

# **The Florida Economy**

## *Summary of its Condition and Composition*



Prepared for the

**Florida Association of Realtors**

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## ***Introduction<sup>1</sup>***

An individual or business is most affected by the economic condition in closest proximity to where the individual lives or the business is located. The economic growth of the local economy typically determines the standard of living for the individual and the success of the business.

Local economies throughout the United States many times behave in significant contrast to national trends, since national data is the aggregation and average of the data for thousands of small economies. Average national growth rates can be much different than local growth rates.

The economy of a state is also the average or aggregation of all of the small, independent economies within the state. Many times data trends for the state likely do not reflect what is occurring in many of the counties or regions within the state.

However, each state in the nation has characteristics which influence their respective local economies. A state's geographic location, highway systems, tax and regulatory climate, educational resources, and a host of other geographic – economic issues which can be controlled by the state government will influence the overall condition of the local economies.

## ***Economic Overview -Florida***

Over the last twenty years, the Florida economy has grown rapidly in size. However, the quality of its growth on many occasions has been marginal and in some areas very poor.

The number of jobs and the total earnings of workers help determine the size or volume of the economy. Some economies in the United States have grown rapidly in size, while others have not.

The “quality” of an economy is essentially a measure of the “standard of living” of the people who live and work in the area. Basically what people earn determines their economic quality of life.

Within the state, there are several very strong local economies. Like most states, there are also local economies which have had lackluster growth and some are declining economically.

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<sup>1</sup> This *Summary of the Florida Economy* is primarily based upon the results of the *Historical, Comparative Economic Analysis of the State of Florida* created by POLICOM Corporation for the Florida Association of Realtors (FAR) – November 2006. An electronic copy of the *Historical, Comparative Study* is available to its members by contacting FAR.

## Comparative Growth

When compared to the other 49 states, Florida has had rapid growth in many economic sectors. For the ten year period from 1995 through 2004, the state had the 6<sup>th</sup> fastest growth rate in population, 3<sup>rd</sup> fastest in jobs, 7<sup>th</sup> fastest in total worker earnings, and the 2<sup>nd</sup> fastest in the number of non farm proprietors.<sup>2</sup>

<b>Florida</b>	<b>2004</b>	<b>1994</b>
<b><u>Growth Rank - 50 States</u></b>	<b><u>1995</u></b>	<b><u>1985</u></b>
Population	6	3
Employment	3	7
Earnings	7	5
Annual Wages	39	11
Number of NF Proprietors	2	42
Per Capita Personal Income	40	38
Per Capita Government Transfers	36	41

However, the growth rate in annual wages (39<sup>th</sup>) and per capita personal income (40<sup>th</sup>) was much slower than a vast majority of the states.

Government Transfers, also known as entitlement programs, also grew at a relatively slow rate (36<sup>th</sup>) compared to the other 49 states. Government Transfers include retirement benefits, medical benefits (Medicare and Medicaid), and welfare programs.<sup>3</sup>

The rankings are based upon the percentage increase from the previous year. Statistically, it is more difficult for an area with a large population or high wage to have a high percentage increase than a small area. Areas with a small basis can more easily have high percentage gains. From 1995 to 2005, Nevada ranked 1<sup>st</sup> in population growth rate. However, Nevada is a relatively sparsely populated state. Over the ten year period, it increased in population at the rate of about 200 people per day while Florida, over the same period of time, averaged 780 people per day.

As a result, it is appropriate to look at the actual amounts for the state to determine the significance of the growth rate rankings.

Florida, by 2004, has the 4<sup>th</sup> largest population, number of jobs, and total worker earnings among the 50 states. Its growth rate for each, which was one of the highest in the nation, is therefore very impressive.

<b><u>Actual Amount - 50 States</u></b>	<b><u>2004</u></b>	<b><u>Rank</u></b>
Population	17,385,430	4
Employment	9,691,455	4
Earnings	375,116,379	4
Annual Wages	38,706	29
Per Capita Personal Income	31,469	24
Per Capita Government Transfers	5,414	7
Per Capita Medicare	1,442	1
Per Capita Retirement Transfers	2,077	4

Remember, the growth rate for Government Transfers was relatively slow. This is an example of having a very high basis and being difficult to have high percentage increases. As you can see on the chart, Per Capita Government Transfers were the 7<sup>th</sup> highest among the 50 states. Per capita transfers relative to an older population (Medicare & Retirement) were the highest in the nation.

The slow growth rate for annual wages, which ranked 39<sup>th</sup>, should be of concern. The actual wage in Florida ranks 29<sup>th</sup> and in 2004 was only 87% of the national average wage. With such a low basis, a higher percentage increase would have been expected. Basically, while the state created a large number of jobs, the nature or character of the jobs were, for the most part, low wage jobs.

