



The State of the Regional Economy in Northeast Florida

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An overview of economic indicators and trends from the latest data reveals that Northeast Florida's 24% increase in total jobs lagged behind the state's 27%; overall unemployment was comparable to state and national trends; total personal income grew by 82%, faster than the state; and per capita income was 88% of the state average and 86% of the national average. The annual average wage in 2000 in Northeast Florida was approximately \$31,000.

INTRODUCTION

The Northeast Florida Regional Planning Council's seven counties recognize that there are benefits to working regionally for economic development, such as stronger marketing identity, increased ability to meet client needs, greater efficiency, and less competition.

And they have joined under the Council's Economic Development Committee to develop the Northeast Florida Comprehensive Economic Development Strategy (CEDS) to seek an Economic Development District (EDD) designation from the federal Economic Development Administration.

This White Paper examines the state of the regional economy through excerpts from the CEDS, which is still in draft form.

Job Growth

In 1999 the region employed 727,611 people, according to the Regional Economic Information System, U.S. Department of Commerce. Approximately 140,000 jobs, about a 24% increase, were

added between 1990 and 1999. Job growth state-wide increased about 27%.

Flagler County jobs increased 54%, the region's largest percentage, followed by St Johns County's 48.5% and Clay County's 47%. Except for Baker, which increased 13.6%, all the counties had a greater percentage increase than Duval's 19.5%.

Although the trend is for other counties to continue to grow their job base as a percentage of total jobs in the region, long-term projections indicate Duval County will remain the dominant player. Duval supplied 76.6% of the jobs in 1999, down from 80% in 1990.

Unemployment

Overall, the region's unemployment rates are comparable to statewide and national trends. The four counties comprising the Jacksonville Metropolitan Statistical Area (MSA)—Clay, Duval, Nassau, and St. Johns—continue to exhibit a lower rate than the state and nation. While Baker, Flagler, and Putnam's unemployment was higher than the state or nation in 1990, Putnam is the only county

Employment (Full & Part-Time) by Place of Work

	1990	1995	1999
Baker	6,311	6,755	7,168
Clay	35,570	40,419	52,372
Duval	466,475	501,088	557,468
Flagler	8,826	11,015	13,572
Nassau	16,414	19,166	22,153
Putnam	18,929	22,743	23,040
St. Johns	34,898	41,942	51,838
REGION	587,423	643,128	727,611

Source: Regional Economic Information System, U.S. Dept. of Commerce, 1999

Annual Unemployment

	1990	1995	2000	2001
Baker	7.1	5.4	2.9	4.5
Clay	4.2	3.0	2.6	3.6
Duval	5.2	3.8	3.3	4.5
Flagler	6.1	3.4	2.8	4.6
Nassau	5.6	4.0	3.2	4.0
Putnam	6.1	5.2	4.5	5.9
St. Johns	5.0	3.4	2.4	3.5
JAX MSA	5.1	3.7	3.1	4.2
Florida	6.0	5.5	3.6	4.8
U.S.	5.6	5.6	4.0	4.8

Source: Florida Agency for Workforce Innovation, Office of Workforce Information

with a higher rate in 2001.

Employment by Major Sector

One-third (32.5%) of the jobs were in the Service Sector in 1999, an increase from 1990 when the Service Sector accounted for only 28%. This sector was responsible for nearly 60% of the regional job growth over the 1990s.

The Retail Trade and Wholesale Trade Sectors together comprised approximately one-fourth of the total regional employment, as it did in 1990.

On a percentage basis, the Finance, Insurance and Real Estate Sector (11%) played a larger role in the region than in the state where the sector comprised fewer than 9% of total jobs.

