



**FLORIDA
DEPARTMENT *of*
ECONOMIC
OPPORTUNITY**

Economic Trends and Florida's Competitive Position

presented to
**Florida Department of Economic Opportunity
Small Business Forum**

presented by
**John Kaliski
Cambridge Systematics, Inc.**

March 22, 2012



Presentation Outline

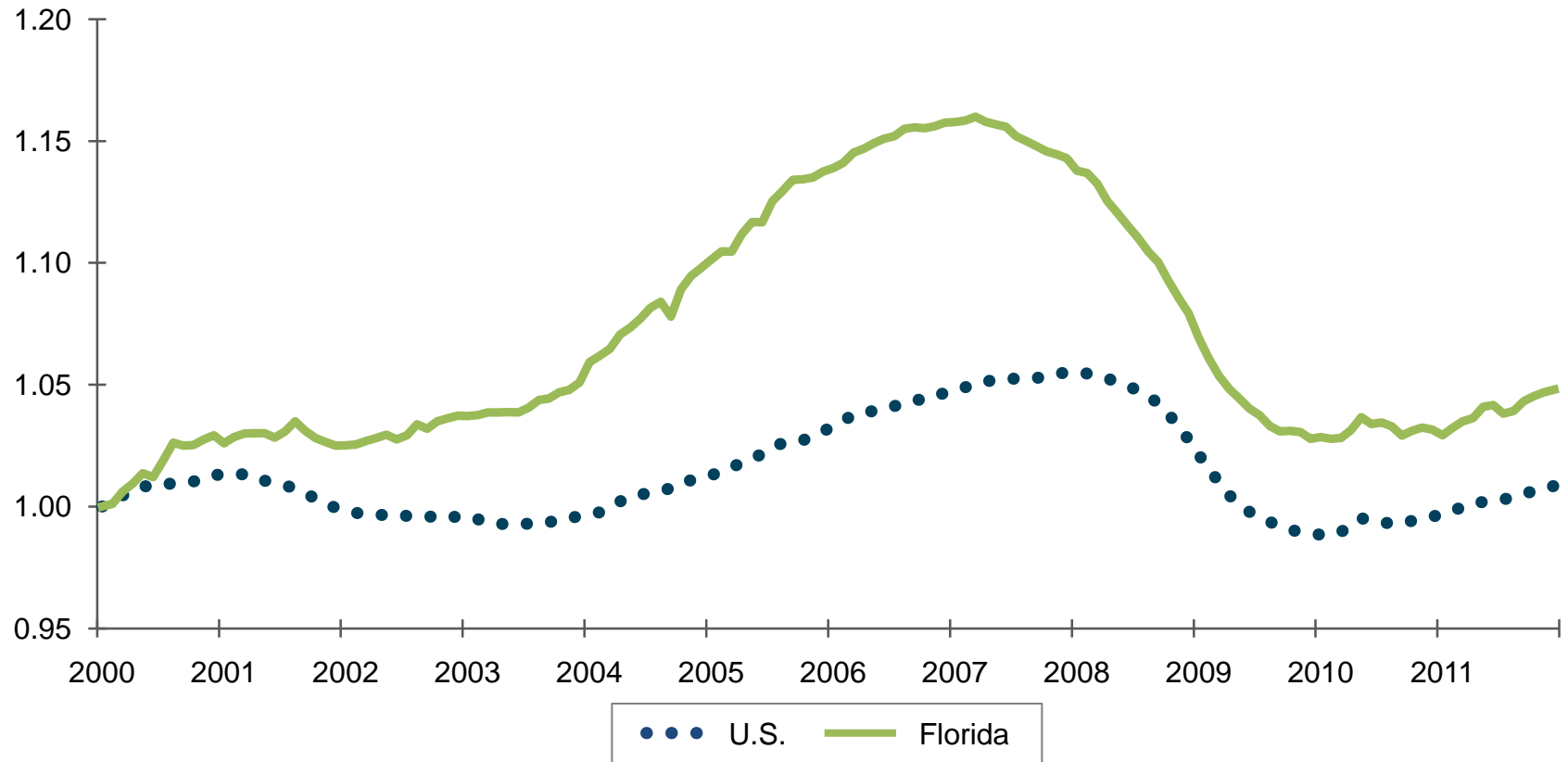
- Current realities
- Future trends
- How do we compete?
- Where do we stand?



Source: Florida Trend.

Recession Erased Job Gains of the Past Decade

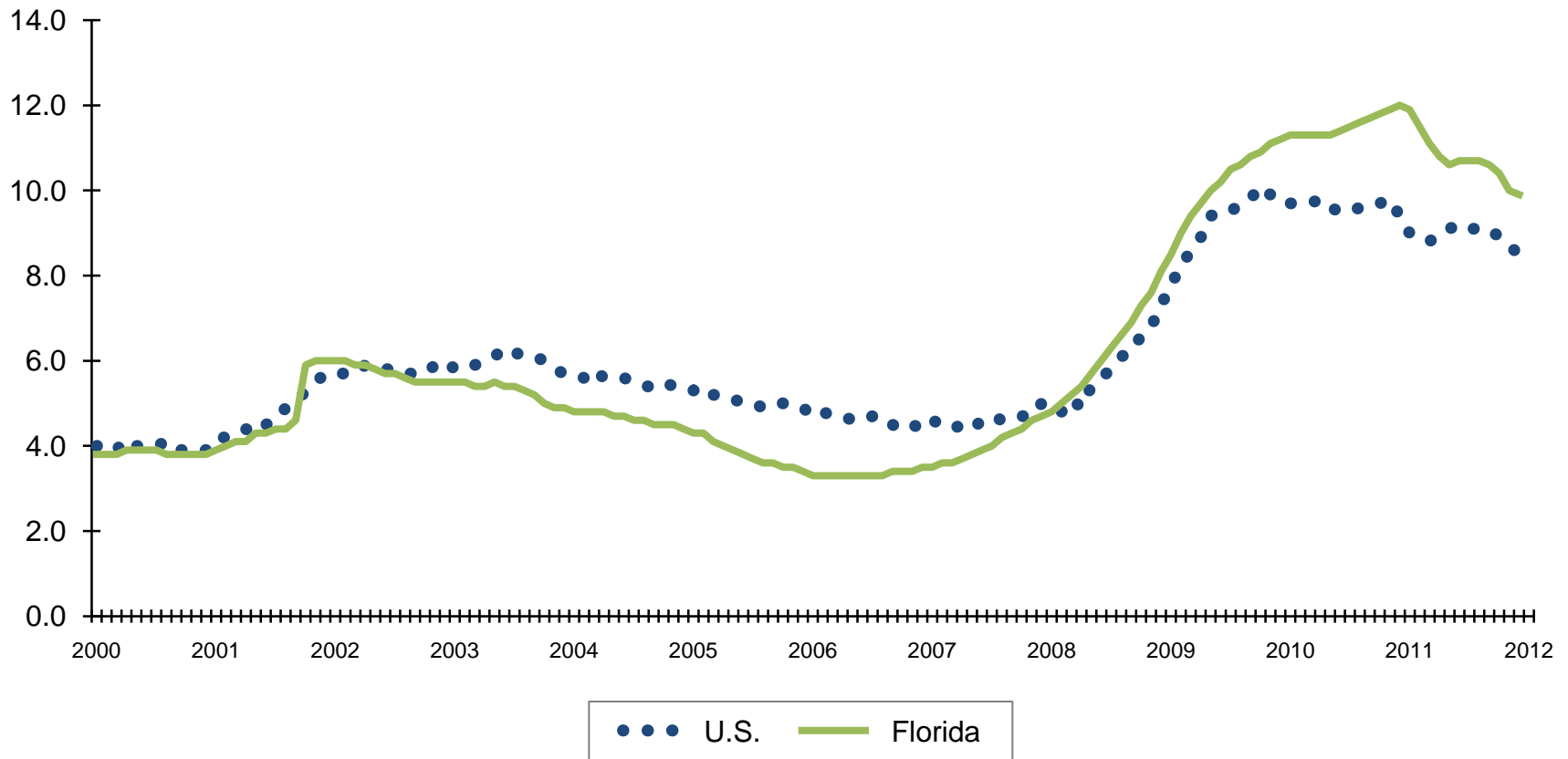
Employment, Index 2000 = 1.0



Source: U.S. Bureau of Labor Statistics, "Current Employment Statistics."

