Economic Trends and Florida’s Competitive Position

presented to
Florida Department of Economic Opportunity
Strategic Plan Regional Stakeholder Forum

presented by
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Presentation Outline

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

Source: Florida Trend.

FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY
Northeast Florida Region

- Baker
- Clay
- Duval
- Flagler
- Nassau
- Putnam
- St. Johns
Recession Erased Job Gains of the Past Decade

Employment, Index 2000 = 1.0

Employment Growth in Northeast Florida

Year-Over-Year Percent Change

Unemployment Rate Easing Downward

Unemployment Rate (in Percent)

Per Capita Income
Is Tracking with the State’s

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.
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
Talent Supply and Education
Educational Attainment Key Driver of Jobs and Income

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Unemployment Rate</th>
<th>2010 Median Earnings</th>
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<tbody>
<tr>
<td>Bachelor’s Degree or Higher</td>
<td>6.5%</td>
<td>$46,632</td>
</tr>
<tr>
<td>Associate’s Degree or Some College</td>
<td>11.5%</td>
<td>$30,092</td>
</tr>
<tr>
<td>High School Diploma Only</td>
<td>14.5%</td>
<td>$23,936</td>
</tr>
<tr>
<td>Less than High School Graduate</td>
<td>20.5%</td>
<td>$16,904</td>
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</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey.
Talent Supply and Education
Can We Provide the Workforce for the Future?

10… 6… 3… 2…

...students in a 9th grade class 2002
...graduate from high school 2005
...continue to college within two years 2007
...earn college credit within two years 2009

Source: Florida Board of Education 2011.
Talent Supply and Education
Educational Attainment 2006-2010

Population over 25...

...with less than a High School degree  ...with HS, Associate’s Degree, or some college  ...with a Bachelor’s Degree, or higher

Northeast Florida

12%  63%  25%

Florida

15%  59%  26%

United States

15%  57%  28%

Source: U.S. Census Bureau, American Community Survey 2006-2010 five-year estimates. Some figures do not add to 100 due to rounding
Innovation and Economic Development
Changing Industry Composition

Past

Agriculture  Construction  Tourism

Future?

Global Trade & Logistics  Manufacturing  Emerging Technologies

Agriculture  Construction  Finance & Professional Services

Health Care  Tourism
Innovation and Economic Development
Can We Strengthen Our Innovation Pipeline?

2% of total U.S. R&D spending (2007)

3% of total U.S. patents issued (2010)

2% of total U.S. university licensing activity (2008)

1% of total U.S. venture capital deals (2010)
Innovation and Economic Development
Florida’s Innovation Hubs

Source: InfoUSA; Florida Division of Colleges and Universities; Foundation for Independent Higher Education.
Florida Share of Total U.S. Export Value

Source: U.S. Census Bureau, Foreign Trade Division.
Innovation and Economic Development
Florida’s Manufacturing Centers

Legend
- Manufacturing
- Interstates
- Urbanized Area

Source: InfoUSA.
Infrastructure and Growth Leadership
Are We Globally Connected?

Legend
- Intermodal Rail Freight Terminals
- SIS/Emerging SIS Seaport
  Tonnage
  - < 800,000
  - 800,001 - 5,000,000
  - 5,000,001 - 10,000,000
  - > 10,000,000
- SIS/Emerging SIS Airport
  Passenger Enplanement
  - < 300,000
  - 300,000 - 800,000
  - 800,001 - 1,000,000
  - > 1,000,000
- SIS/Emerging SIS Spaceport
- SIS/Emerging SIS Railway
- SIS/Emerging SIS Highway
- County
Infrastructure and Growth Leadership
Can People Access Jobs and Services?

Infrastructure and Growth Leadership
Can We Provide for Future Demand?

Source: Florida Department of Transportation.
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

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<th>Rank</th>
<th>Indicator</th>
<th>Description</th>
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<td>11th</td>
<td>Highest cost of doing business</td>
<td>(CNBC, 2011)</td>
</tr>
<tr>
<td>97%</td>
<td>Growth in average health insurance premium per enrolled employee, 2000-2010</td>
<td>(Kaiser Family Foundation)</td>
</tr>
<tr>
<td>6.3%</td>
<td>Effective business tax rate as percent of GDP in 2010, up from 4.9% in 2007</td>
<td>(Council on State Taxation)</td>
</tr>
</tbody>
</table>
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
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)*
Quality of Life and Quality Places

Source: Florida Dept of Economic Opportunity, compiled from RealtyTrac, Inc. Total housing units receiving a filing notice, per month.
Quality of Life and Quality Places

Poverty Rate Is Rising in Northeast Florida

Source: U.S. Census Bureau Small Area Income and Poverty Estimates (SAIPE).
Quality of Life and Quality Places
Can We Preserve What Makes Florida Special?
Questions?

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