.7 percent in the next decade. All the same, salaries in Arts, Design, and Media are relatively low compared to other creative professions—around \$73,838 a year.

With over 103,000 employees, Manhattan's Computer and Mathematical cluster is slightly smaller than the borough's arts cluster, yet it is the fuel behind Manhattan's recent startup and venture capital growth (as of 2015, New York was attracting more venture capital investment than any other metro region in the US after San Francisco and Silicon Valley's San Jose, the bulk of it in Manhattan). The cluster is 43 percent larger than the national average (LQ 1.43) and has been growing steadily. Between 2011 and 2015, Manhattan's Computer and Mathematical cluster grew by 18.3 percent, and it is projected to grow by another 18.4 percent over the next decade. Employees in this cluster also enjoy salaries that exceed \$100,000 a year (\$102,767).

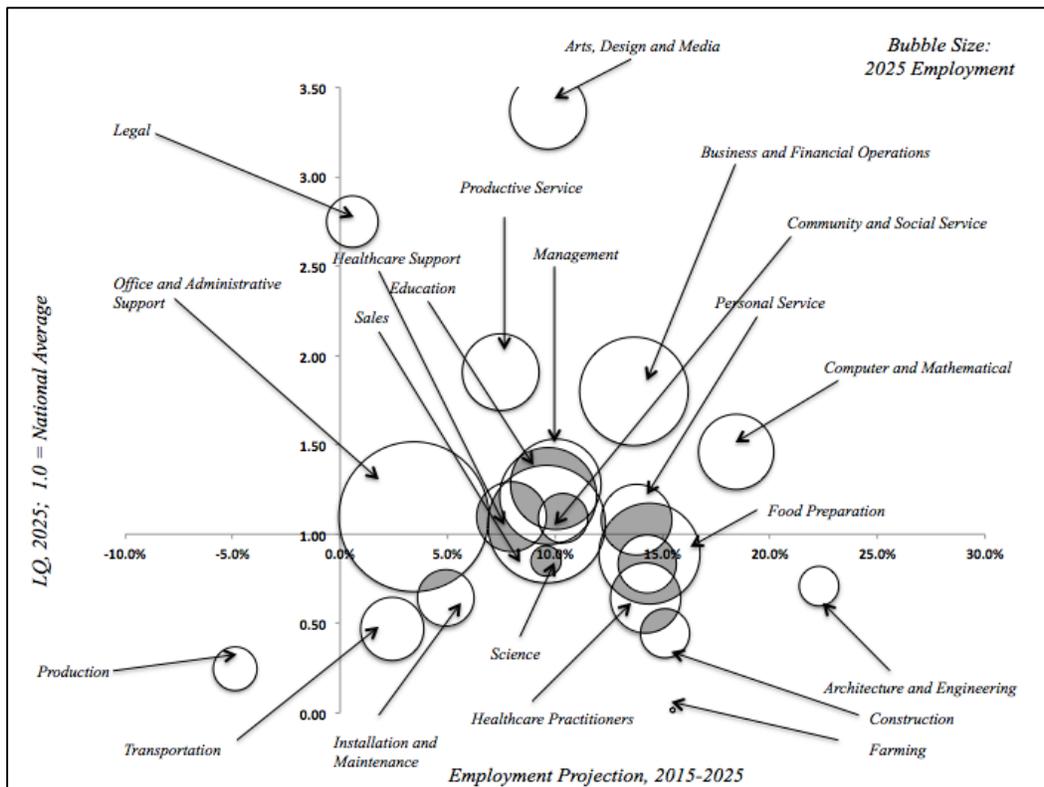
The rest of Manhattan's creative skills clusters are smaller than the national average. The borough's Healthcare sector, for instance, has an LQ of 0.65 and a total of 93,593 employees. This is a significant deficit for a city that is expected to see its population grow by nearly 10 percent to more than 9 million residents in 2040.² That said, the cluster has grown by 9.3 percent from 2011 to 2015, and will likely increase by another 14.2 percent in the coming decade. In the meantime, Healthcare professionals enjoy salaries on the higher end—around \$97,338 a year.

While relatively small in terms of employment, Architecture and Engineering has grown by 18 percent over the past five years, and is projected to grow another 22.3 percent by 2025, most likely driven by the ongoing real estate boom in Manhattan. Still, Manhattan's Architecture and Engineering cluster is 62

percent smaller than the national average (LQ 0.62). Its employees earn a comfortable annual salary of \$86,367.

