



Economic Development

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ECONOMIC DEVELOPMENT TRENDS AND CONDITIONS

The theme of strong economic momentum alongside potential growth-related challenges surfaces throughout the recently completed Community Economic Development Strategy, titled Elevate Northeast Florida. That report contains the foundation of research on which this plan of action for the next five years has been established. From the data analysis and to-date input, it is clear that the region will need an intentional and strategic approach to maintaining progress.

EMPLOYMENT

Northeast Florida has experienced a strong wave of growth in recent years. The seven-county region has increased employment 14.5% since 2012 and added 100,000 new jobs in the past seven years. Since 2010 – the lowest point in the recession – Northeast Florida has enjoyed nearly uninterrupted growth across nearly all of its industries. Job creation has occurred at a pace that is more than 50% higher than the US average.

The pace of regional job growth is accelerating. Between 2016 and 2017, employment in Northeast Florida rose 2.4%. Among benchmark regions, only Nashville experienced a greater rate of job growth during this period.

Job gains have also contributed to record unemployment levels. Unemployment in Northeast Florida is quickly approaching a 10- year low, which is positive news for residents but more challenging news for businesses. In focus groups and interviews conducted for this report, some employers expressed concerns about their ability to fill job openings with skilled talent, a concern that mirrors what national employers are feeling.

Northeast Florida’s strong job growth, affordability, and quality of life have helped attract college-educated talent into the region. The influx of talent into Northeast Florida is helping the region close educational attainment gaps, and quickly.

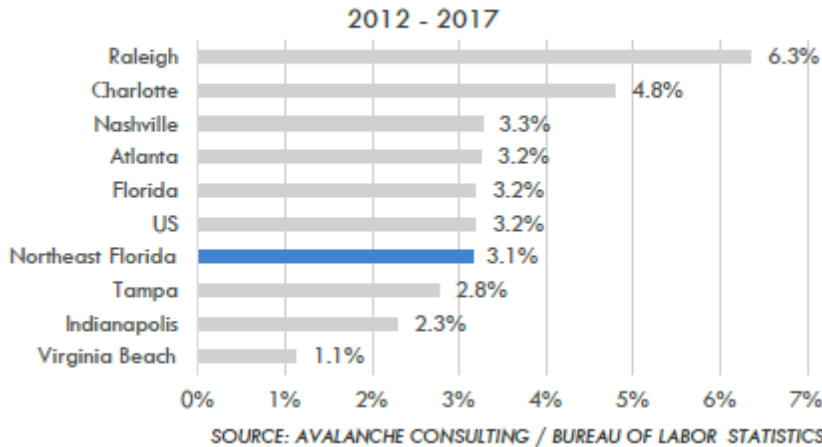
Figure 1: Northeast Florida Unemployment Rate



WAGES

Strong employment and population growth has not translated into significant household income growth. During the past five years, incomes in the region have increased at a slower pace than benchmark communities. In addition, income levels vary greatly by demographic segment. On average, Black/African-American residents’ household incomes are 60% the level of White Non-Hispanic household incomes.

Figure 2: Change in Average Wage (Inflation Adjusted)