<sup>2</sup> To create the growth rates, the percentage increase is calculated for each year, averaged for the term, and ranked among the other 49 states.

<sup>3</sup> Please see Section 1 of the Historical, Comparative Economic Analysis for an explanation of Government Transfers.

## Workforce Composition

The issue of low wage jobs can be explored by examining the composition of the Florida workforce. Economies which have a high percentage of its workforce employed in high wage industries typically have a high wage economy. The workforce composition will reveal the nature of Florida's economy.

The chart below compares the Florida workforce to the nation by industrial sector.<sup>4</sup> The total number of jobs for each sector is shown for Florida and the percentage of the workforce is shown for both Florida and the USA. Also shown is the average wage for each and the percentage this wage is of the state or the USA for "All Workers." There are several interesting anomalies which need to be discussed.

<u>Florida Employment</u>	<u>Florida</u>			<u>Florida</u>		<u>USA</u>	
	<u>Jobs 2004</u>	<u>Florida Jobs %</u>	<u>USA Jobs %</u>	<u>Wages 2004</u>	<u>Florida Wage %</u>	<u>Wages 2004</u>	<u>USA Wage %</u>
All Workers	9,691,455			38,706		44,503	
Wage & Salaried Workers	7,980,825	82.3%	81.6%	34,935	90.3%	38,798	87.2%
Nonfarm proprietors	1,671,411	17.2%	17.2%	19,641	50.7%	29,250	65.7%
Retail Trade	1,123,257	11.6%	11.0%	27,123	70.1%	26,718	60.0%
Administrative and Waste Services	1,003,654	10.4%	6.0%	26,086	67.4%	27,139	61.0%
Health Care and Social Assistance	928,515	9.6%	9.9%	42,178	109.0%	41,732	93.8%
Accommodation and Food Services	727,910	7.5%	6.7%	19,826	51.2%	18,102	40.7%
Local Government	715,748	7.4%	8.1%	48,387	125.0%	46,728	105.0%
Construction	672,907	6.9%	6.0%	41,513	107.3%	45,869	103.1%
Professional and Technical Services	603,521	6.2%	6.4%	52,367	135.3%	62,600	140.7%
Other Services	601,985	6.2%	5.7%	22,184	57.3%	23,364	52.5%
Real Estate, Rental and Leasing	477,491	4.9%	3.7%	24,107	62.3%	31,051	69.8%
Finance and Insurance	474,969	4.9%	4.7%	54,529	140.9%	71,167	159.9%
Manufacturing	411,666	4.2%	8.7%	57,484	148.5%	65,803	147.9%
Wholesale Trade	354,241	3.7%	3.6%	58,831	152.0%	63,130	141.9%
Transportation and Warehousing	281,129	2.9%	3.2%	41,606	107.5%	46,560	104.6%
Arts, Entertainment, and Recreation	252,471	2.6%	2.0%	28,559	73.8%	23,387	52.6%
State Government	207,254	2.1%	3.0%	45,015	116.3%	48,406	108.8%
Information	191,204	2.0%	2.1%	67,006	173.1%	80,020	179.8%
Educational Services	141,417	1.5%	2.0%	27,916	72.1%	29,293	65.8%
Federal, civilian	124,053	1.3%	1.6%	85,968	222.1%	88,087	197.9%
Military	104,915	1.1%	1.2%	66,006	170.5%	57,918	130.1%
Farm	92,134	1.0%	1.7%	22,064	57.0%	21,560	48.4%
Forestry, Fishing, Agricultural Services	89,265	0.9%	0.6%	18,469	47.7%	27,112	60.9%
Management of Companies	73,079	0.8%	1.0%	81,686	211.0%	92,932	208.8%
Utilities	25,012	0.3%	0.3%	106,812	276.0%	136,521	306.8%
Mining	13,658	0.1%	0.5%	38,380	99.2%	82,730	185.9%

**Retail Trade:** The largest employment sector for both Florida and the USA is Retail Trade. Even though Florida has a large tourism industry which can drive retail sales, the percentage of Florida's retail workforce is only marginally larger than the national norm. Wages paid in retail are relatively higher in Florida than the nation. However, wages in retail are typically much lower than state or local average wages.

<sup>4</sup> The industrial sectors shown are based upon the North American Industrial Classification System. For an explanation of these sectors, please see Section 4 of the *Historical, Comparative Analysis*.

**Administrative and Support and Waste Management and Remediation Services:** One of the most glaring anomalies in Florida's workforce is the high percentage of workers employed in this sector. At 10.4%, it is the highest percentage of any state.

This sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. Data processing, call centers, travel agencies, and private security companies are examples. Private sector waste collection is included in this sector and comprises a very small percentage of the jobs.