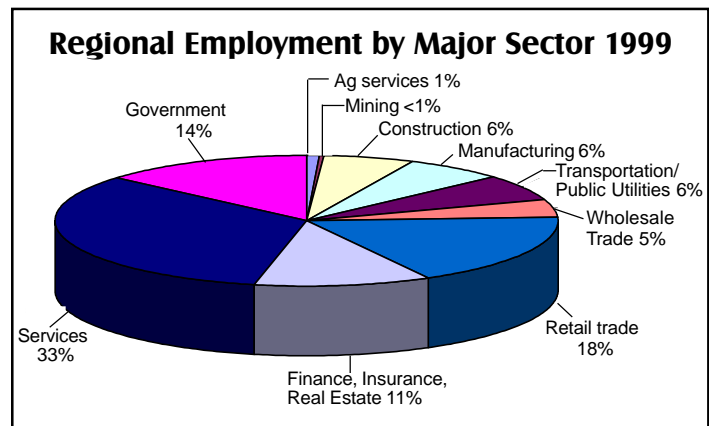
The federal government, military and, to a lesser extent, federal government civilian employment saw the biggest decrease in jobs.

Although decreasing, the Government Sector still plays a larger role in Northeast Florida than in the state. The Government Sector also plays a significantly higher role in Baker and Putnam counties than it does in the region as a whole. (See Tables)

Labor Force

In 2000, Duval County had the largest labor force, 390,799 persons, approximately 64% of the total 609,795 civilian labor force in the region. During the 1990s Northeast Florida's civilian labor force grew by 18%, outpacing the state growth of 15.8%, and the U.S. increase of 12%.

The percentage growth of the labor force by indi-



Source: Regional Economic Information System, U.S. Dept. of Commerce

Employment by Major Sector 1999

	Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns	Region	Florida
Farm Employment	423 5.90%	367 0.70%	701 0.13%	185 1.36%	542 2.45%	764 3.32%	485 0.94%	3,467 0.48%	94,320 1.09%
Nonfarm Employment	6,745 94.10%	52,005 99.30%	556,767 99.87%	13,387 98.64%	21,611 97.55%	22,276 96.68%	51,353 99.06%	724,144 99.52%	8,545,680 98.91%
Private Employment	4,116 57.42%	46,579 88.94%	482,108 86.48%	11,284 83.14%	18,273 82.49%	17,425 75.63%	45,145 87.09%	624,930 86.59%	7,481,621 86.59%
Agriculture, Forestry, Fishing	71 0.99%	* #	5,624 1.01%	* #	787 3.55%	414 1.80%	* #	6,896 0.95%	169,481 1.96%
Mining	* #	* #	621 0.11%	* #	16 0.07%	82 0.36%	* #	719 0.10%	12,642 0.15%
Construction	411 5.73%	3,551 6.78%	32,338 5.80%	801 5.90%	1,447 6.53%	1,666 7.23%	2,912 5.62%	43,126 5.93%	508,146 5.88%
Manufacturing	319 4.45%	2,061 3.94%	32,210 5.78%	1,372 10.11%	2,155 9.73%	3,239 14.06%	4,189 8.08%	45,545 6.26%	513,569 5.94%
Transportation/Public utilities	294 4.10%	2,000 3.82%	40,331 7.23%	218 1.61%	992 4.48%	636 2.76%	1,263 2.44%	45,734 6.29%	418,012 4.84%
Wholesale trade	72 1.00%	1,069 2.04%	29,395 5.27%	165 1.22%	404 1.82%	407 1.77%	1,766 3.41%	33,278 4.57%	397,532 4.60%
Retail trade	1,356 18.92%	13,669 26.10%	89,333 16.02%	2,958 21.79%	4,325 19.52%	4,576 19.86%	11,302 21.80%	127,519 17.53%	1,543,557 17.87%
Finance, Insurance Real estate	358 4.99%	3,121 5.96%	72,099 12.93%	748 5.51%	1,278 5.77%	907 3.94%	4,134 7.97%	82,645 11.36%	753,745 8.72%
Services	1,229 17.15%	20,048 38.28%	180,157 32.32%	4,596 33.86%	6,869 31.01%	5,498 23.86%	18,694 36.06%	237,091 32.58%	3,164,937 36.63%
Government	2,629 36.68%	5,426 10.36%	74,659 13.39%	2,103 15.50%	3,338 15.07%	4,851 21.05%	6,208 11.98%	99,214 13.64%	1,064,059 12.32%
Federal, civilian	72 1.00%	322 0.61%	16,373 2.94%	97 0.71%	592 2.67%	151 0.66%	370 0.71%	17,977 2.47%	118,191 1.37%
Military	46 0.64%	312 0.60%	24,420 4.38%	107 0.79%	124 0.56%	154 0.67%	271 0.52%	25,434 3.50%	104,019 1.20%
State	1,672 23.33%	433 0.83%	7,307 1.31%	165 1.22%	272 1.23%	592 2.57%	1,387 2.68%	11,828 1.63%	210,235 2.43%
Local	839 11.70%	4,359 8.32%	26,559 4.76%	1,734 12.78%	2,350 10.61%	3,954 17.16%	4,180 8.06%	43,975 6.04%	631,614 7.31%
TOTAL	7,168	52,372	557,468	13,572	22,153	23,040	51,838	727,611	8,640,000