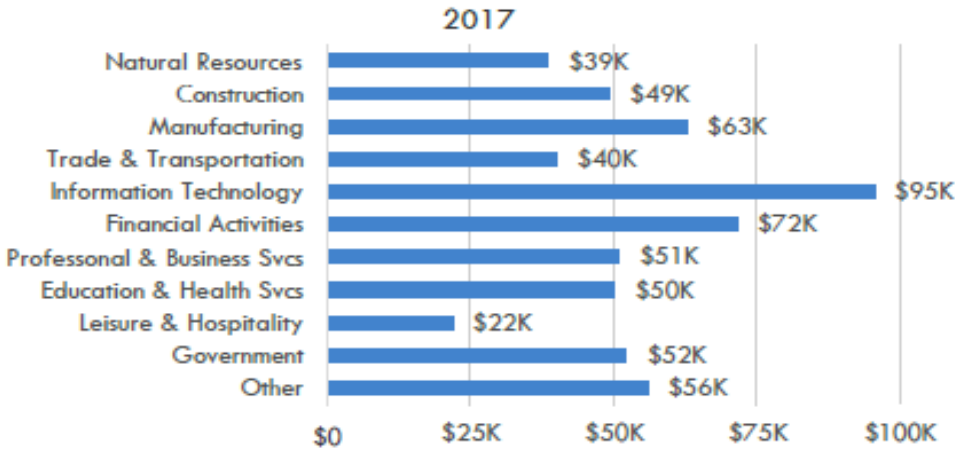


Helping residents increase their incomes and afford quality housing not only depends on growing higher wage jobs in the region, but also connecting residents with viable career pathways. One of the most revealing data points gathered through the *Elevate Northeast Florida* resident survey is that 42% of those surveyed are not aware of career opportunities

or pathways in the region. Getting residents into higher and higher paying jobs will begin with informing them of their options.

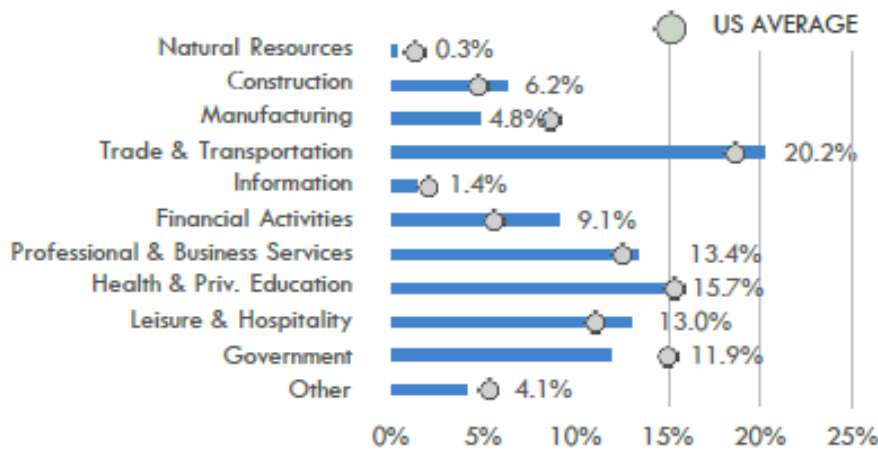
Average salaries vary widely by industry, and Northeast Florida is no exception. Information workers (including data centers) enjoy high wages, with employees annually earning approximately \$95,000 on average. At approximately \$22,000, Leisure & Hospitality workers have the lowest average annual salaries. Beyond these extremes, average salaries in most industries in Northeast Florida range from \$50,000 to \$60,000. On an inflation adjusted basis, average annual wages in Northeast Florida experienced relatively slow growth (3.1%). Among benchmark communities, only Tampa, Indianapolis, and Virginia Beach workers saw weaker wage growth.

