

ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS POLICY COUNCIL

Meeting Packet

**Tuesday, October 6, 2009
2:45 P.M. – 3:30 P.M.
404 HOB**

LARRY CRETUL
Speaker

DAVE MURZIN
Chair



The Florida House of Representatives
Economic Development & Community Affairs Policy Council

Larry Cretul
Speaker

Dave Murzin
Chair

AGENDA

October 6, 2009
404 House Office Building
2:45 p.m. – 3:30 p.m.

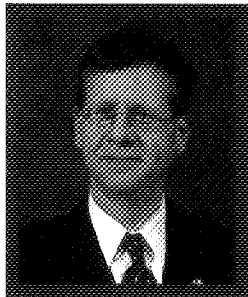
- I. CALL TO ORDER AND WELCOME REMARKS**
- II. INTRODUCTION OF COUNCIL MEMBERS**
- III. FLORIDA'S EMPLOYMENT OUTLOOK**
Amy Baker, Coordinator, Legislative Office of Economic and Demographic Research
- IV. WORKFORCE EFFORTS TO ADDRESS TODAY'S NEEDS AND TOMORROW'S TALENT**
Chris Hart, President, Workforce Florida, Inc.
Rusty Skinner, Chief Executive Officer, CLM Workforce Connection
- V. ADJOURNMENT**