Included within Administrative and Support is the subsector: "Employment Services." The Employment Services subsector includes Temporary Help Services (temporary rental of workers) and Employer Associations (full time workers with payroll processed by another entity). Employment Services comprises a vast majority of Florida workers in this Sector.

Nationally, approximately 44% of the workers employed in Administrative and Support work in subsector Employment Services; while in Florida it is 58%. Most of the jobs in this subsector in Florida are low skilled, low wage positions.

**Accommodations and Food Service:** This Sector includes all the hotels and motels, restaurants and taverns in the state. Florida's percentage of its workforce is higher than the national norm as a result of both the tourism industry and the retirement industry. However, the average wage in this Sector is the 2<sup>nd</sup> lowest in the state, just behind Forestry.

**Manufacturing:** Only 4.2% of Florida's workforce is employed in this high wage industry ranking 44<sup>th</sup> among the 50 states. This was not always the case. In 1987, 9.0% of Florida's workforce was employed in manufacturing. 1987 was the end of a ten year stretch over which Florida had an average annual increase of 4.0% in Manufacturing employment, the best record of any state.

However, since 1988, the state has had a net loss of more than 130,000 manufacturing jobs. While some of these were in the low wage textile and garment industry, mostly in Miami-Dade County, a much greater percentage were in the high wage computer and electronics, transportation equipment, and industrial equipment subsectors. While many of the low wage jobs "left the country," the high wage jobs which were lost in Florida were relocated to other states.

From a review of the composition of the workforce, we can see a preponderance of the state's workers is employed in low wage sectors. This causes the overall quality of the economy, or average wage, to be lower than national norms and other states.

### ***History of the Growth of Size and Quality***

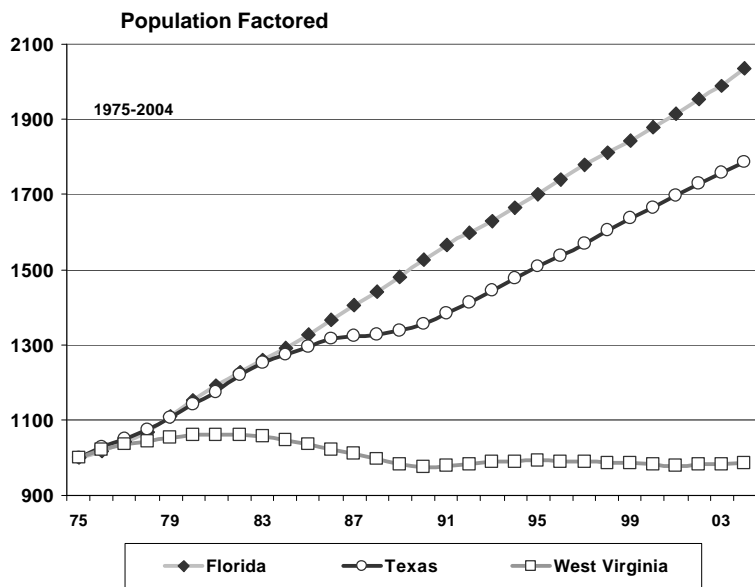
Florida's relative growth in size and quality can be graphed and compared to other areas. To visually compare the growth of the Florida economy to the rest of the nation, the data is "**factored.**" This simply means the percentage increase for each year is multiplied by a common number, or factor, which enables graphing all areas under common circumstances.

On the following graphs, Florida's growth over the last thirty years is compared to the states of Texas and West Virginia.<sup>5</sup> POLICOM has determined Texas has had the best growth in both size and quality of any state. Additionally, West Virginia has had the slowest growth.

### Population Growth (Size)

The population, the number of jobs and the total earnings of workers determine the size or volume of the economy. Some economies in the United States have grown rapidly in size, while others have not.

The graph compares the annual percentage increase in population (factored) for Florida, Texas, and West Virginia. From this graph, we can see Florida has had brisk, consistent growth in population for an extended period of time.