Figure 3: Northeast Florida Average Wage



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

Figure 4: Northeast Florida Employment by Industry

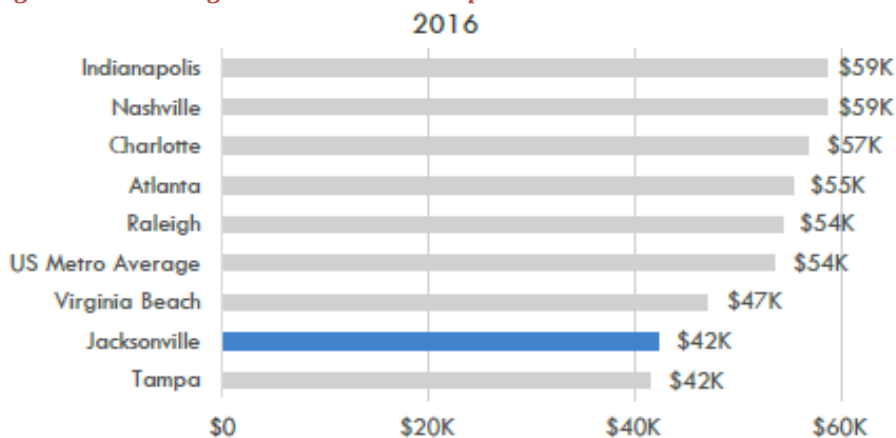


SOURCE: AVALANCHE CONSULTING / EMSI

GROSS REGIONAL PRODUCT

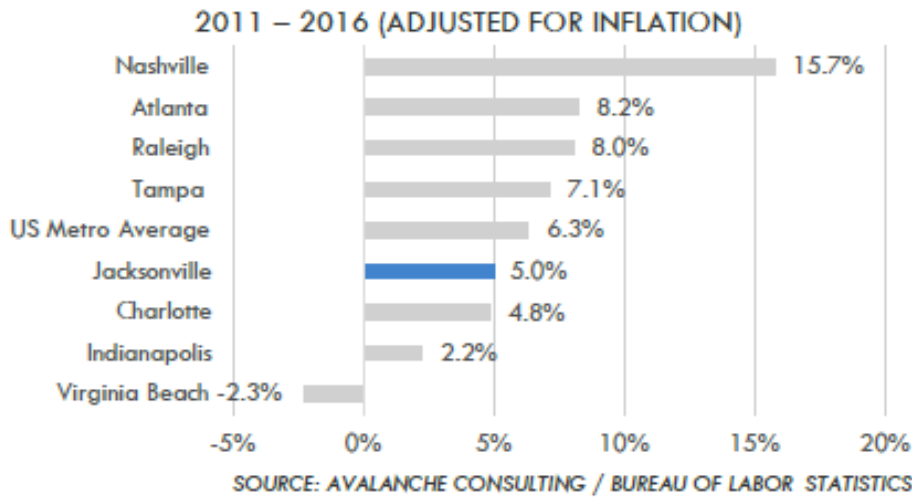
Per capita gross regional product is the primary measure of a region’s overall economic productivity. In turn, higher productivity ultimately supports higher wages. At slightly more than \$42,000, real per capita gross regional product in the five-county Jacksonville metro is approximately \$11,000 less than the US metropolitan average. Between 2011 and 2016, per capita gross regional product in Jacksonville rose 5% on an inflation adjusted basis. (Note, GRP data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

Figure 5: Gross Regional Product Per Capita



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

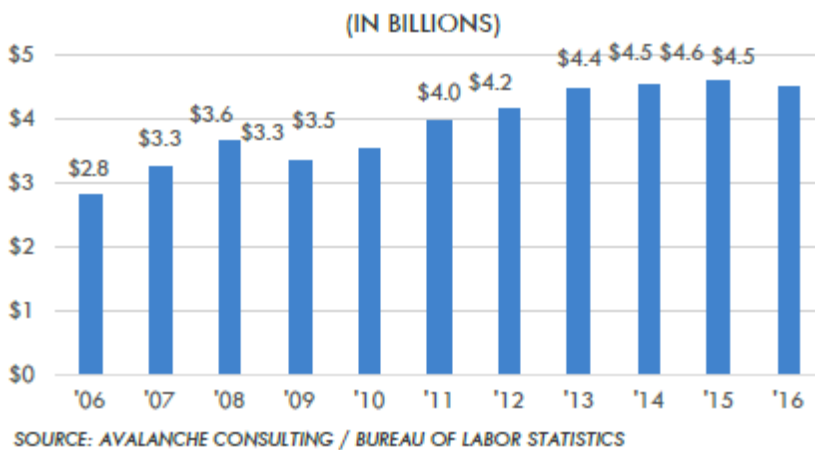
Figure 6: Change in Gross Regional Product Per Capita



EXPORTS

On a per job basis, the five-county Jacksonville metro's export activity is relatively modest. Exports from the metro have also remained steady during the past several years. In 2016, the region generated approximately \$7,100 in exports for every worker. In 2016, total export activity in the Jacksonville metro reached \$4.5 billion, a slight decline compared to 2015 levels, but virtually identical to 2014 activity. (Note, export data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

Figure 7: Value of Exports



TOURISM

Duval County welcomed more than 6.2 million overnight visitors in 2017. Since 2013, the number of overnight visitors to Duval County has risen approximately 17%. During this same period, tourist visits to Florida increased more than 18%. In a recent survey of planning meeting professionals prepared for Visit Jacksonville, the region ranked highly on logistical factors such as the “willingness to provide concessions” and “moderate lodging costs.” Jacksonville’s weather was also highly rated.