Unemployment Rate Easing Downward

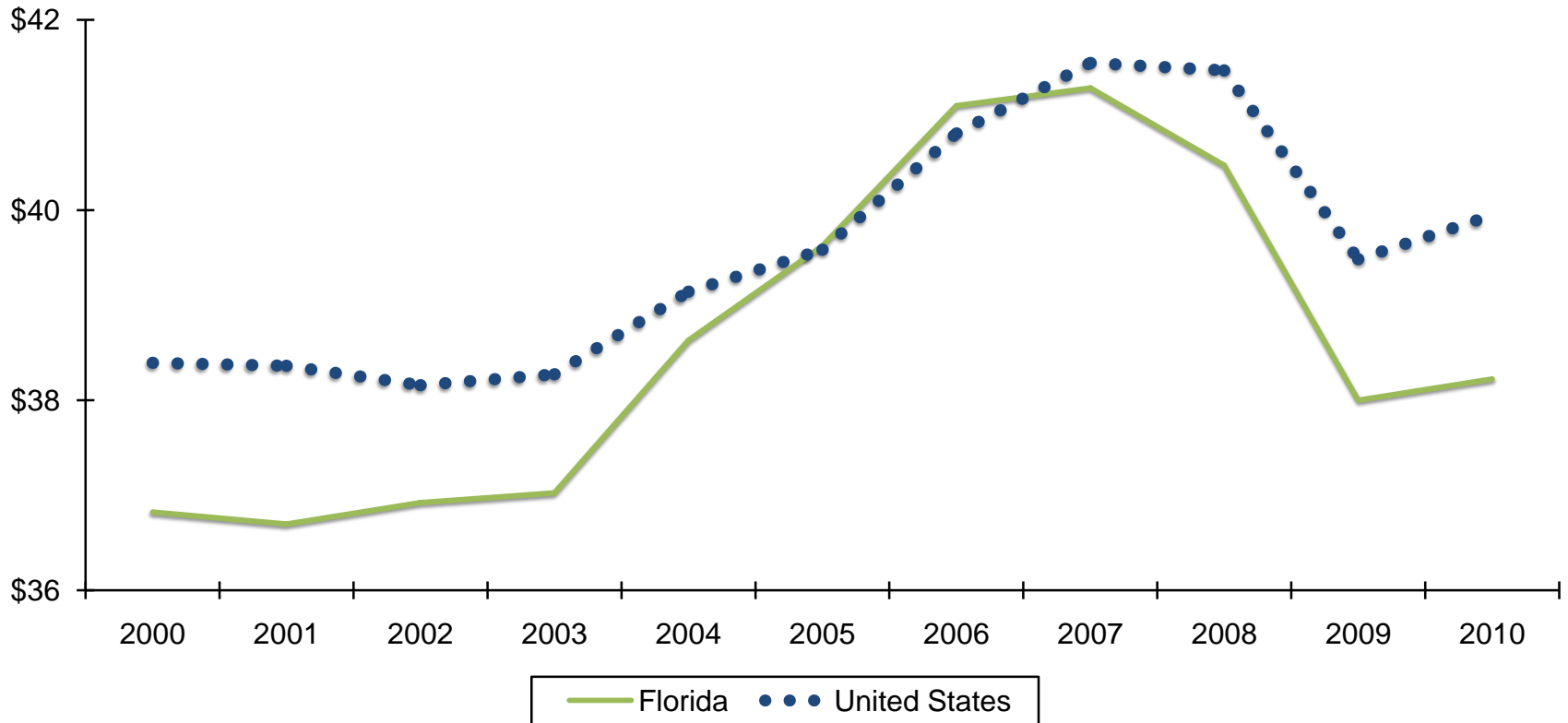
Unemployment Rate (in Percent)



Source: U.S. Bureau of Labor Statistics, "Local Area Unemployment Statistics."

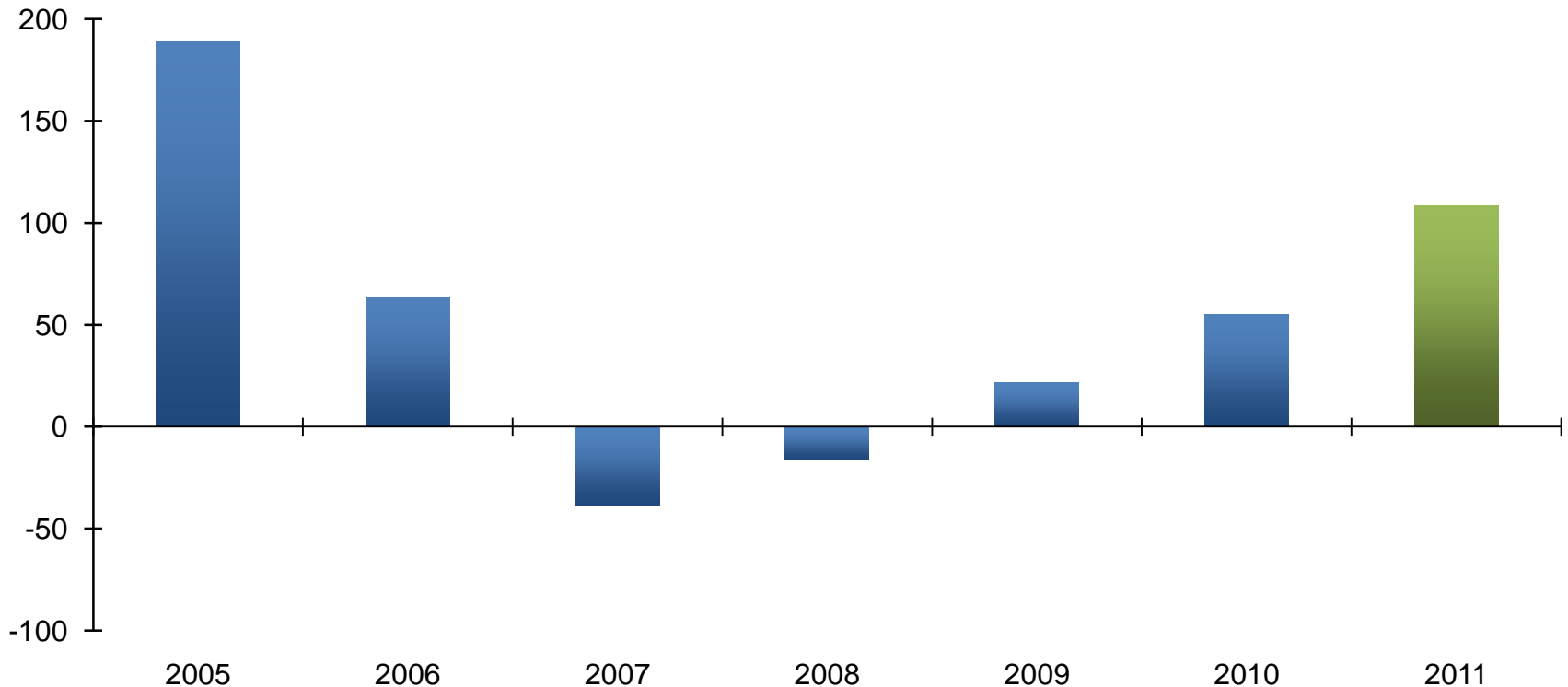
Per Capita Income Falling Behind

Per Capita Income (in Thousands of \$2010)



Source: U.S. Bureau of Economic Analysis.