With just 18,048 employees, Manhattan’s Science sector is the smallest Creative Class occupational cluster. Even so, it too has seen considerable growth in the last five years (7.1 percent) and is expected to grow by another 9.6 percent in the coming decade. Its average salary, however, is on the lower end: about \$72,499 a year.

Figure 3: Manhattan Occupational Payroll Clusters



Source: QCEW Employees, Non-QCEW Employees - EMSI 2015.2 Class of Worker

Self-Employment

Not captured by this data are the nearly 43,000 Manhattan residents who are self-employed in the creative economy. Almost half of them work in Arts, Design, and Media (LQ 2.75), followed by Legal (LQ 1.91), Science (LQ 1.55), Healthcare Practitioners (LQ 1.55), and Business and Financial Operations (LQ 1.23). With the exception of Legal (+3.3 percent), self-employment in each of these occupational clusters has declined between 2011 and 2015, and will likely continue to do so over the next decade as the recovery continues and more workers assume full-time jobs.

Figure 4: Manhattan Occupational Self-Employment Clusters

Cluster	LQ	Employment	Share of Employment	Annual Salary
Creative Class	1.88	42,926	45.7%	\$68,016
Service Class	1.05	27,555	29.3%	\$29,390
Working Class	1.16	23,469	25.0%	\$22,464

Source: QCEW Employees, Non-QCEW Employees - EMSI 2015.2 Class of Worker

Manhattan's Service Class

Although Manhattan is New York's creative hub, the majority of its employment opportunities (47.0 percent) are in the service sector. While there are more than 1.2 million service sector jobs in Manhattan, fewer than 300,000 Manhattan residents work in the sector. This means that roughly three in four of Manhattan's service jobs are filled by commuters from outside the borough.

Manhattan's Working Class

Manhattan's blue-collar jobs are also projected to grow over the next decade, but at a much more modest rate than its creative and service jobs (5.3 percent over the next decade). Given the high cost of land in Manhattan, the manufacturing industry has departed, taking the majority of production jobs with it.

Who Lives in Manhattan?

As Manhattan's real estate prices continue to climb, not only service and blue-collar workers, but many members of its Creative Class are being priced out. While the vast majority of New York's Creative Class works in Manhattan, only about half of Manhattan's creative workers live in the borough. Nearly six in ten Manhattan residents who work—around 503,000 people—are members of the Creative Class. Another 280,000 Manhattan residents work in the service sector and 74,000 in blue-collar occupations. Both classes combined are still 30 percent smaller than Manhattan's share of Creative Class residents.

Figure 5: Manhattan Residents by Occupational Cluster

Cluster	LQ	Residents	Share of Residents
Creative Class	1.62	502,259	58.7%
Service Class	0.84	279,319	32.6%
Working Class	0.35	73,638	8.6%

Source: U.S. Census American Community Survey 2015

A large share of the creatives who can afford to live in the borough work in Management or Business and Financial Operations. Together, these two occupational groups comprise over a fourth of Manhattan residents (more than 216,000) and 43 percent of the borough's creative residents.

While tech employment is growing in Manhattan, Computer and Mathematical workers tend to live elsewhere. Only three percent of Manhattan residents—approximately 26,000—are computer or math professionals. Surprisingly, 11 percent of Manhattan residents—nearly 80,000—work in Arts, Design, Entertainment, Sports, and Media. This share is much larger than expected, given their relatively low salaries. Of course, the share of arts professionals who live in Manhattan pales in comparison to the more than 115,000 arts professionals who work there.

Overall, Manhattan residents are more likely to be attorneys than doctors or therapists. Manhattan residents also include a surprisingly large number of education workers—around 7 percent. This could be due to the fact that colleges and universities frequently provide housing for their faculty members. Finally, less than 9,000 Manhattan residents—around 1.0 percent—are engineers or architects.

Though creative professionals are the principle drivers of the city’s economy, the borough is struggling to accommodate them. This casts an ominous shadow over the borough’s creative future.

About the Authors

Richard Florida is a clinical research professor at the NYU School of Professional Studies, the director of the Martin Prosperity Institute at the University of Toronto’s Rotman School of Management, the founder of the Creative Class Group and the co-founder and editor-at-large of The Atlantic’s CityLab. He is the author of several global best sellers, including *The Rise of the Creative Class*. He earned a bachelor’s degree from Rutgers College and a PhD from Columbia University.

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¹ Richard Florida, “The Rise of the Creative Class,” New York, Basic Books, 2012.

² New York City Department of City Planning, [“New York City Population Projections By Age/ Sex & By Borough.”](#) 2013.