Florida’s Northeast Tourism region consists of Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns Counties. In addition to the Northeast region, there are seven other Vacation Regions as defined by VISIT FLORIDA. In 2016, Business visitors represented 15% of travelers to Northeast Florida. No other region in Florida has a higher proportion of Business visitors. The leading activities for visitors to Northeast Florida include the Beach/Waterfront (44% of visitors), Visiting Friends & Relatives (30%), and Enjoying Culinary/Dining Experiences (28%).

Figure 8: Tourist Development Tax Revenues, 2011-2015

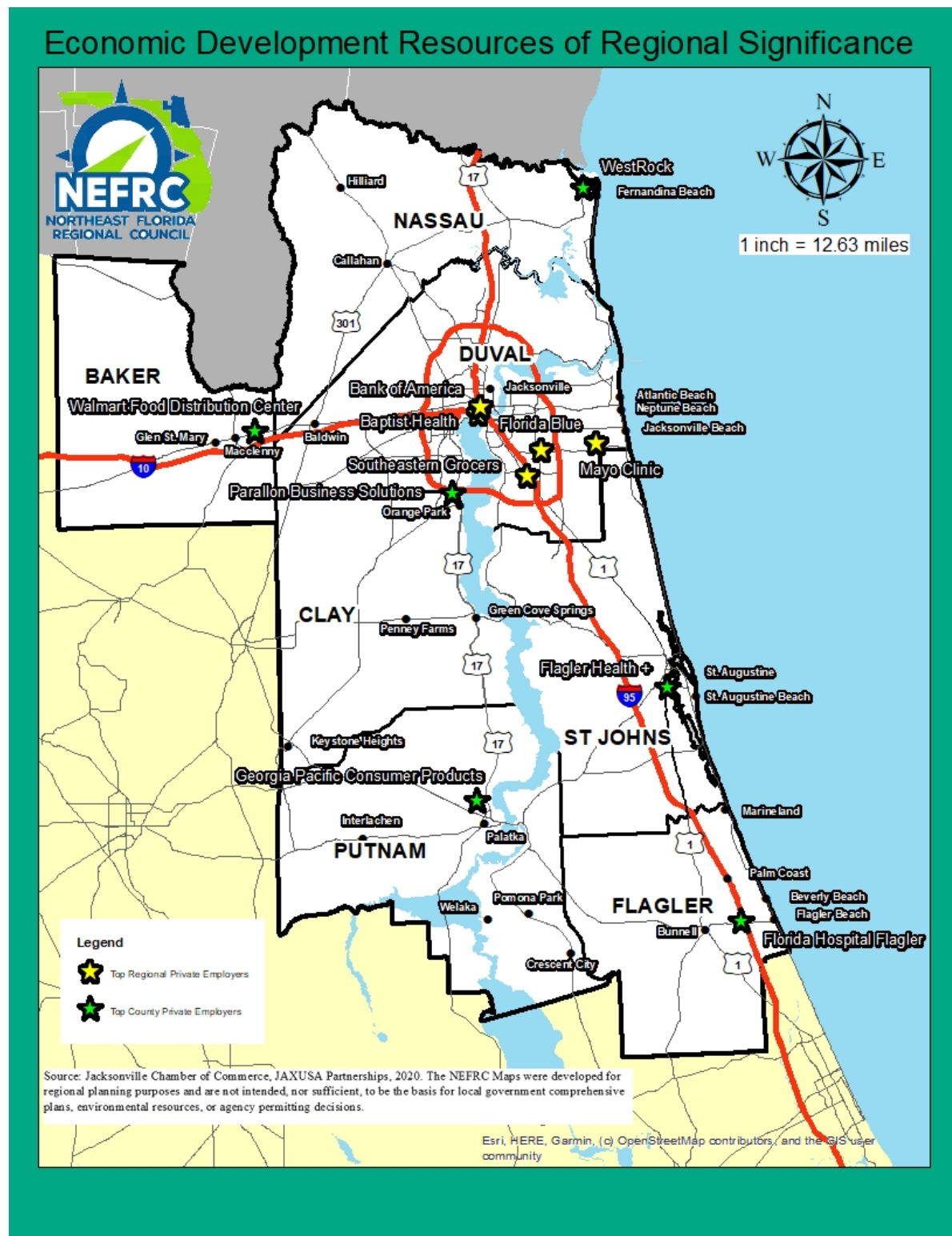
Code 39 Accommodation Taxes	Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns
2011	\$17,225.00	\$436,413.00	\$9,683,710.00	\$1,360,177.00	\$2,977,004.00	\$216,218.00	\$6,552,707.00
2012	\$29,999.00	\$470,110.00	\$10,431,448.00	\$1,564,177.00	\$3,121,533.00	\$266,655.00	\$7,117,175.00
2013	\$31,758.00	\$503,258.00	\$10,995,297.00	\$1,685,503.00	\$3,865,593.00	\$264,862.00	\$7,662,836.00
2014	\$29,922.00	\$539,405.00	\$12,384,838.00	\$1,886,962.00	\$4,546,081.00	\$285,329.00	\$8,415,768.00
2015	\$34,719.00	\$599,159.00	\$13,482,136.00	\$2,066,777.00	\$5,073,204.00	\$316,462.00	\$9,577,805.00

