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Why Jacksonville's economic indicators lead most of Florida

BY WAYNE EZELL | STORY UPDATED AT 7:32 AM ON MONDAY, AUG. 3, 2009



Which of these Florida cities - Orlando, Tampa, Miami or Jacksonville - would you suppose has the highest per capita income? Which of the three would you guess has the least unemployment? How about the least drop in home prices in the last couple of years?

Finally, which of the three do you suppose is predicted to enjoy the greatest rate of job growth in the coming three years?

If you answered Jacksonville, correctly, to all of those questions, you may be among those who appreciate just how much the area has going for it.

One more question: Why does Jacksonville lead much of the rest of Florida in such important economic indicators? Some reasons may not be so obvious.

Right off, the Navy's workforce provides important ballast in good times and bad. Other government jobs - local, state and federal - pack a lot of payroll that doesn't decline much even in a recession.

But the area is set apart by jobs in three other areas: health care and related industries; logistics, including wholesale trade, warehousing and transportation (sea, air, truck and rail); and finance and insurance. Add to that an array of small businesses, many of which support and are dependent upon all of the above.

Do not underestimate the strength of the workforce and the relatively high-paying jobs that have been lured here or encouraged to expand here in recent years by an effective economic development program that has successfully marketed this place to help create thousands of jobs.

Available labor, relatively low taxes, an ideal climate, access to transportation and other factors - coupled with the savvy use of financial incentives - provide a favorable climate for this area to continue job growth.

One area especially ripe for job growth, but which many may underestimate, is health care and related industries. That's according to Henry Luke, president of Lukevision, who has assisted Jacksonville and a host of communities across the nation in strategic planning.

In a recent report to the Healthcare and Bioscience Council of Northeast Florida, Luke provided data showing how the Jacksonville area leads the so-called I-4 Technology Corridor in per capita income, while suffering less in joblessness. It also

leads the Miami-Dade area, but Luke's point goes to how the First Coast shapes up compared to the Central Florida area that has a sharply focused agenda tied to technology.

Much of the favorable comparison can be traced to the fact that about one of every six employees in the Jacksonville metro area already works in health care, bioscience and related industries. Think of that as about 94,000 employees with average wages above the area's average.

What's referred to as the area's "Bioscience and Healthcare Cluster" obviously includes its hospitals, such as Baptist Health, Shands Jacksonville and Mayo Clinic Florida and St. Vincent's HealthCare.

It also includes Availity, an electronic data interchange clearinghouse that processes more than 600 million claims and other health-related transactions annually. Also in the mix is Vistakon, which manufactures disposable contact lens, and the multi-billion dollar Nemours Foundation that is headquartered here.

Research funding

Then there's research dollars invested in the local economy. The University of North Florida's Center for Global Health and Medical Diplomacy calculates that this area generates an identifiable \$77 million in research annually. That includes Mayo Clinic, UNF, Shands Jacksonville and Nemours. By comparison, universities in the I-4 Technology Corridor generate \$394 million in research funds.

But add the \$557 million from the University of Florida in nearby Gainesville, and the Northeast Florida area accounts for about \$634 million in research funds.

The Jacksonville research numbers do not include private research by health-related companies based here.

The Healthcare and Biosciences Council, which grew out of a conference hosted two years ago by the Center for Global Health and Medical Diplomacy, aims to foster greater collaboration among area health-related entities, to provide better access to regional health care and to ramp up research and bioscience initiatives in the Jacksonville to Gainesville corridor.

To expedite job growth, Luke recommended the council set a benchmark for increasing research funding by 20 percent per year, which would double research in four years.

He urged the council to increase community-wide awareness of health care's potential as an economic driver and work more aggressively to leverage that potential, which would be consistent with the council's goals of promoting greater collaboration among the research institutions.

How well the area develops its health-related industry may help determine the accuracy of a prediction last month by Sean Snaith, director of University of Central Florida's Institute for Economic Competitiveness, which issues quarterly economic summaries and forecasts.

Jacksonville's average annual wage will continue to be among the highest in the state, Snaith said. And in part because of its robust health-related enterprises, he predicted the area's average wage growth will be 2.7 percent during the next three years - the highest in the state.