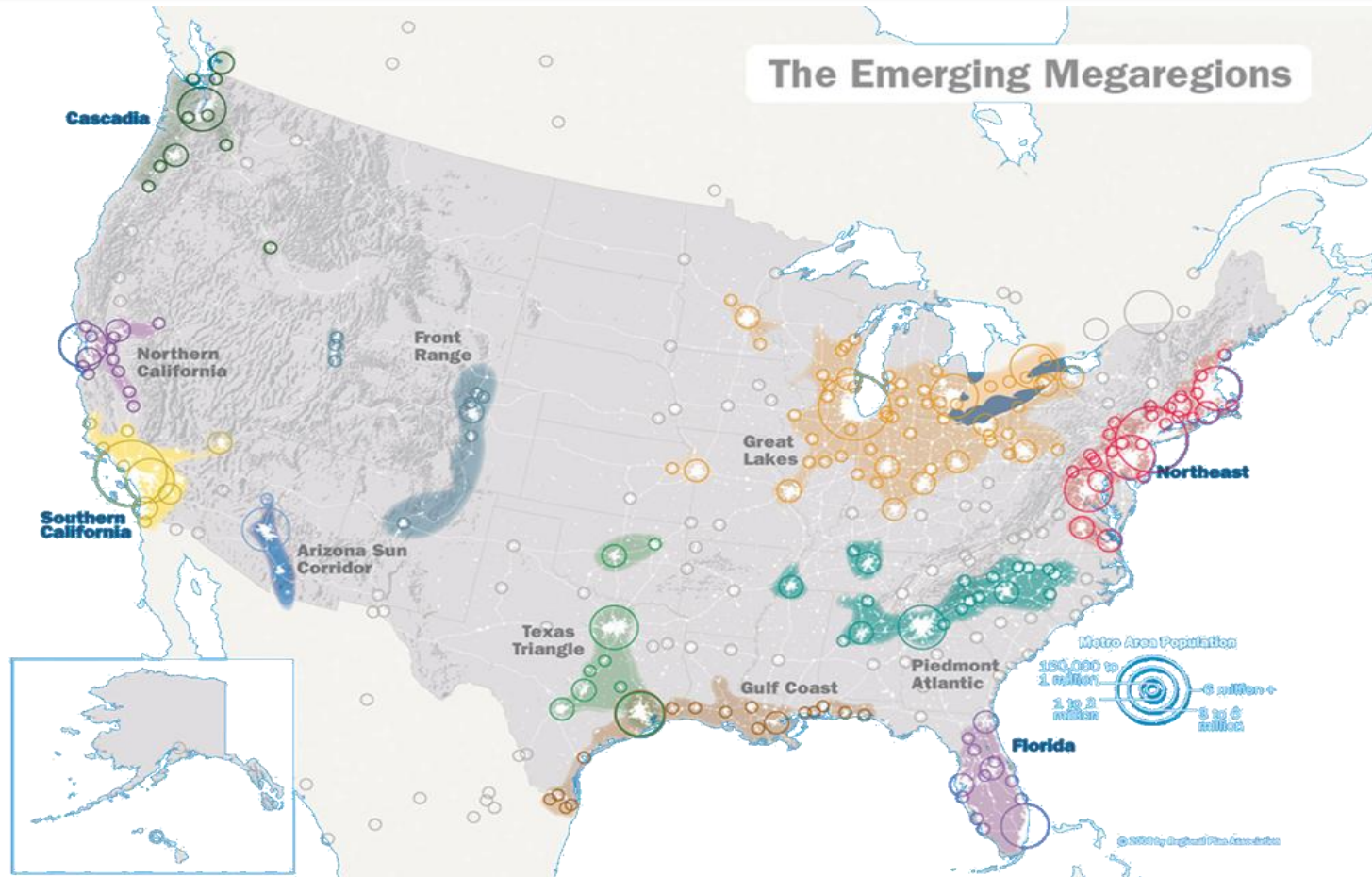
Net Domestic Migration Has Resumed



Source: U.S. Census Bureau, American Community Survey (for the 2005-2010 data) and Population Estimates Program (for the 2011 data).

A New Economy

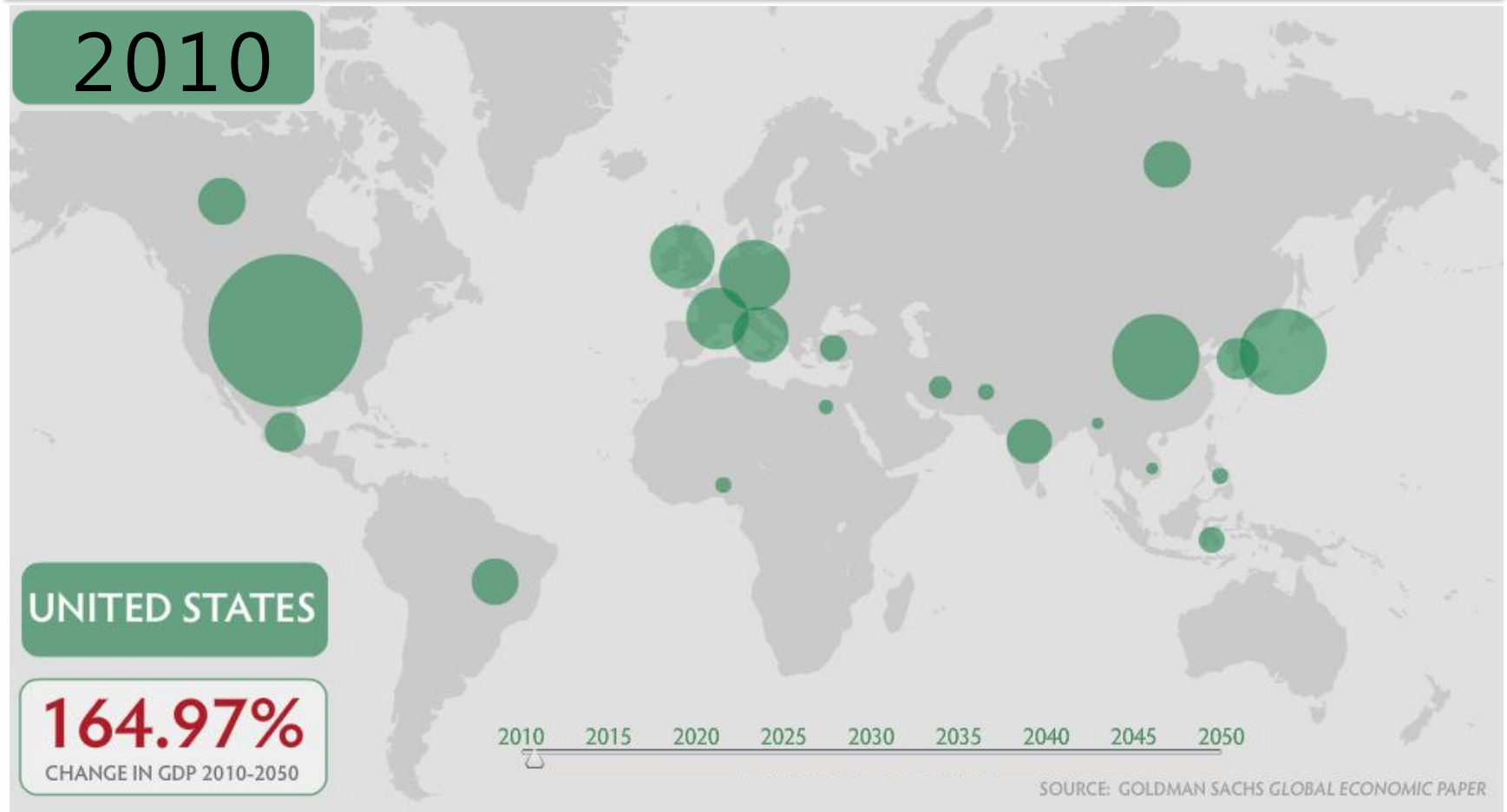
Competing as Regions... and Megaregions



Source: America 2050.

A New Economy

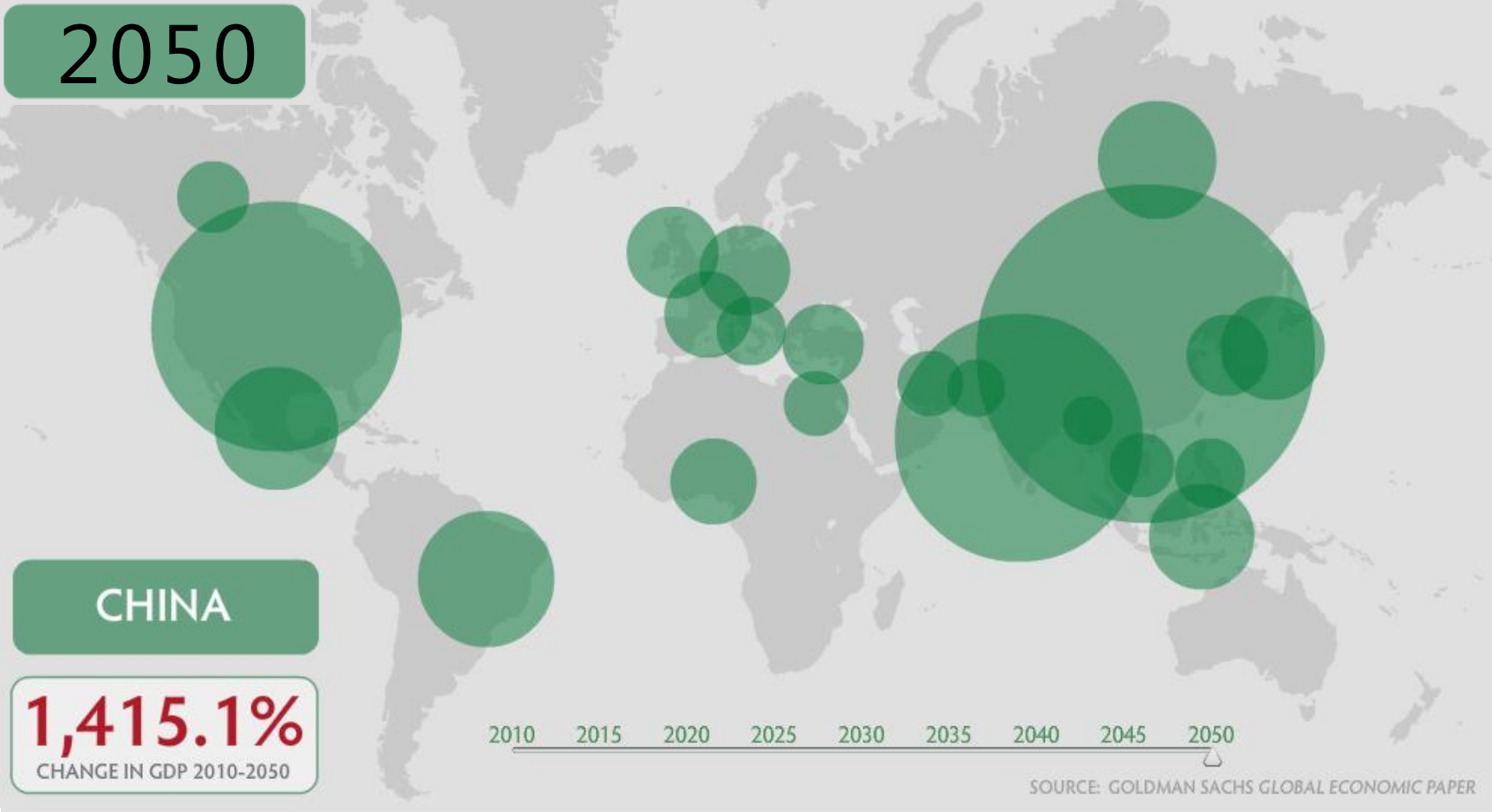
Global Markets



Source: Goldman Sachs, 2008.