Sources: Visit Florida, Florida Visitor Study 2012, Florida Visitor Study 2014, Florida Visitor Study 2015, Florida Visitor Study 2016

REGIONALLY SIGNIFICANT RESOURCES AND FACILITIES

The facilities depicted on the following map are of regional significance from an economic development perspective. The map is just an illustration and may not include all such resources or facilities. It includes each County's top employer as well as the five largest employers in the Region.

Resources of Regional Significance: Economic Development



GOALS, OBJECTIVES AND POLICIES

In March 2018, the JAXUSA Partnership, Northeast Florida Regional Council, CareerSource Northeast Florida, and other partners initiated a Regional Economic Development Strategy to improve regional competitiveness and collaboration throughout Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties. The *Elevate Northeast Florida* Strategy forms the basis for the region's Comprehensive Economic Development Strategy (CEDS) and will serve as a guide for policies, programs, and investments that ensure the region's continued economic dynamism.

According to the US Economic Development Administration, "a CEDS is a strategy-driven plan for regional economic development" that "serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration." In the interest of coordination with existing plans, *Elevate Northeast Florida* also forms the basis for the Economic Development Subject Area of the Strategic Regional Policy Plan, which also requires a "collaborative process that emphasizes consensus and coordination between local governments, regional entities, state and federal agencies, other appropriate organizations, and the public."

All of the Economic Development policies in the Strategic Regional Policy Plan are consistent with the Economy Goal of the State Comprehensive Plan:

Florida shall promote an economic climate which provides economic stability, maximizes job opportunities, and increase per capita income for its residents.

SCP: 187.201(21)(a)F.S.

The region's vision is to have the highest performing economy in the country. This future is attainable. In 2017, the Jacksonville metro had the third highest rate of job growth of all large metros in the US. Intentional investments to support industry growth and advance the region's workforce could improve the region's ranking even more in the future.

Being resilient is critical to achieving the region's vision. While the past five years have seen remarkable economic growth, remaining steady when the economy slows is a matter of resiliency. Resiliency can be achieved through a focus on the four objectives of this strategy: advancing the region's workforce, deepening and diversifying industry, strengthening the region's brand, and becoming a leading smart region that embraces innovation in all that it does.

Goal: Our region is the top destination for opportunity and investments, making it the highest performing economy in the nation.

Goal: View all policy through the lens of the Six Pillars of Florida’s Future Economy. Each of the policies in this plan and all of the actions of the NEFRC will be reviewed based on their relevance to our future, and this includes a broad definition of the assets that drive our regional economy. We will not create a new plan for economic development, but will join the region in support of the goals and policies identified by Elevate Northeast Florida and the Comprehensive Economic Development Strategy.

Goal: Northeast Florida’s economic development strategies, consistent with Federal guidelines, are set with partners and new policy is not set by NEFRC. NEFRC’s goal is to ensure that the Comprehensive Economic Development Strategy is a five-year strategy that reflects economic development planning on a regional and county level, and that the region is always positioned to collaborate to maximize funding opportunities.

Pillar: All Six

OBJECTIVE: EMPOWER PARTNERSHIPS TO ADVANCE EDUCATION AND WORKFORCE.