Source: Regional Economic Information System, U.S. Dept. of Commerce, 1996-1999

*Suppressed or confidential data

vidual counties follows growth in population, with the counties with the fastest population growth also experiencing the fastest growth in civilian labor force.

Business Establishments

According to the U.S. Department of Commerce, Northeast Florida had 30,597 business establishments in 1999, an increase of 4,771 since 1990 or an 18.5% increase compared to Florida's growth of 17.4%.

Of the region's establishments, 94% had fewer than 50 employees, and 54% had 4 or fewer. The percentage remained nearly the same as in 1990 and consistent with state figures.

While Duval County continued to be the focus of business growth, with 43% (or 2,047) of the added establishments, it exhibited the smallest increase in establishment growth (11%) of the region's seven counties. As a result, Duval could claim only 67.9% of the region's business establishments, down from 72.5% in 1990.

In contrast, five of the region's counties grew at a faster percentage rate than the state— Flagler experienced the largest growth of establishments with 71.5%, followed by St. Johns County (58.9%), Nassau (32.9%), Clay (25.4%), and Baker (22.4%). Putnam County with a 15.3% growth only slightly lagged behind the growth experienced by the state.

Personal Income

Total personal income for the region grew by 82%—more than \$14.4 billion—between 1990 and 1999, faster than Florida, which experienced an approximately 62% growth in personal income.

In 1999, the region had a per capita income (PCI) of \$24,638 (88% of the state average and 86% of the national average).

Within the region, the counties differed widely in per capita personal income. St. Johns County exceeded the national average. The four counties of the Jacksonville MSA were 97% of the national average. Baker, Putnam, and Flagler had PCI less than 80% of the national average.

PCI in the region grew slightly slower than the nation's average annual growth rate of 4.4% over the

Per Capita Income

	1990	1995	1998	1999	'98-'99 % growth	10 yr avg % growth
Baker	13,328	15,627	18,126	18,374	1.4	3.9
% Nat.Avg.	68	66	66	64		
Clay	18,369	20,554	23,520	23,688	0.7	3.4
% Nat.Avg.	94	87	86	83		
Duval	19,184	23,370	26,744	26,868	0.5	3.9
% Nat.Avg.	98	99	98	94		
Flagler	15,737	19,179	21,724	22,144	1.9	3.4
% Nat.Avg.	80	81	79	77		
Nassau	18,386	22,195	25,863	26,141	1.1	3.9
% Nat.Avg.	94	94	95	92		
Putnam	12,171	15,778	17,382	18,079	4.0	4.5
% Nat.Avg.	62	67	64	63		
St. Johns	22,982	28,488	36,175	37,175	4.1	5.5
% Nat.Avg.	117	121	132	132		
Region	17,165	20,742	24,219	24,638	1.7	4.3
% Nat.Avg.	88	88	89	86		
JAX MSA	19,403	23,481	27,244	27,625	1.1	4.1
% Nat.Avg.	99	99	100	97		
Florida	19,855	23,512	26,931	27,781	3.2	3.8
U.S.	19,584	23,562	27,321	28,546	4.5	4.4

Source: Bureau of Economic Analysis

last 10 years. Putnam and St. Johns counties, however, experienced faster PCI growth. (See Table)

Average Wage

The average annual wage in Northeast Florida in 2000 was approximately \$31,000, based on data from the Florida Agency on Workforce Innovation (ES-202 Program). That was 101% of the average wage for all industries statewide and 88% of the nation's average wage.

