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.
Southwest Florida Region

- Charlotte
- Collier
- Glades
- Hendry
- Lee
- Sarasota
Recession Erased Job Gains of the Past Decade

Employment, Index 2000 = 1.0

Employment Growth in Southwest Florida

Year-Over-Year Percent Change

Unemployment Rate Easing Downward

Unemployment Rate (in Percent)

Per Capita Income Much Higher than U.S. but Eroding

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).
Source: Goldman Sachs, 2008.
A New Economy
Global Markets

Source: Goldman Sachs, 2008.
A New Economy

Global Activity Centers

Global Population Centers


Global Economic Centers
A New Economy
Competing as Regions… and Megaregions

Source: America 2050.
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>Unemployment Rate</th>
<th>2010</th>
<th>Median Earnings</th>
</tr>
</thead>
<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>
</tr>
</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
...graduate from high school
...continue to college within two years
...earn college credit within two years

2002
2005
2007
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

Southwest Florida

13%  61%  26%

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
Can We Strengthen Our Innovation Pipeline?

- Discoveries: 2% of total U.S. R&D spending (2007)
- Patents: 3% of total U.S. patents issued (2010)
- Licenses: 2% of total U.S. university licensing activity (2008)
- Start-Ups: 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.
Innovation and Economic Development
Can We Expand Our Global Role?

Florida Share of Total U.S. Export Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Florida Origin Export Value</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td>$27 B</td>
</tr>
<tr>
<td>2001</td>
<td>$30 B</td>
</tr>
<tr>
<td>2002</td>
<td>$33 B</td>
</tr>
<tr>
<td>2003</td>
<td>$36 B</td>
</tr>
<tr>
<td>2004</td>
<td>$39 B</td>
</tr>
<tr>
<td>2005</td>
<td>$42 B</td>
</tr>
<tr>
<td>2006</td>
<td>$45 B</td>
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<td>2007</td>
<td>$48 B</td>
</tr>
<tr>
<td>2008</td>
<td>$51 B</td>
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<tr>
<td>2009</td>
<td>$54 B</td>
</tr>
<tr>
<td>2010</td>
<td>$57 B</td>
</tr>
<tr>
<td>2011</td>
<td>$60 B</td>
</tr>
<tr>
<td>2015</td>
<td>$94 B</td>
</tr>
</tbody>
</table>

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

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 - 600,000
    - 600,001 - 1,000,000
    - > 1,000,000
- SIS/Emerging SIS Spaceport
- SIS/Emerging SIS Railway
- SIS/Emerging SIS Highway
- County

FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY
Infrastructure and Growth Leadership
Can People Access Jobs and Services?

Legend
- 5 - 126 Jobs per square mile
- 127 - 469 Jobs per square mile
- 490 - 1,095 Jobs per square mile
- 1,096 - 1,943 Jobs per square mile
- 1,944 - 3,033 Jobs per square mile
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.
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)
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)
Monthly Foreclosures in Southwest Florida, 2006-2011

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 Southwest 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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