

03

SWOT Analysis

Economic Momentum

STRENGTHS

- During the past five years, employment in Northeast Florida has increased by approximately 96,000. At 15%, Northeast Florida's five-year job growth rate has outpaced the national average by over 50%.
- In recent years, employment growth within Northeast Florida has been broad-based. With one exception, all major employment categories in the region increased jobs between 2012 and 2017.
- As a whole, surveyed Northeast Florida residents are positive about the region's economic performance—nearly 60% of survey respondents rated the region's economy an "A" or "B" during the past five years.
- Below 4%, the region's unemployment level is at a 10-year low.
- The region's population and workforce growth rates have greatly exceeded the national average over the past five years.

WEAKNESSES

- Although a low level of unemployment is good for workers, it has made it more difficult for local employers to find employees with certain skillsets.
- Between 2012 and 2017, average annual wages in Northeast Florida increased by just 3% on an inflation-adjusted basis.
- Real per capita gross regional product in the Jacksonville metro is approximately 20% less than the US metropolitan average.
- Despite relatively strong employment growth in recent years, more than 30% of surveyed residents believe the availability of regional career/job opportunities needs further improvement.

OPPORTUNITIES

- Since 2010, regional population has increased at more than twice the national growth rate. Sustained population growth helps increase the regional talent base while also contributing to an increased demand for goods and services locally. Continuing to match new residents with careers and retain them long-term is a strong opportunity.
- The diversity of communities within Northeast Florida provides businesses from a variety of industries with many different location options.
- Suburban counties seek to attract more jobs as a way to create a better housing-jobs balance and reduce traffic.
- Educational attainment levels in Northeast Florida continue to rise, a dynamic that should continue to be leveraged to expand businesses and increase the region's overall economic momentum.

THREATS

- Since 2012, Construction has accounted for one of every six jobs created in Northeast Florida. A slowdown in the housing market could have a negative impact on the region.
- During the past five years, lower paying industries in Northeast Florida have typically experienced greater rates of job growth relative to higher wage industries. This dynamic, combined with rising housing costs, could make it more difficult to recruit workers to the region in the future.
- After a period of sustained growth, the value of goods exported from the Jacksonville metro has flattened in recent years.
- Local business leaders believe that national/global awareness of the region's brand is unreflective of its economic vibrancy. A weak brand could dampen economic development and talent attraction.



Talent, Education & Workforce

STRENGTHS

- Educational attainment in Northeast Florida at the Associate's level exceeds national and statewide averages. The percent of workers with degrees has increased 3% since 2012.
- The region's workforce has grown at a faster pace than jobs.
- Those surveyed recognize the quality of the region's colleges and universities as one of its top five strengths.
- The region boasts a higher concentration of Bachelor's degrees in Science & Engineering related fields relative to the US average.
- Earn Up is a strength and a beacon to employers that area leaders are proactively improving educational attainment.
- The region's workforce programs for veterans are frequently cited by employers as a reason why they are located in Northeast Florida.

WEAKNESSES

- Educational attainment in Northeast Florida at the Bachelor's and higher level is improving but trails the US average.
- Due the lack of greater transit availability and geographic distance of education/service offerings, workers in some parts of Northeast Florida find it difficult to pursue additional education or career assistance.
- Regional employers and leaders have voiced concerns about the ability to find a sufficient number of employees in certain fields given the region's relatively low levels of unemployment.
- 42% of those surveyed for this strategy said that they are not aware of career opportunities or pathways in the region.

OPPORTUNITIES

- The region consistently attracts recent college graduates, contributing to the region's rising levels of educational attainment. Keeping up this trend, as well as investing in education programs and career pathway awareness at home, will greatly benefit the region's economy.
- Young professionals in Northeast Florida have higher than average educational attainment at the Associate's degree level. Promoting this fact should help attract businesses seeking skilled tradespeople.
- The region is home to numerous colleges and universities that provide a continuous supply of new, skilled workers. The quality of post-secondary institutions in the region is perceived by residents as a core regional strength to build on.
- New leadership has recently transitioned into many higher education institutions, providing opportunities to partner with them on economic development and workforce development initiatives.

THREATS

- An aging population and impending Baby Boomer retirement is a significant issue for many industries, and is beginning to strain availability of workers in key fields like production and engineering. This threat impacts most US regions, including Northeast Florida.
- Rising housing costs, especially in and around urban cores, have pushed a growing number of workers away from established employment centers. The misalignment between where people live versus work, plus growing highway congestion, could make hiring and worker retention more difficult.



Infrastructure & Real Estate

STRENGTHS

- Northeast Florida employers benefit from a large labor shed and a workforce that is willing to travel to work. With the exception of Duval County, a majority of workers in every county in the region are employed outside their home jurisdiction.
- Total shipping container traffic at JAXPORT rose 12% between 2012 and 2017. Air cargo traffic volumes at Jacksonville International Airport have also increased during this period.
- When compared to benchmark regions such as Nashville and Atlanta, traffic congestion in Northeast Florida is relatively modest.
- Jacksonville is the location of a Network Access Point (NAP) where subsea fiber cables from South America converge. This is the only NAP between Miami and Atlanta, and provides businesses with speed, fiber density, redundancy, and security only available at a NAP.