Building a workforce pipeline through systemic change is among the most important aspects of growing a healthy economy today. Doing so requires a multi-faceted approach that includes aligning education programming with business needs, attracting and retaining skilled talent, assisting residents with completing credentials, and re-engaging people who have dropped out of the workforce. Advancing education and workforce is a top priority. Report 3 of *Elevate Northeast Florida* includes an in-depth workforce analysis and recommendations, and near-term priorities that require a collective impact approach to implementation.

Policies

Policy 1: Increase consistent and coordinated employer engagement, **SCP: 187.201(21)(a)F.S.**

Policy 2: Improve awareness of and participation in career pathways in the region, **SCP: 187.201(21)(a)F.S.**

Policy 3: Strengthen efforts to engage youth and adults in completing their postsecondary credentials of economic value, **SCP: 187.201(21)(a)F.S.**

Pillar: Talent Supply & Education

OBJECTIVE: AMPLIFY OUR LEADERSHIP AS A PREEMINENT SMART REGION

Implementing new smart technologies, starting with downtown JAX and then extending

into the greater region, will not only make the downtown a much more vibrant place, but also connect the region in a way that establishes a global model for what smart region development looks like.

Policy 4: Coordinate investment and partnerships to develop and grow smart infrastructure projects like the Bay Street Innovation Corridor, **SCP: 187.201(21)(a)F.S.**

Policy 5: Activate and accelerate smart region investments, **SCP: 187.201(21)(a)F.S.**

Policy 6: Improve the connectivity and efficiency of regional mobility /transit options, **SCP: 187.201(21)(a)F.S.**

Pillar: Infrastructure & Growth Leadership

Pillar: Civic & Governance Systems

OBJECTIVE: DEEPEN OUR INDUSTRY CLUSTERS AND INTENSIFY SUPPORT.

There is no one-size-fits-all approach to supporting the growth of an industry cluster. Industry clusters are groups of similar firms in a geographic area that share certain assets, such as suppliers, networks, workers, infrastructure, and support services. As regions invest in those assets, they improve the likelihood their clusters will deepen with more firms and more commerce.

In 2013, JAX Chamber completed an Export Plan as part of its participation in Brookings' Global Cities Initiative. Results of the study showed that the region is under-performing on exports and knowledge of foreign markets, with export know-how being a barrier to business growth. The Plan focused on encouraging small- to medium-sized businesses in the seven-county region to consider export opportunities as a pathway to growth. The goal of doubling export activity, as measured by Brookings' Regional Export Index, was established for the five years following the study.

Policy 7: Invest in assets that encourage the growth of the region's target industries, **SCP: 187.201(21)(a)F.S.**

Policy 8: Create a more vibrant regional entrepreneurial and innovation ecosystem, **SCP: 187.201(21)(a)F.S.**

Policy 9: Strengthen the region's international connectivity, **SCP: 187.201(21)(a)F.S.**

Pillar: Innovation & Economic Development

ECONOMIC DEVELOPMENT MEASURES

Northeast Florida Unemployment Rate, 2007 - 2017

Unemployment Rate	December 2017 – 3.5%
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Source: Avalanche Consulting / Bureau of Labor Statistics

Northeast Florida Average Wage, 2017

Average Wages by Industry	See chart
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Source: Avalanche Consulting / Bureau of Labor Statistics

Change in Average Wage (Inflation Adjusted), 2012 - 2017

Change in Average Wage	See chart
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Source: Avalanche Consulting / Bureau of Labor Statistics

Northeast Florida Average Wage, 2017

Average Wages by Industry	See chart
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Source: Avalanche Consulting / Bureau of Labor Statistics

Northeast Florida Employment by Industry, 2017

Employment by Industry	See chart
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Source: Avalanche Consulting / EMSI

Gross Regional Product Per Capita, 2016

GRP Per Capita (Jacksonville MSA)	\$42,000
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Source: Avalanche Consulting / Bureau of Labor Statistics

Change in Gross Regional Product Per Capita, 2011 - 2016

Change in GRP Per Capita (Jacksonville MSA)	5.0%
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Source: Avalanche Consulting / Bureau of Labor Statistics