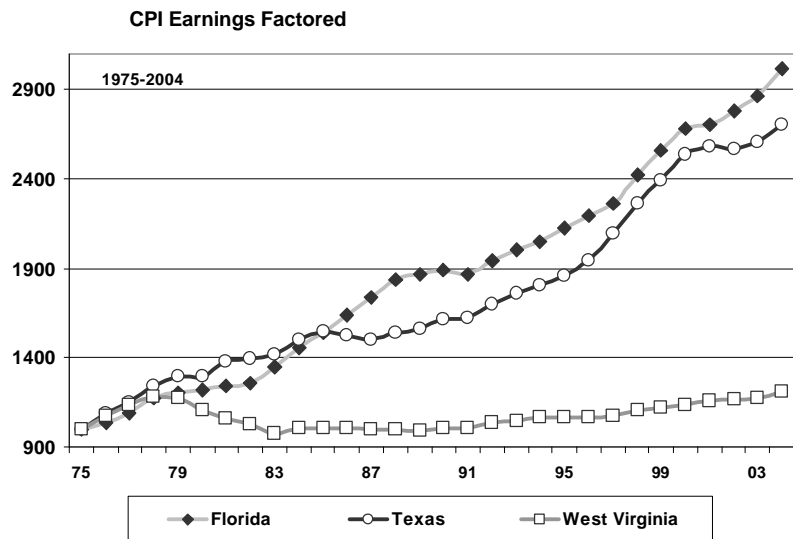


West Virginia, a weak economy, has declined in population and has fewer people living in the state than in 1975.

### Earnings Growth (Size)

Total worker earnings have been adjusted for inflation (brought to value of the 2004 dollar) prior to calculating the percentage increase and factoring.

The graph to the right shows the relative growth in the size of each economy from 1975. Once again, Florida has had rapid growth, faster than Texas.



The size of the West Virginia economy is not much larger than what it was 30 years ago after adjusting for inflation.

Note the line for Florida includes periodic dips which reflect the influence of the national recessions.

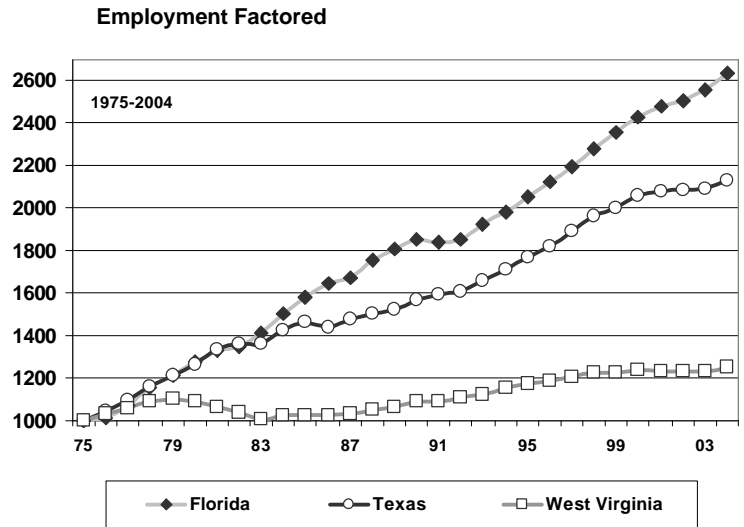
<sup>5</sup> For an explanation of how these graphs have been created, please see Section 2 of the *Historical, Comparative Economic Analysis*.

## Employment Growth (Size)

Relative employment growth for Florida has been faster than Texas. West Virginia has had little employment growth during the last thirty years.

The recessions had little influence on employment growth in either Florida or Texas except for the recession between 1988 and 1992 when employment declined in Florida.

From these three graphs, we can see Florida has grown in size at a very brisk rate.

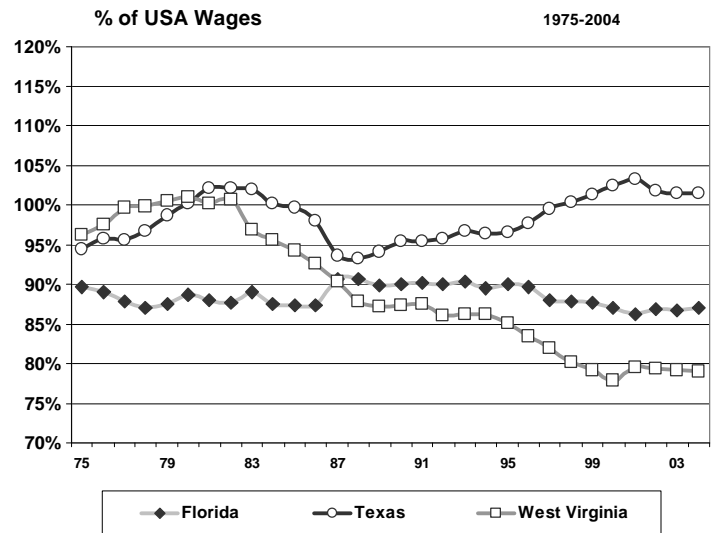


The following graphs will consider the quality of the growth. Local economies grow in both “quality” and “size.” The “quality” of an economy is essentially a measure of the “standard of living” of the people who live and work in the area. Basically what people earn determines their economic quality of life.

## Percentage of USA Wage (Quality)

The first means to measure the history of the growth in the quality of the economy is to examine Wages as a percentage of the nation.