A New Economy

Global Markets



Source: Goldman Sachs, 2008.

How Do We Compete?

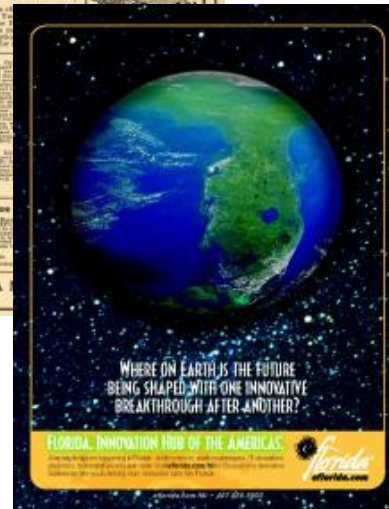
Florida then...

- Low costs
- Climate
- Land and natural resources



Florida Now...

- Talent
- Innovation
- Infrastructure
- Business climate
- Civic and governance systems
- Quality of life and quality places



SIX PILLARS OF FLORIDA'S FUTURE ECONOMY



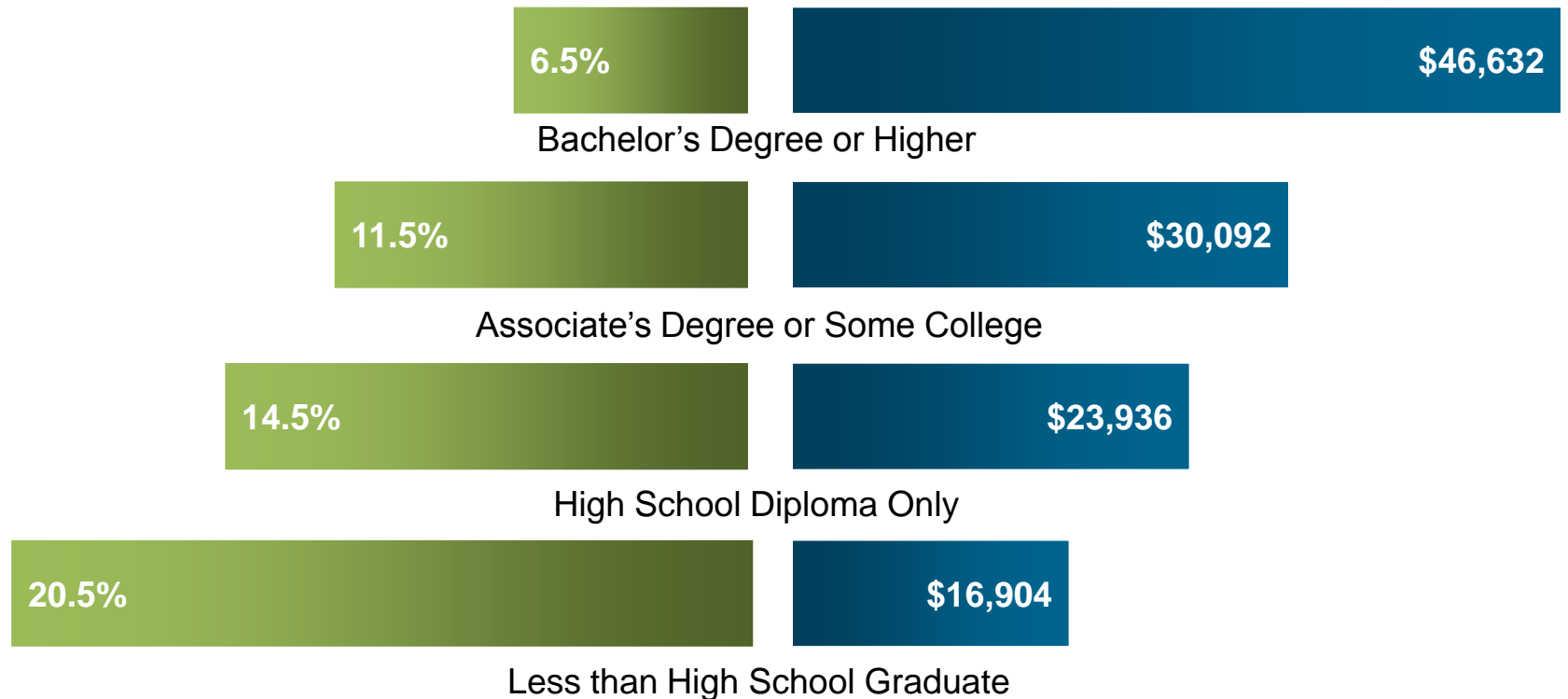
Talent Supply and Education

Educational Attainment Key Driver of Jobs and Income

Unemployment Rate

2010

Median Earnings



Source: U.S. Census Bureau, American Community Survey.

Talent Supply and Education

Can We Provide the Workforce for the Future?

10...



...students in a
9th grade class

2002

6...



...graduate from
high school

2005

3...



...continue to college
within two years

2007

2...



...earn college credit
within two years

2009

Source: Florida Board of Education 2011.



