Economic Trends and Florida’s Competitive Position

presented by
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Presentation Outline

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

Source: Florida Trend.
Treasure Coast Region

- Indian River
- Martin
- Palm Beach
- St. Lucie
Recession Erased Job Gains of the Past Decade

Employment, Index 2000 = 1.0

Unemployment Rate Easing Downward

Employment Growth in Treasure Coast

Year-Over-Year Percent Change

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).
A New Economy
Global Markets

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

2050

CHINA

1,415.1%
CHANGE IN GDP 2010-2050

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.
A New Economy
7 County Area Ranks 11th Among U.S. Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>2010 GMP $B</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City NY/NJ/CT</td>
<td>1,460</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>881</td>
</tr>
<tr>
<td>Washington DC/Baltimore</td>
<td>575</td>
</tr>
<tr>
<td>San Francisco Bay Area</td>
<td>545</td>
</tr>
<tr>
<td>Chicago IL/IN/WI</td>
<td>539</td>
</tr>
<tr>
<td>Boston MA/NH/RI</td>
<td>430</td>
</tr>
<tr>
<td>Houston</td>
<td>384</td>
</tr>
<tr>
<td>Dallas/Fort Worth</td>
<td>378</td>
</tr>
<tr>
<td>Philadelphia PA/NJ</td>
<td>367</td>
</tr>
<tr>
<td>Atlanta</td>
<td>279</td>
</tr>
<tr>
<td><strong>SOUTHEAST FLORIDA (7 counties)</strong></td>
<td><strong>275</strong></td>
</tr>
<tr>
<td>Seattle/Tacoma</td>
<td>254</td>
</tr>
<tr>
<td>Tampa Bay/Central Florida</td>
<td>235</td>
</tr>
</tbody>
</table>
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>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…
…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.
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

14%  57%  29%

Treasure Coast
19%  54%  28%

South Florida
15%  59%  26%

Florida
15%  57%  28%

United States

Source: U.S. Census Bureau, American Community Survey 2006-2010 five-year estimates.
Innovation and Economic Development
Changing Industry Composition

Past:
- Agriculture
- Construction
- Tourism

Future?
- Global Trade & Logistics
- Manufacturing
- Emerging Technologies
- Agriculture
- Construction
- Health Care
- Tourism
- Finance & Professional Services
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
Can We Expand Our Global Role?

Florida Share of Total U.S. Export Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Value</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$27 B</td>
<td>3.4%</td>
</tr>
<tr>
<td>2001</td>
<td>$29 B</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>$33 B</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>$38 B</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$43 B</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$49 B</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$56 B</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$64 B</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$72 B</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$81 B</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$90 B</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$100 B</td>
<td>4.4%</td>
</tr>
<tr>
<td>2015</td>
<td>$94 B</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Foreign Trade Division.
Infrastructure and Growth Leadership
Are We Globally Connected?
Infrastructure and Growth Leadership
Can We Meet the Needs of a Growing Region?
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
  \textit{(U.S. Census, 2010)}

8%
- Tax supported debt as percentage of revenues in 2009, up from 5% in 2006
  \textit{(Florida Division of Bond Finance)}

53%
- Increase in number of nonprofit organizations, 2000-2010
  \textit{(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
Monthly Foreclosures in Treasure Coast, 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 Treasure Coast

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?
How Do We Get Started?

• Adopt common framework

• Create 5 year action plans
  – 2 integrated Comprehensive Economic Development Strategies
  – DEO Strategic Plan

• Move toward a 50-year vision
  – Regional Vision and Blueprint for Economic Prosperity
  – Statewide vision
Questions?

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