As an example, if a state’s Wages are \$20,000 and the Wages for the nation are \$21,000, then the area’s Wages are 95% of the nation. Since the cost of living varies throughout the nation, it is not important for the state’s Wages to be as high as or greater than the national average.



What is important is maintaining or increasing the percentage over time. If the line goes up, Florida gained in quality relative to the nation. If the line goes down, it lost quality.

From the graph, we can see the percentage the Florida average wage is of the nation declined each year since 1993. In 1993, Florida’s average wage was 90% of the nation but fell to 87% in 2004. This is a fairly significant statistical change, given the size of the Florida economy.

The average wage in Texas increased against the nation for 15 straight years then leveled during the recession. Texas lost several thousand “high tech and petroleum” jobs during the recession causing this

decline. However, the state recaptured most of the lost jobs by June of 2006. By this measure, quality of the Texas economy has improved significantly.

Not only did West Virginia have little or no growth in the size of its economy, it declined significantly in quality. The average wage in this state was equal to the national average in 1980, but over the ensuing 25 years it fell to 79% of the USA average.

### Inflation Factored Wages

Another means to examine growth in quality is to measure Wages after adjusting for inflation. To visually see the change in growth, as with earnings, the results have been factored.

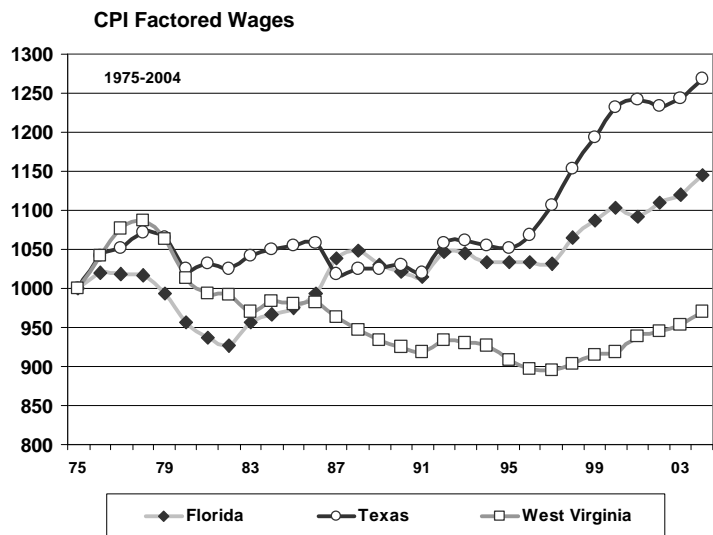
Inflation Factored Wages is a measure of how the area improved against itself. The “level” or basis of the economy begins in 1975.

Florida had a significant improvement in the quality of the economy from 1981 to 1988. This was the period of time when the state was growing rapidly in manufacturing employment, as previously discussed.

During the next ten years, the economy flat lined but began to improve in 1998. Over the next eight years, the quality improved relative to inflation (keep in mind, inflation was virtually non-existent during this period).

Texas, from 1992 to 2001 had significant improvement in its quality. West Virginia improved at about the same rate as Florida over the last ten years but is well below its level in 1975.

Overall, Florida has had very good growth in the size of its economy. However, as a result of creating a disproportionate number of low wage jobs, the overall quality of the economy has not improved for a very long time.



## ***Local Economies***

As previously mentioned, the economy of a state is the aggregation of many local economies which are likely behaving differently from the state average. It is quite likely not one of Florida's 67 counties posted growth percentages the same as the state's growth rates.

As an example, not one of Florida's 67 counties had an average wage the same as the state's \$38,706 in 2004. Nine of the counties had an average wage higher than the state average and 58 counties a lower average wage. Duval County had the highest average wage, \$44,118 which was 114% of the state wage. Glades County's average wage of \$17,544 was the lowest in the state and was less than half the Florida average.

To better understand the character of the local economies in Florida, the Economic Strength of the Metropolitan and Micropolitan areas will be reviewed.

### **Metropolitan – Micropolitan Areas**

As a result of the 2000 census, the Office of Management and Budget (OMB) created new geographic definitions for the *Metropolitan Statistical Areas* in the United States.

Additionally, an entirely new set of areas was created now know as *Micropolitan Statistical Areas*. For the geographic definitions of all Metro-Micropolitan areas, go to [www.policom.com](http://www.policom.com).

Metropolitan and Micropolitan areas are named after their largest cities.

**Metropolitan Statistical Areas** have at least one urbanized area with a population of at least 50,000, plus adjacent territory (counties) which have a high degree of social and economic integration with the core measured by commuting. They must have at minimum one county but most often include several counties.