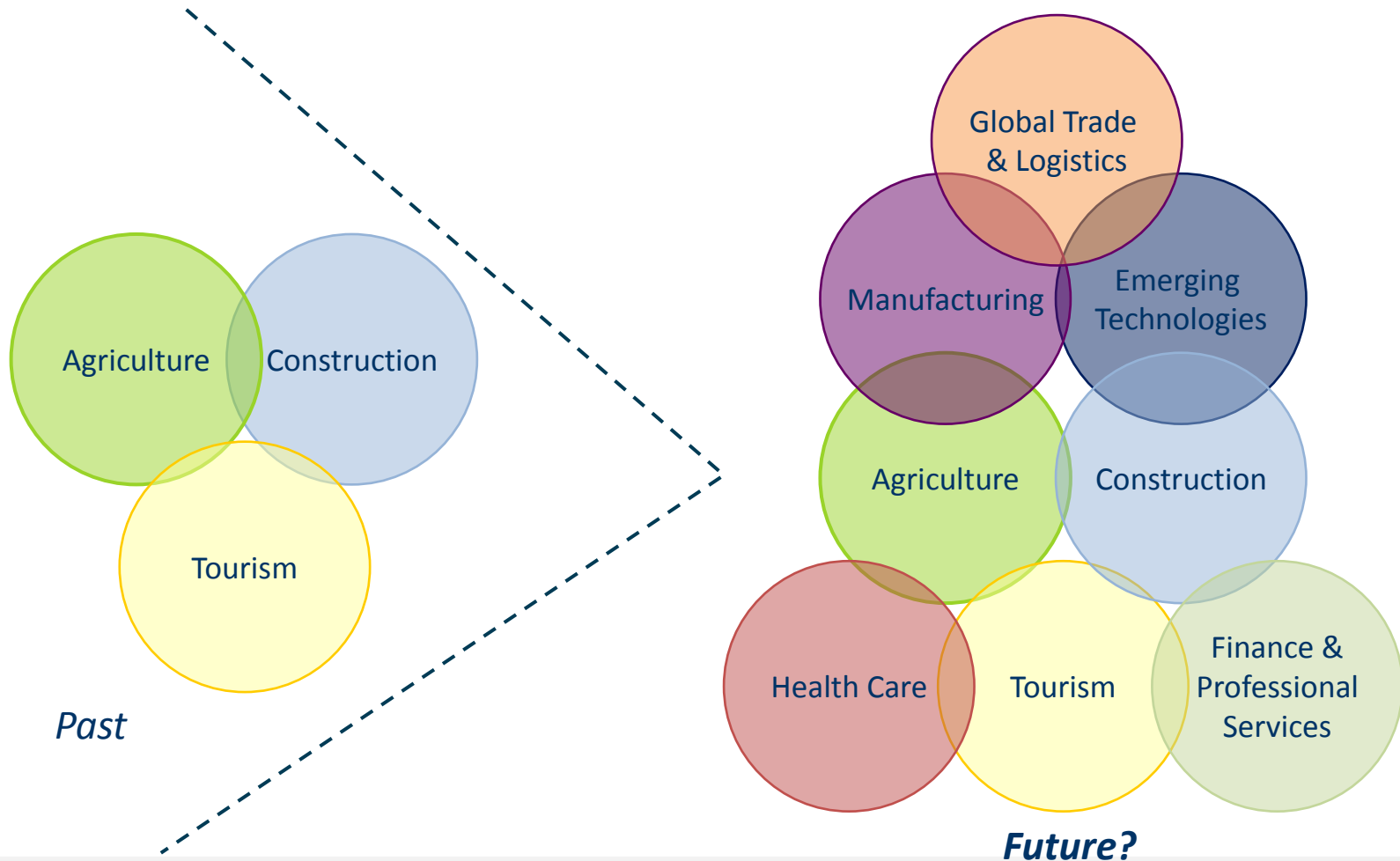
Starter List of Strategies

1. Develop a strong talent supply chain encompassing education, training, and workforce development programs
2. Develop innovative, next generation preK through postsecondary education systems
3. Strengthen the role of higher education as a catalyst for talent and innovation
4. Grow Florida's STEM leadership and talent pool
5. Align workforce programs with current and future employer needs
6. Expand access to opportunities for talent in rural and urban distressed markets



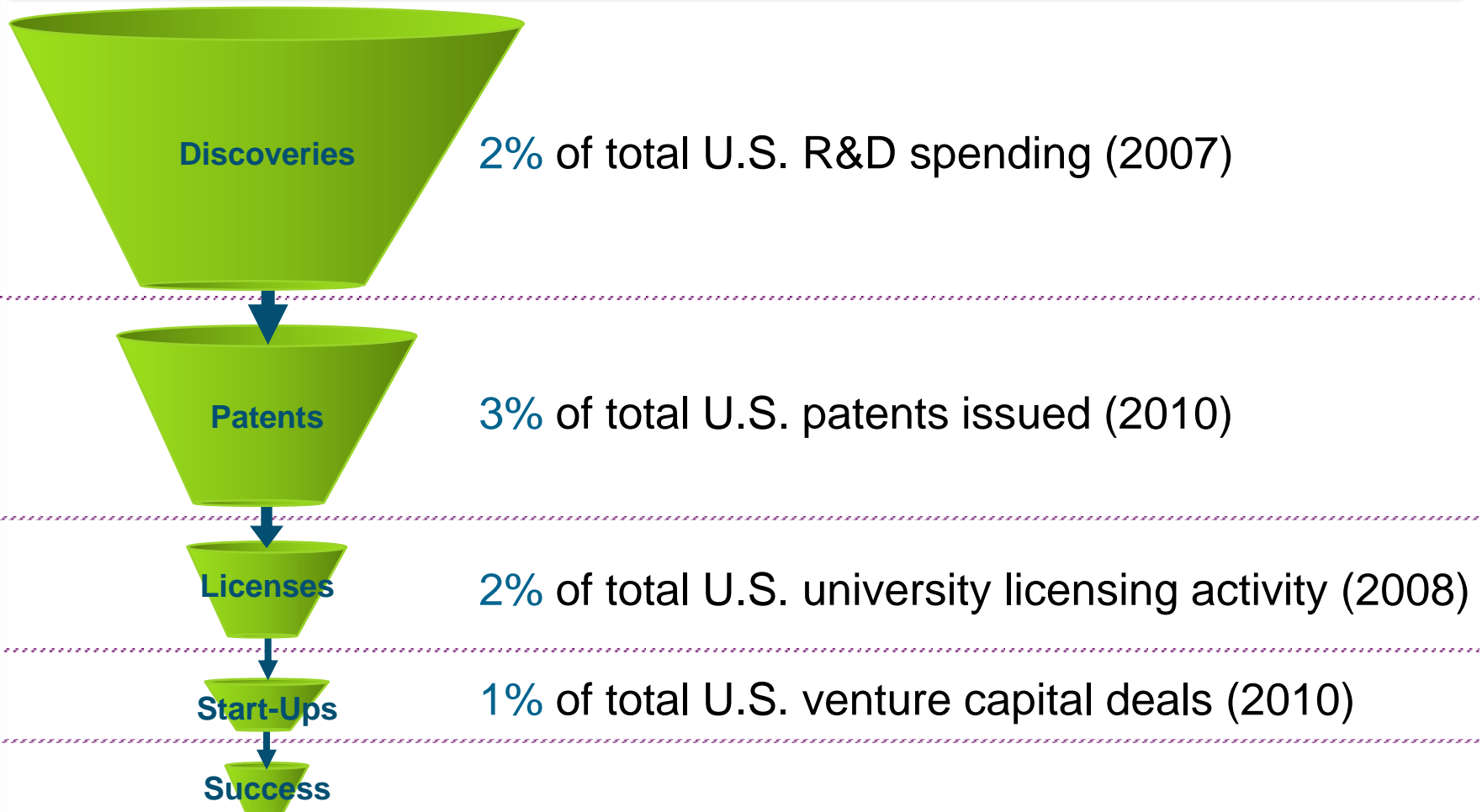
Innovation and Economic Development

Changing Industry Composition



Innovation and Economic Development

Can We Strengthen Our Innovation Pipeline?



Innovation and Economic Development

Florida's Innovation Hubs



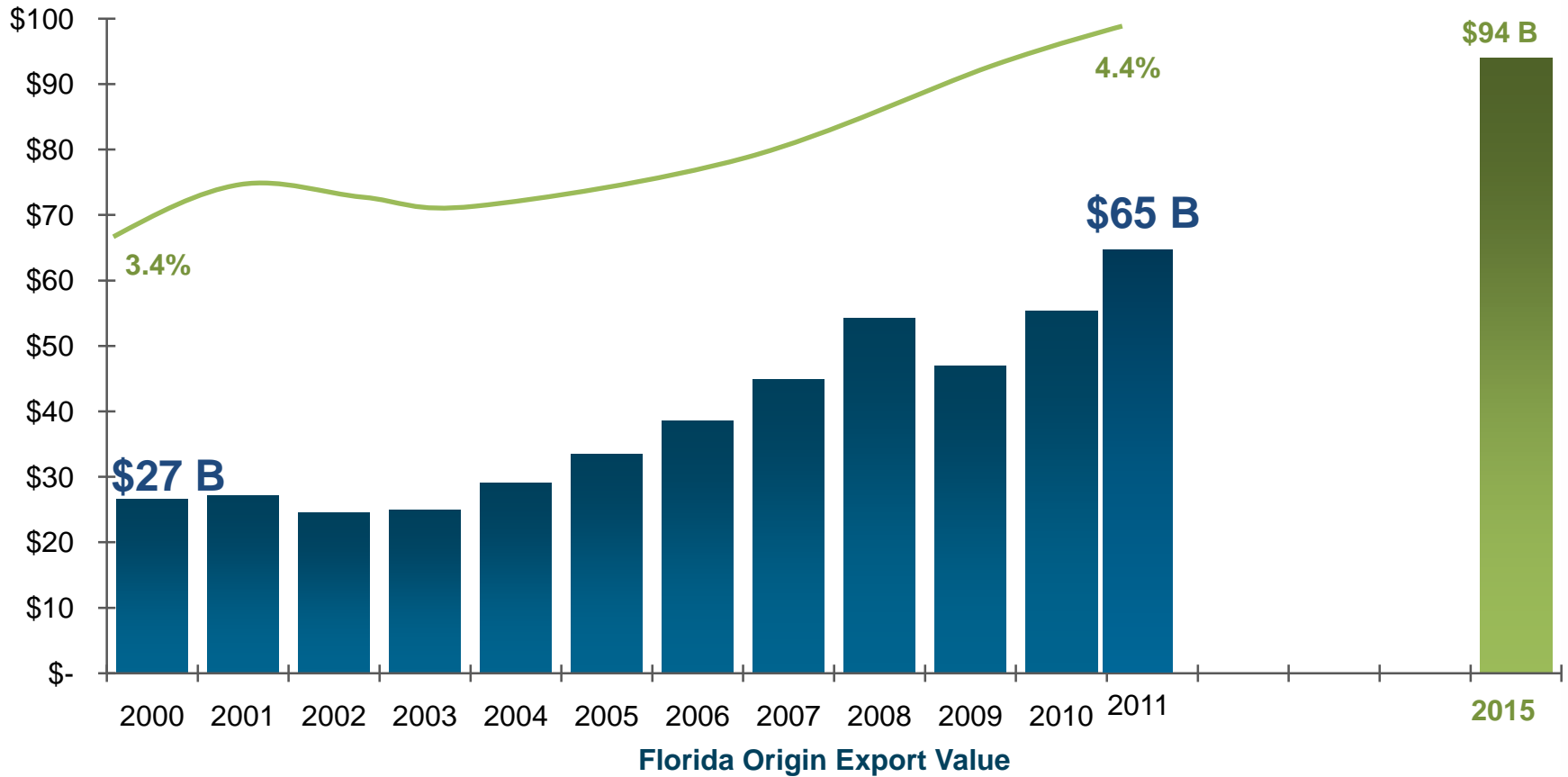
Source: InfoUSA; Florida Division of Colleges and Universities; Foundation for Independent Higher Education.