WEAKNESSES

- Although Northeast Florida has a regionally integrated workforce, regional transit options are limited.
- More than 80% of workers drive alone to work, underscoring the shortage of transit options and placing significant demands on the region's existing roadway infrastructure.
- Traffic congestion is a top concern of residents across the region. On average, surveyed residents characterized the region's transportation access, the availability of walking and bike paths, commute times, road capacity, and the availability/accessibility of transit as below average.

OPPORTUNITIES

- Overall, Northeast Florida has relatively high levels of broadband coverage. But for some communities, high-speed internet access is limited. Extending coverage across the entire region would be a significant competitive advantage.
- The metro's office market has capacity to absorb additional growth and remains competitive from a price perspective.
- The approval of the Downtown Investment Authority's plan in 2015 has started to yield results. Significant opportunities remain to increase the number of downtown residents (with more than 50,000 workers downtown and just 4,500 housing units).
- Convention center relocation could boost the downtown economy.
- A converted Skyway-based autonomous vehicle system, and its expansion, could increase downtown's attractiveness and reduce traffic.

THREATS

- A growing geographical divide between job centers and residential areas could place an ever greater burden on the region's transportation infrastructure.
- In recent years, residential real estate prices in Northeast Florida have risen, threatening the ability to retain and attract residents in the future.
- A shortage of commercial sites and buildings is viewed as a limitation to attracting new growth in some Northeast Florida counties.



Quality of Place

STRENGTHS

- The overall cost of living in the Jacksonville metro is 6% less than the US average. A good cost of living is viewed as a top strength by residents across the region.
- Median household income in the region (\$53K/year) is higher than the state average (\$49K/year).
- The region's natural beauty and waterways (beaches, Intracoastal, lakes, rivers) are among its greatest assets. Of the more than 1,300 residents surveyed for this strategic plan, a majority ranked the region's natural environment and recreation/cultural amenities among its top three strengths.
- Northeast Florida's lifestyle amenities are attracting attracting tourists—overnight visitors to Duval County have increased 17% since 2013.

WEAKNESSES

- While poverty rates have decreased, rates of poverty remain high. In Baker (18.5%), Duval (16.6%), and Putnam (27%) Counties, poverty levels are above the US average (15.1%).
- Nearly one-half of all renters in Northeast Florida spend more than 30% of their income on housing costs. The percentage of cost-burdened renters in Northeast Florida is higher than US and Florida averages.
- Median household income in Northeast Florida is slightly less than the national figure.

OPPORTUNITIES

- Downtown Jacksonville has significant room for commercial and residential development.
- Northeast Florida's outdoor amenities, especially its waterways, are major differentiators for the region. Investing in infrastructure to make them more accessible to visitors and residents is an opportunity.
- Economic equality and job growth is better in the metro than the national average. The region has an opportunity to further reduce economic disparity and poverty by targeting higher wage jobs and promoting career pathways for residents.

THREATS

- Both violent and property crime rates in the Jacksonville metro are higher than the US and Florida averages. While only high in pockets of Duval County, the average could give the false impression that the metro is less safe than others.
- Downtown Jacksonville's low vibrancy could be viewed by businesses as a negative when trying to attract workers or new companies.
- While housing costs in the metro remain lower than in many other benchmark regions, prices have soared in recent years, presenting a potential long-term threat to retaining and attracting people.
- Continued population growth, combined with limited transit options, may contribute to increased traffic congestion and longer commutes.
- The risk of sea level rise is a threat faced by coastal communities.



Entrepreneurship & Innovation

STRENGTHS

- The region's small business community is robust. The percentage of businesses with fewer than 10 employees in Northeast Florida exceeds the US average as well as most benchmark communities.
- The region's low cost of living and affordable commercial real estate helps to reduce the startup costs associated with establishing a new business.
- Northeast Florida has a diverse, established industry base, and its growing population provides a foundation of customers for start-up businesses.
- Northeast Florida is home to major research institutions, such as Mayo Clinic and UF Health.

WEAKNESSES

- Venture capital funding in the Jacksonville metro is low. The region has not seen a startup community like other benchmark metros.
- Small business proprietors earn less revenue per capita than their peers across the state and benchmark regions.
- On a per capita basis, the Jacksonville metro's level of patent production is significantly lower than the US average and lower than most benchmark regions.

OPPORTUNITIES

- In 2016, Northeast Florida's colleges and universities managed approximately \$5.1 million in academic R&D spending. There is room for growth in the future.
- Rising home values provide existing homeowners in Northeast Florida with increasing equity, which is a frequent source of funds for entrepreneurs.
- Northeast Florida's established industry base – particularly in the financial, health care, and logistics sectors – provides an opportune testing ground for developing innovative new technologies.

THREATS

- Between 2011 and 2016, academic research and development (R&D) expenditures in Northeast Florida fell by more than 50% on a per job basis.
- A lack of critical mass of entrepreneurship could result in funded companies or those that grow relocating to other competitor metros.
- Most industries – particularly Financial and IT – face continuous threats from disruptors. Will Jacksonville companies maintain their competitiveness through their own internal innovation?