There are now 361 Metropolitan Statistical Areas (METROS) in the United States plus 8 in Puerto Rico for an overall total of 369. Among the 3,142 counties in the United States, 1,090 are included in the 361 areas. Approximately 82% of the nation's population resides in the METROS.<sup>6</sup>

**Micropolitan Statistical Areas** did not exist prior to the new definitions.

Once looked upon as quasi rural areas, a Micropolitan Statistical Area must have an urbanized area (city) with a population of at least 10,000 but fewer than 50,000 people. They must be at least one county and most are a single county. Among the 3,142 counties in the United States, 674 of them are included in Micropolitan Statistical Areas (MICROS).

The OMB has identified 577 MICROS in the United States and 5 in Puerto Rico for a total of 580. Approximately 11% of the nation's population resides in the MICROS.

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<sup>6</sup> For a complete list of all the Metropolitan and Micropolitan areas and their respective definitions, go to [www.policom.com](http://www.policom.com).

## Economic Strength

Annually, POLICOM Corporation ranks the Metropolitan and Micropolitan areas for “Economic Strength.” Economic strength is the *“long-term tendency for an area to consistently grow in size and quality.”*

POLICOM reviews a 20 year history of each area for 28 different economic elements which reflect how an economy has behaved. The most recent five and ten year data history is given greater emphasis.

POLICOM places equal weight on the growth in size and quality and how consistently the growth has occurred. The following are the 10 strongest and weakest areas.

### Ten Strongest Metropolitan Areas

- 1 Charlotte-Gastonia-Concord, NC-SC (MSA)
- 2 Nashville-Davidson-Murfreesboro, TN (MSA)
- 3 Washington-Arlington-Alexandria, DC- (MSA)
- 4 Birmingham-Hoover, AL (MSA)
- 5 Minneapolis-St. Paul-Bloomington, MN-WI (MSA)
- 6 Atlanta-Sandy Springs-Marietta, GA (MSA)
- 7 Columbus, OH (MSA)
- 8 Phoenix-Mesa-Scottsdale, AZ (MSA)
- 9 Indianapolis-Carmel, IN (MSA)
- 10 Las Vegas-Paradise, NV (MSA)

### Ten Weakest Metropolitan Areas

- 361 Danville, IL (MSA)
- 360 Danville, VA (MSA)
- 359 Johnstown, PA (MSA)
- 358 Pocatello, ID (MSA)
- 357 Pascagoula, MS (MSA)
- 356 Odessa, TX (MSA)
- 355 Pine Bluff, AR (MSA)
- 354 Florence-Muscle Shoals, AL (MSA)
- 353 Grand Forks, ND-MN (MSA)
- 352 Houma-Bayou Cane-Thibodaux, LA (MSA)

### Ten Strongest Micropolitan Areas

- 1 Concord, NH (McrSA)
- 2 Lebanon, NH-VT (McrSA)
- 3 Hilton Head Island-Beaufort, SC (McrSA)
- 4 Edwards, CO (McrSA)
- 5 Easton, MD (McrSA)
- 6 Augusta-Waterville, ME (McrSA)
- 7 Helena, MT (McrSA)
- 8 Daphne-Fairhope, AL (McrSA)
- 9 Hilo, HI (McrSA)
- 10 Bozeman, MT (McrSA)

### Ten Weakest Micropolitan Areas

- 577 Pecos, TX (McrSA)
- 576 Tallulah, LA (McrSA)
- 575 Silver City, NM (McrSA)
- 574 Atchison, KS (McrSA)
- 573 Wauchula, FL (McrSA)
- 572 West Helena, AR (McrSA)
- 571 Williston, ND (McrSA)
- 570 Jennings, LA (McrSA)
- 569 Portales, NM (McrSA)
- 568 Maryville, MO (McrSA)

It should be noted the economic condition of the METROS is much stronger or better than the MICROS. POLICOM ranked the Ten Strongest Micropolitan Areas as if they were a METRO. Even though they were in the top ten as a MICRO, only three were ranked in the top 100 as a METRO.<sup>7</sup>