Innovation and Economic Development

Can We Expand Our Global Role?

Florida Share of Total U.S. Export Value



Source: U.S. Census Bureau, Foreign Trade Division.

Innovation and Economic Development

Florida's Manufacturing Centers



Source: InfoUSA.

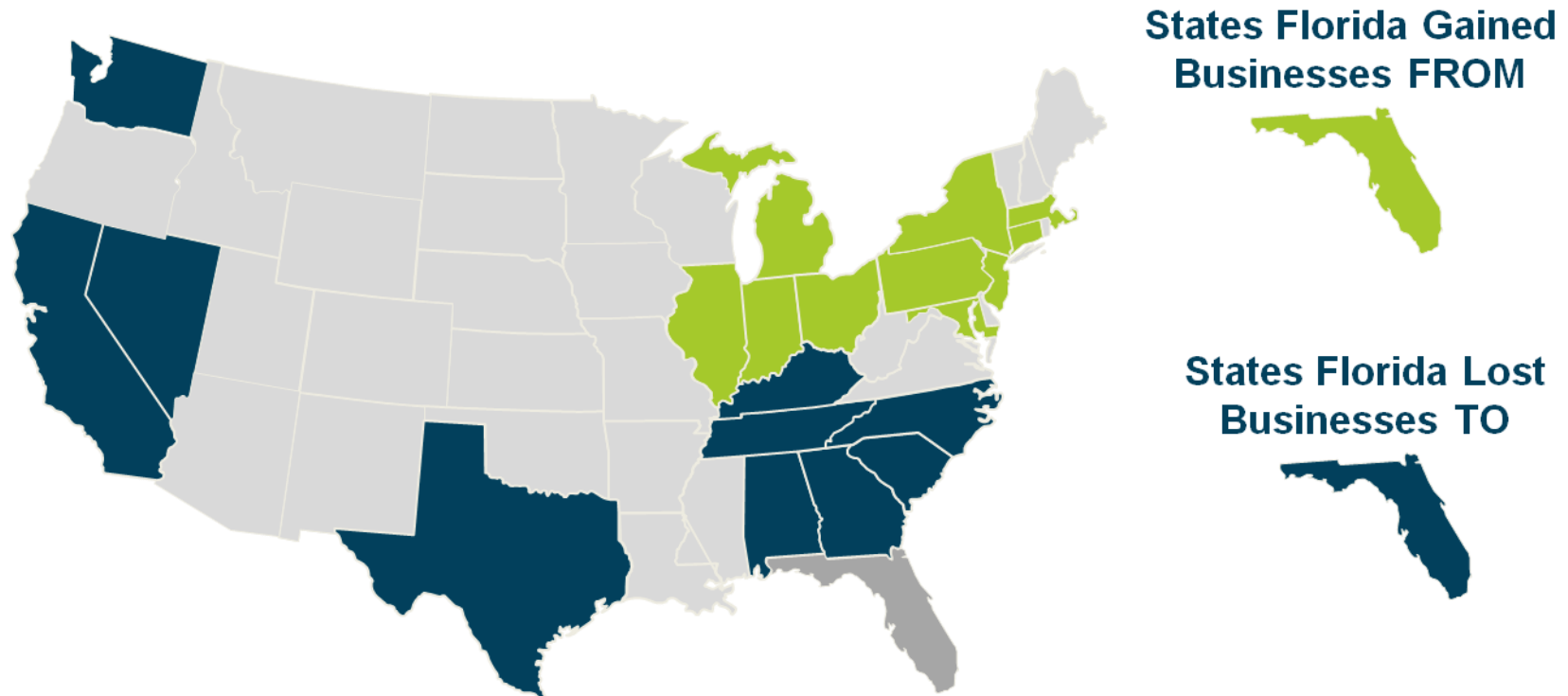
Starter List of Strategies

1. Maintain Florida's leadership in its strong established industries and develop Florida's leadership in expanding and emerging industries
2. Develop and maintain a vibrant entrepreneurial ecosystem to create, nurture, and grow innovation businesses
3. Increase the productivity of Florida's existing businesses
4. Position Florida as a global hub for trade, logistics, and manufacturing
5. Compete aggressively with other states to attract and expand businesses in key industries



Business Climate and Competitiveness

Is Florida Competitive?



Fourth ranked in net new business relocations, 2010

Source: Dun & Bradstreet.

Business Climate and Competitiveness

No Longer a Low-Cost State

11th

- Highest cost of doing business
(CNBC, 2011)

97%

- Growth in average health insurance premium per enrolled employee, 2000-2010
(Kaiser Family Foundation)

6.3%

- Effective business tax rate as percent of GDP in 2010, up from 4.9% in 2007
(Council on State Taxation)



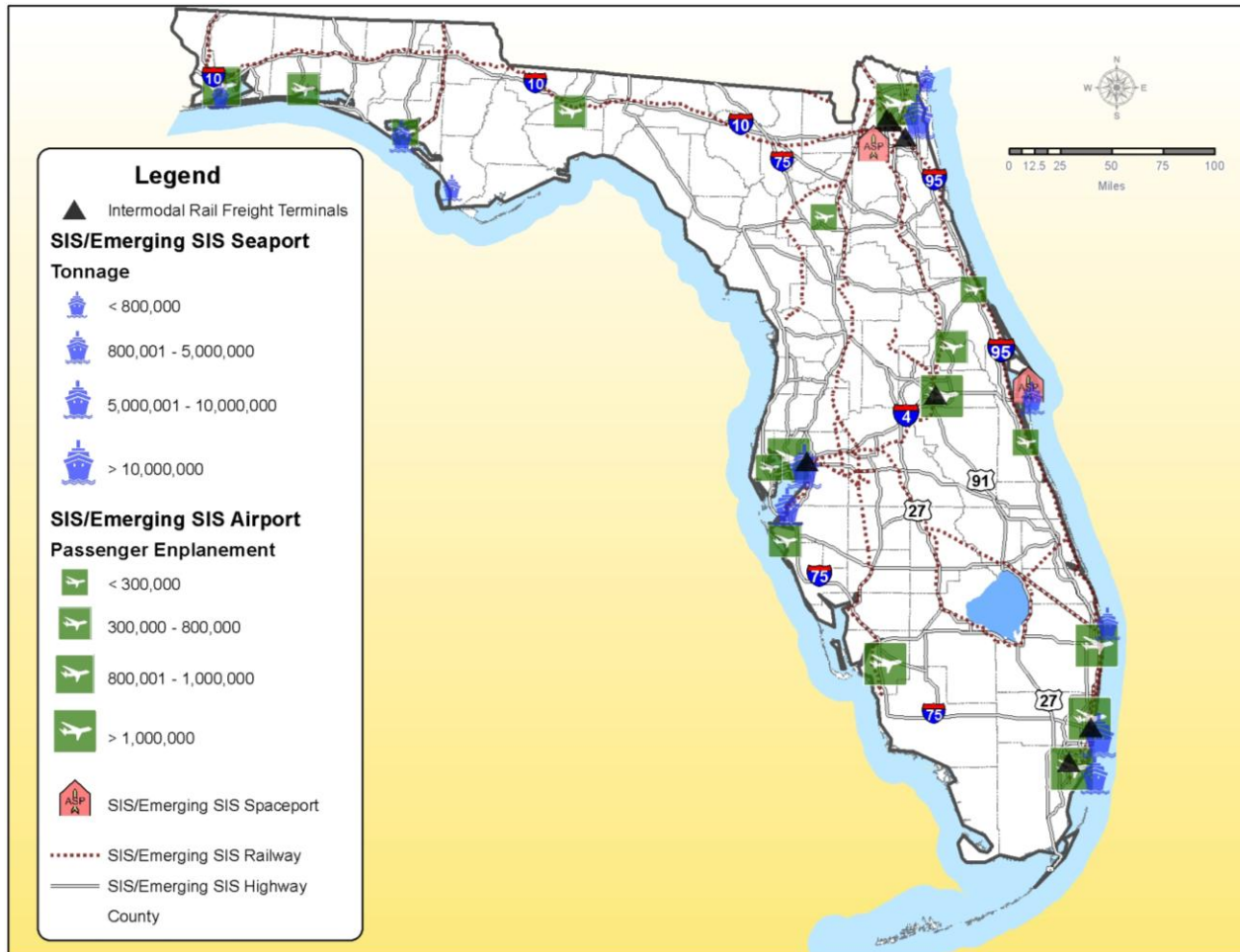
Starter List of Strategies

1. Ensure state and local agencies provide collaborative, seamless customer service to businesses
2. Reduce barriers to small business and entrepreneurial growth
3. Develop a tax structure that clearly supports economic development
4. Provide predictable, competitive business costs for Florida's targeted industries
5. Create a more predictable state and local legal and regulatory environment



