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## Florida is best-positioned state for growing jobs long-term, Wells Fargo says

By Jeff Harrington, Times Staff Writer

*Things will be tough in the short term, an economic report says, but Florida will thrive in several years.*

Few expect a dramatic bounceback in Florida's economy any time soon.

But in the long term, Florida is the best-positioned state in the country to create jobs across a broad spectrum of industries, according to an analysis released Wednesday.

Given Florida's reputation as a state tethered to tourism and retail jobs, the report may come as something of a surprise.

"Many people don't realize just how diverse Florida's economy is," said Wells Fargo senior economist Mark Vitner, who co-authored the report with economist Michael Brown and economic analyst Sarah Watt.

"The Sunshine State is currently battling back from one of its deepest recessions ever, and more time will be needed before strong growth returns," the report said. "But strong growth will most assuredly return, and when it does, there is apt to be a better mix of industries."

Indeed, Vitner sees Florida outpacing national average growth in 22 of the 25 industries studied - including high-growth industries like professional and technical services, finance/insurance, and health care. Next-highest states on the list were Georgia and North Carolina, forecast to beat national growth averages in 21 industries.

The absence of economic diversity became painfully obvious in Florida during the Great Recession, when the state lost 350,000 jobs in the construction industry alone.

That left Florida in such a deep hole that its unemployment rate is not expected to fall into a more palatable 6 percent range until 2018 or 2019.

Florida's predicted renaissance, like its past booms and busts, is tied to demographics. When retirees and job seekers begin flowing South again to buy Florida's now-cheaper real estate, the rising population will increase demand in a variety of industries, including local and state government, retail, tourism and health care, Vitner said.

Not surprisingly, many of the jobs will likely be lower-paying ones. In the health care sector, for instance, Vitner anticipates continued growth in home health aides in tandem with aging Baby Boomers.

But there are opportunities in higher-wage jobs, as well, notably life sciences, which the report singles out as "one of the more promising sectors" statewide. "The influx of new medical research facilities will help re-

invigorate R&D job growth in Florida, helping further diversify the state's economy," the report concluded, citing investments at Scripps Research and the Max Planck Institute in Palm Beach County, the Torrey Pines Institute for Molecular Studies in Port St. Lucie and the development of Medical City in Orlando.

Vitner, who has tracked Florida's economy for more than 20 years, readily acknowledged the state has problems that will persist. Of immediate concern are its unemployment rate of 11.5 percent and a depressed housing market wallowing in foreclosures and short sales.

Longer term, two of the state's biggest obstacles are a hurricane-threatened property insurance market and an underperforming educational system, he said. "We need to find a way to increase the skill sets of the Florida work force," Vitner said. "Right now, Florida has a large number of low-paying jobs, and it has a large supply of unskilled workers."

The report offered some hope, however, that Florida's efforts to enhance its university system with more cutting-edge research "should pay off with an even better mix of high-growth industries in future years."

Vitner said the analysis did not incorporate Florida Gov. Rick Scott's jobs strategy of cutting taxes, cutting regulations and cutting state jobs. "But I would say that his efforts are at least mildly supportive of enhancing job creation," he added. "They may do more than that â□| but what happens with the federal government is probably a bigger issue."

### **How Florida is expected to grow**

Wells Fargo is the second-largest bank operating in Florida thanks to its acquisition of Wachovia Corp. It's in the midst of a major advertising push, refurbishing and rebranding its 668-branch network across Florida under the Wells Fargo name.

It economists predict that Florida in coming years will grow at a faster pace than the national average in a wide variety of industries, many of them high-growth industries. They include:

Farm

Forestry, fishing, and related activities

Mining

Utilities

Construction

Wholesale trade

Retail trade

Transportation and warehousing

Information

Finance and insurance\*

Real estate

Professional and technical services\*

Management of companies and enterprises

Administrative and waste services

Educational services

Health care and social assistance\*

Arts, design, and entertainment

Accommodation and food services\*

Services except public administration\*

Federal civilian

State and local\*

Military

\*High-growth industries

*Source: Wells Fargo Securities*

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