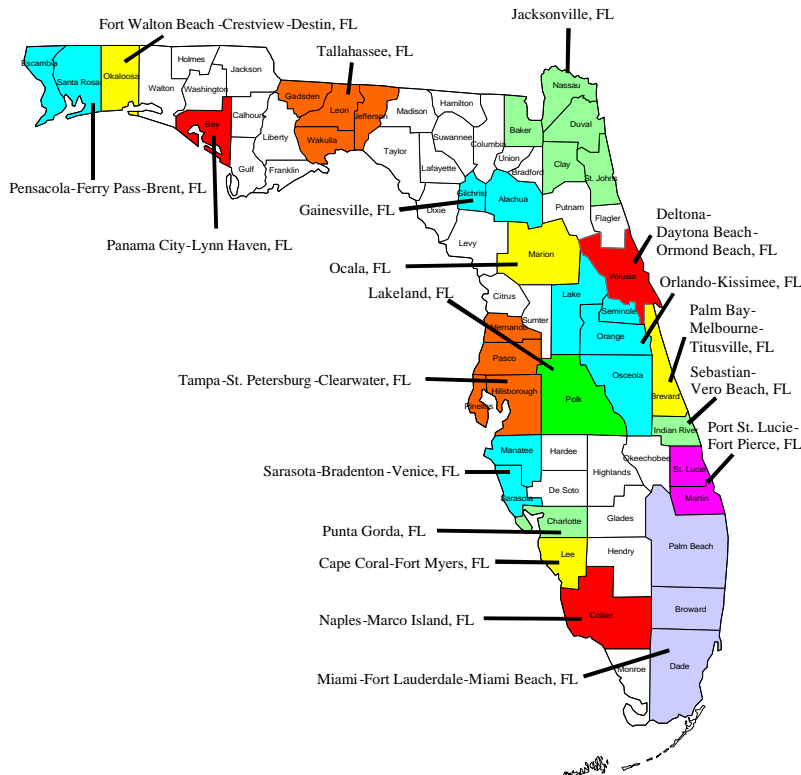
<sup>7</sup> For the Economic Strength Ranks for all areas and detailed methodology, go to [www.policom.com](http://www.policom.com) – metropolitan areas.

## Florida Metropolitan Areas

Florida has nineteen defined Metropolitan Statistical Areas. The following are their economic strength rankings along with a map of the state showing their location.

### Rank Florida Metropolitan Areas - X/361 areas

24	Orlando-Kissimmee, FL (MSA)
47	Tampa-St. Petersburg-Clearwater, FL (MSA)
57	Jacksonville, FL (MSA)
68	Naples-Marco Island, FL (MSA)
69	Cape Coral-Fort Myers, FL (MSA)
70	Miami-Fort Lauderdale-Miami Beach, FL (MSA)
118	Fort Walton Beach-Crestview-Destin, FL (MSA)
133	Tallahassee, FL (MSA)
141	Port St. Lucie-Fort Pierce, FL (MSA)
143	Ocala, FL (MSA)
166	Deltona-Daytona Beach-Ormond Beach, FL (MSA)
167	Sarasota-Bradenton-Venice, FL (MSA)
191	Gainesville, FL (MSA)
192	Panama City-Lynn Haven, FL (MSA)
199	Palm Bay-Melbourne-Titusville, FL (MSA)
209	Lakeland, FL (MSA)
248	Sebastian-Vero Beach, FL (MSA)
292	Pensacola-Ferry Pass-Brent, FL (MSA)
307	Punta Gorda, FL (MSA)



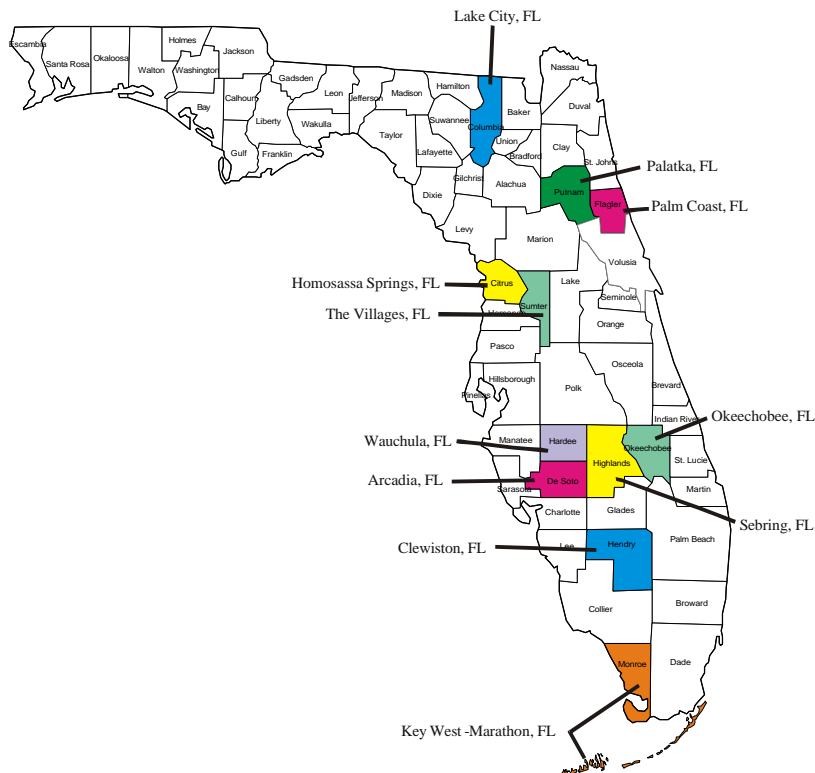
## Florida Micropolitan Areas

Florida has eleven defined Micropolitan Statistical Areas. The following are their economic strength rankings along with a map of the state showing their location.