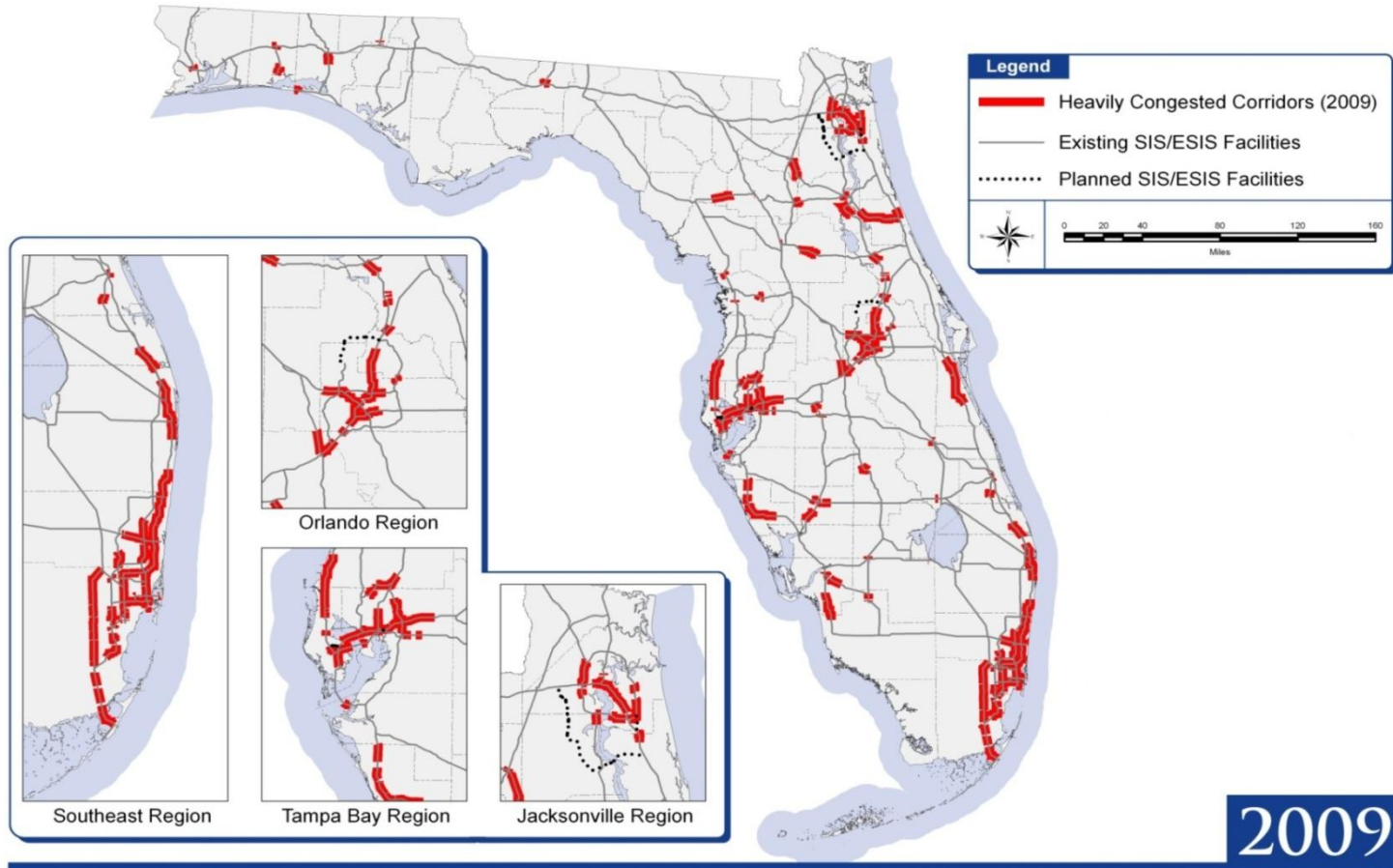
Infrastructure and Growth Leadership

Are We Globally Connected?



Infrastructure and Growth Leadership

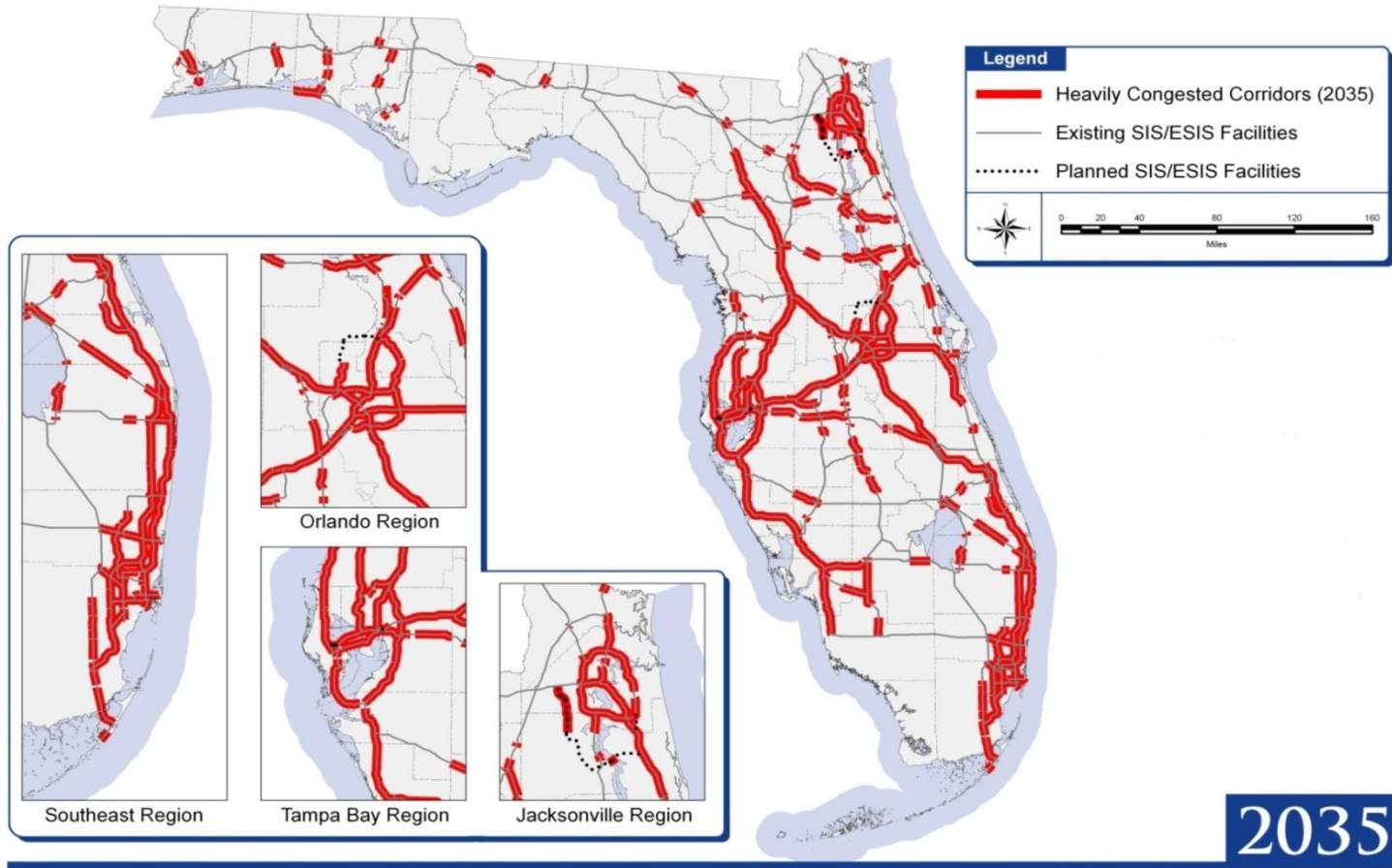
Can We Provide for Future Demand?



Source: Florida Department of Transportation.

Infrastructure and Growth Leadership

Can We Provide for Future Demand?



Source: Florida Department of Transportation.

Starter List of Strategies

1. Develop transportation systems to support a prosperous, globally competitive economy
2. Develop and maintain a modern telecommunications infrastructure
3. Ensure the future supply and quality of water to meet Florida's economic and quality of life goals
4. Ensure future energy supply to meet Florida's economic and environmental goals
5. Create a business-friendly approach to making future development decisions
6. Improve coordination of economic development, land use, infrastructure, water, and natural resources decision-making



Civic and Governance Systems

Are We Able to Invest in the Future?