The Retail Sector at \$17,310 was the major sector with the lowest average wage. The Agriculture Sector (\$21,005) and Services Sector (\$29,184) also fell below the regional average. The Wholesale Trade Sector, Finance, Insurance and Real Estate Sector, and Manufacturing Sector all paid average wages in excess of 130% of the regional average. The highest wage was in the Mining Sector (\$57,480), but protection of individual employer data makes an accurate accounting difficult.

Gross Regional Product

In 1990 the region produced \$25.31 billion in goods and services, an approximate 5.6% annual growth from 1980. In 1999, the Gross Regional Product (GRP) was valued at \$32.68 billion, but growth had slowed to approximately 2.9% annually.



The **NORTHEAST FLORIDA REGIONAL PLANNING COUNCIL** is an association of seven counties (Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns) and 27 municipalities. As a dynamic network of local governance, it provides visionary leadership and coordination between counties and governmental agencies to preserve and enhance the quality of Northeast Florida's natural, man-made, economic, and social environment.



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Bringing Communities Together

Northeast Florida's portion of the Gross State Product dropped from 9% in 1990 to 7.7% by 1999.

As measured by total value of goods and services produced in the region in 1999, the Services Sector and Financial, Insurance and Real Estate Sector contributed the largest percentage—19.5% and 19%, respectively—to the GRP. These two sectors also contributed the largest percentage to the Gross State Product, but the state is more dependent on the Service Sector than Northeast Florida.

Although still playing a relatively significant role in the GRP, the Government Sector showed the largest decrease, dropping from 21.7% in 1990 to 15% in 1999 in its contribution to the GRP.

Price Level Index

The Florida Price Level Index measures differences in the cost of goods and services against a state average of 100.

All counties in the Northeast Florida region had an index less than the state average in 2000, although the cost of food is estimated to be higher in Flagler and St. Johns. Overall it costs less to live in Baker County (7.5%) and Nassau County (7%) than the state average. (See Table)

Critical Economic Trends

Trends that will affect the economy of the region and its individual counties:

- The U.S. continues to shift from goods-producing industries to a service-oriented economy.

- The rise in the knowledge-based economy means companies can locate almost anywhere. This has increased the importance of community quality of life (education, housing, recreation, cultural opportunities).

- The availability of skilled workers continues to influence location and expansion decisions.

- Some 80% of all new jobs come from the expansion and spin-offs of existing companies.

- The wage gap between those with high school or college education continues to increase. More jobs require a college education or demand basic computer, math, and communication skills.

- Livable wage job opportunities will be found in the Service Sector.

- Economies are becoming regional in nature. Often businesses and their workers view "home" as a multi-county region. Collaboration between government and economic development professionals is a necessity to guarantee success of any regional economy.

The Florida Economy

Factors expected to impact the Florida economy will also influence the region. Among projections to 2008 by the Florida Agency for Workforce Innovation:

- Florida's population will grow at a slower pace; a greater proportion will be middle age and older people, and minorities.

- Labor force growth will mirror population growth.

- The Service Sector will account for more than 50% of new job growth between 1998-2008, with the majority of jobs in Business and Health; Federal government employment will generate the fewest new jobs.

- The trend towards outsourcing, temporary labor, and contractors will continue.

- A knowledge-based economy will require better educated and higher-skilled workers.

2000 Florida Price Level Index

County	Total	State Rank	Food	Health Care	Housing	Professional Goods & Services	Transportation
Baker	92.5	55	99.4	89.9	86.0	96.8	97.1
Clay	94.6	30	99.8	94.8	89.4	99.5	96.3
Duval	97.0	15	99.3	100.5	94.4	98.5	98.2
Flagler	96.4	21	102.7	89.2	92.9	100.9	96.0
Nassau	93.0	48	98.0	92.7	86.7	96.0	98.9
Putnam	93.1	47	98.8	86.0	87.1	98.1	97.9
St. Johns	97.1	14	100.8	95.2	95.9	97.2	96.8

Source: Bureau of Economic and Business Research, University of Florida