### Rank Florida Micropolitan Areas - X/577 areas

86	Key West-Marathon, FL (McrSA)
124	Lake City, FL (McrSA)
131	Palm Coast, FL (McrSA)
270	Homosassa Springs, FL (McrSA)
320	The Villages, FL (McrSA)
422	Sebring, FL (McrSA)
474	Clewiston, FL (McrSA)
521	Okeechobee, FL (McrSA)
529	Palatka, FL (McrSA)
540	Arcadia, FL (McrSA)
573	Wauchula, FL (McrSA)

Keep in mind the overall strength of the Micropolitan Areas is much weaker than the Metropolitan areas. Key West, ranked 86<sup>th</sup> as a MICRO, would not be ranked better than 200 among the 361 METROS.



## Observations – Local Economies

**Rural Counties:** Counties in Florida which are not included in either a Metropolitan or Micropolitan area are principally agrarian in nature. In general, they have weak economies and have had little economic growth for the past 20 years.

**Orlando Area:** The Orlando Metropolitan area is one of the strongest economies in the nation. Best known for its tourism, its strength comes from rapid growth in high wage, high-tech manufacturing, research, corporate headquarters, and a host of quality business sectors not related to Mickey Mouse.

**Jacksonville Area:** Long a workhorse for the state, this area has a very strong economy based not only on transportation and the military, but also finance and insurance.

**Western Panhandle:** For many years, this region has been dominated by the military, tourism, and the timber industry. However, the manufacturing and distribution sectors are growing in the area. The development of the new Bay County Regional Airport will have a significant economic impact upon the entire region.

**Tampa Area:** Pinellas and Hillsborough Counties have extremely strong, diversified economies including manufacturing, corporate headquarters, research, finance, and insurance. Pasco and Hernando counties are growing rapidly in population and are becoming bedroom communities. Their economies depend upon Pinellas and Hillsborough.

**Southwest Florida:** All of the economies in this region have grown principally from the in-migration of retirement age individuals and 2<sup>nd</sup> home owners. Naples is ranked 68<sup>th</sup> for economic strength as a result of explosive growth. From 1999 to 2004, it had the 4<sup>th</sup> fastest growth in population, 2<sup>nd</sup> in jobs, and 13<sup>th</sup> in worker earnings among the 361 metropolitan areas. However, over the same period, wage growth ranked 334<sup>th</sup> and 2004 wages ranked 208<sup>th</sup>. Other areas in this region have similar characteristics.

However, Punta Gorda (Charlotte County) is ranked only 307<sup>th</sup> for economic strength. Overall growth, while similar to Naples in the past, has slowed significantly. The area now depends upon the retirement industry for its economy.

Charlotte County has the highest percentage of residents (33.1%) over the age of 65 than any metropolitan area in Florida (16.8%) or the nation (12.4%). The area has virtually no other industry driving the economy. As previously stated, the retirement and tourism industries promulgate the formation of low wage service and retail jobs. As a result, the area's average wage of \$27,367 is the lowest among the 361 metropolitan areas in the United States.

**South Central Region:** There are five Micropolitan areas located in this region, all ranked extremely low for economic strength. This region is almost totally dependent upon agriculture. However, since costs are very low in these communities, population growth will likely occur in the future.

**Southeast Region:** The Miami Metropolitan area includes Miami-Dade, Broward, and Palm Beach counties. While each has different characteristics, all are experiencing a transition from economies which were once built on industry to economies dependent on retirement, 2<sup>nd</sup> home ownership, and/or population growth.

Between 1998 and 2004, this region lost more than 70,000 manufacturing jobs. Some of the lost jobs were in the garment industry in Miami-Dade County and were “exported” offshore. However, a vast majority of the jobs were in high wage manufacturing sectors such as computers, semi-conductors, aviation, and medical equipment. Some of these jobs stayed within Florida, but a bulk of them were dispersed to other areas in the United States such as Austin, TX and Raleigh, NC.

Each county still has a presence of the finance and insurance sector and corporate headquarters. Additionally, the region is making a diligent effort to cause the bio-medical industry to grow in the area. This is a long-term program and competition for this industry is nationwide. At the present time, however, the region is becoming more and more dependent upon population growth for its economy.

In general, local economies in Florida have grown for different reasons. The areas with the highest economic strength rankings have diversified economies and the presence of several high wage industrial sectors. Some areas are ranked relatively high as a result of sheer growth caused by people moving to the area. Most of the areas which have low rankings are either retirement based economies or agricultural in nature.