5th

- Lowest per capita state and local government employment per capita (*U.S. Census, 2010*)

8%

- Tax supported debt as percentage of revenues in 2009, up from 5% in 2006 (*Florida Division of Bond Finance*)

53%

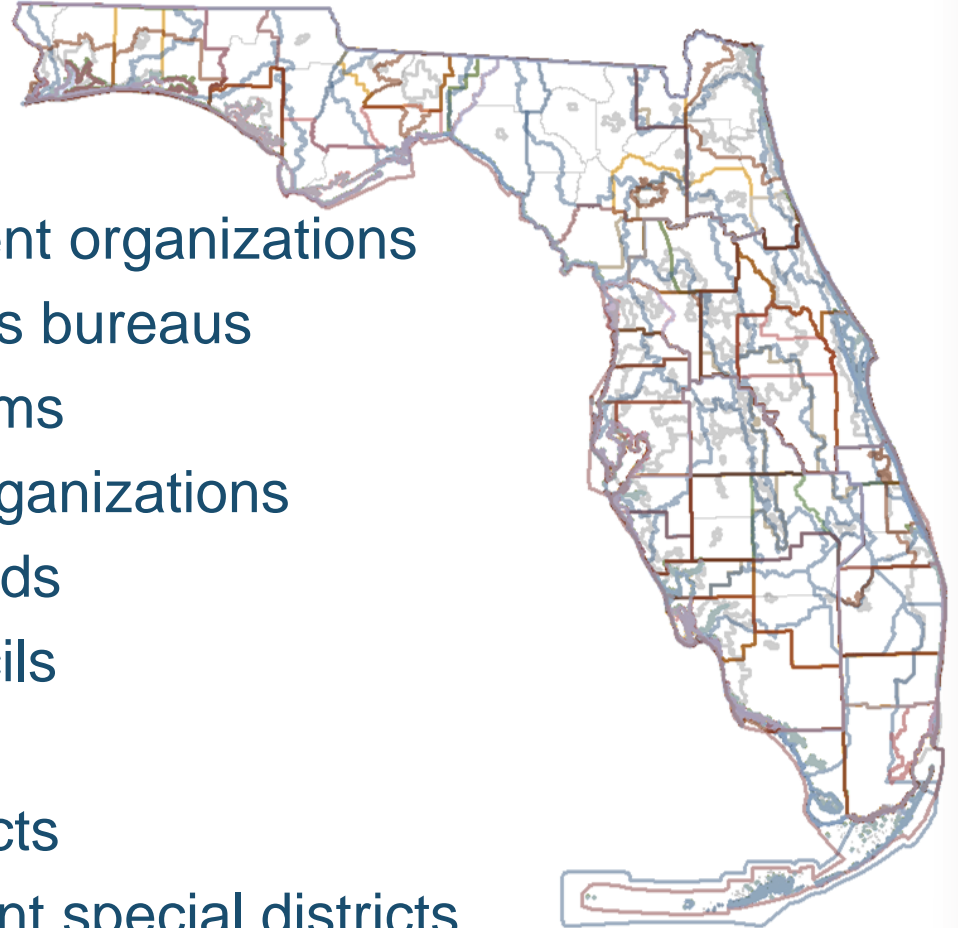
- Increase in number of nonprofit organizations, 2000-2010 (*National Center for Charitable Statistics*)



Civic and Governance Systems

Can the Public Sector Match the Scale of Business?

- 411 Municipalities
- 67 Counties
- ~ 112 Economic development organizations
- ~ 52 Convention and visitors bureaus
- 28 Fixed route transit systems
- 26 Metropolitan planning organizations
- 24 Regional workforce boards
- 11 Regional planning councils
- 8 Economic regions
- 5 Water management districts
- 781 Community development special districts



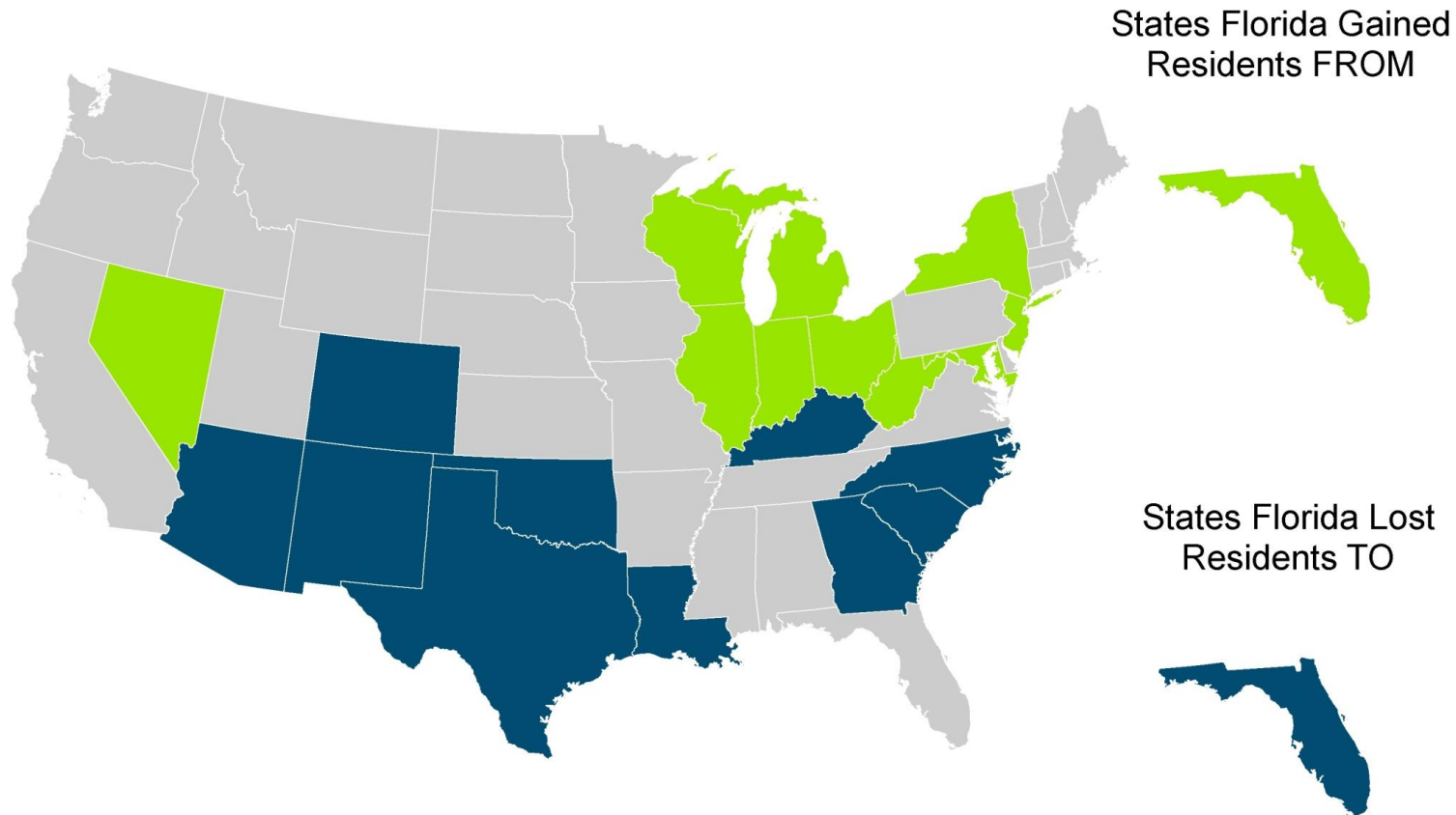
Starter List of Strategies

1. Create and support vibrant, sustainable economic regions in Florida
2. Improve collaboration and alignment among state, regional, and local entities toward the state's economic vision
3. Improve public/private/civic collaboration and stewardship of Florida's future
4. Provide capacity to invest in statewide and regional economic development priorities



Quality of Life and Quality Places

Is Florida a Destination?



Third ranked in net domestic migration, 2010

Source: U.S. Census Bureau, American Community Survey.

Quality of Life and Quality Places

Is Florida Attractive?

45%

- Floridians who say the State is worse off than 5 years ago
(Leadership Florida, 2011)

38%

- Floridians spending more than 30% of income on home ownership costs
(U.S. Census, 2011)

21%

- Percentage of residents without health insurance
(U.S. Census, 2010)



Starter List of Strategies

1. Provide for future growth and development to sustain Florida's environment and quality of life
2. Provide high quality housing options and amenities for Florida's workforce
3. Create and sustain vibrant, healthy communities
4. Identify and promote Florida's brand to residents, visitors, and businesses



Questions?

Barbara Foster

Florida Department of Economic Opportunity

850-717-8966 | barbara.foster@deo.myflorida.com

John Kaliski

Cambridge Systematics, Inc.

617-354-0167 | jkaliski@camsys.com