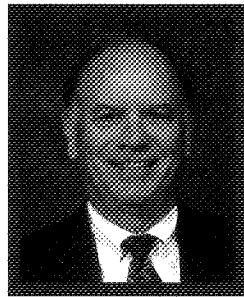
Florida House of Representatives

Economic Development & Community Affairs

POLICY COUNCIL



Rep. Dave Murzin,
Chair



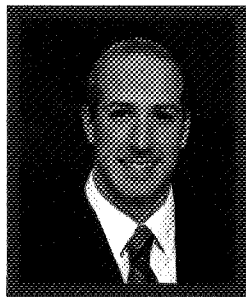
Rep. Ed Hooper,
Vice Chair



Rep. Geraldine Thompson
Democratic Ranking
Member



Rep. Gary Aubuchon



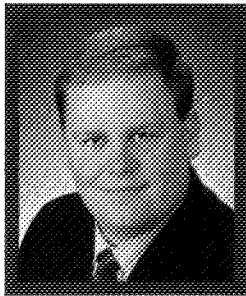
Rep. Joseph Abruzzo



Rep. Oscar Braynon II



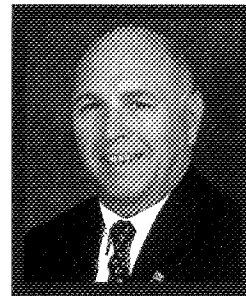
Rep. Jennifer Carroll



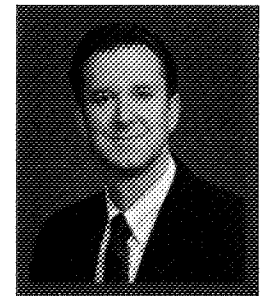
Rep. Chris Dorworth



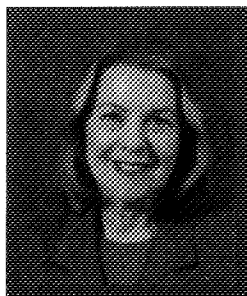
Rep. Eric Eisnaugle



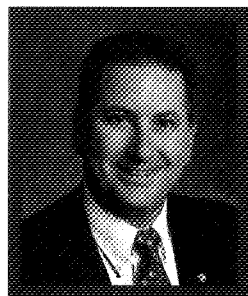
Rep. Richard Glorioso



Rep. Mike Horner



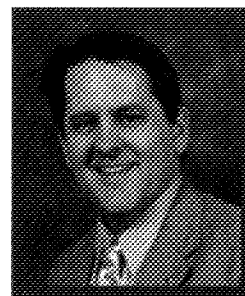
Rep. Dorothy Hukill



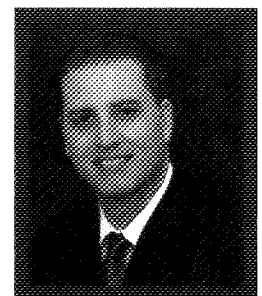
Rep. Rick Kriseman



Rep. Janet Long

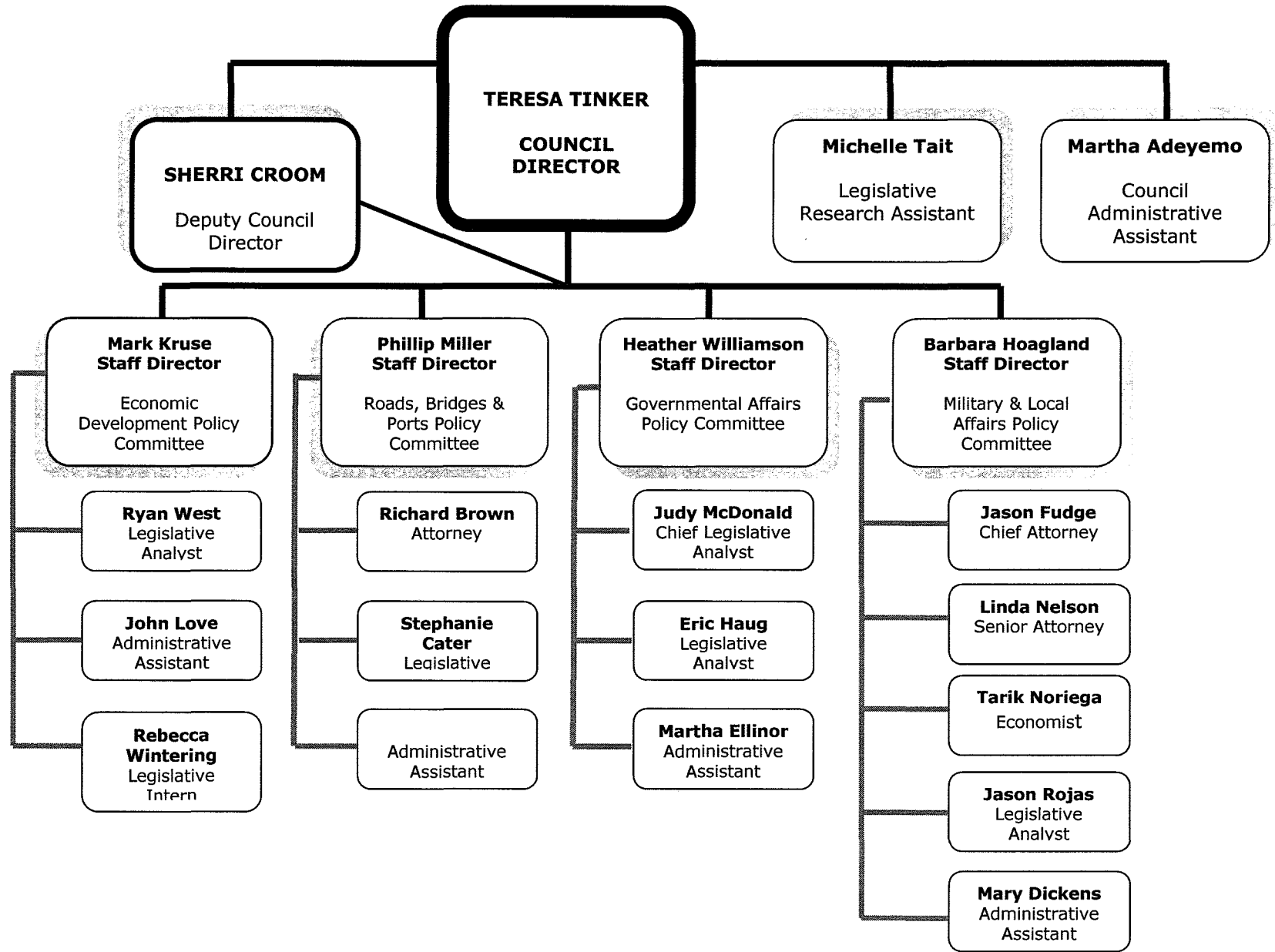


Rep. Charles
McBurney



Rep. Robert
Schenck

ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS POLICY COUNCIL



Economic Development & Community Affairs Policy Council

204 HOB – 488-3041

Teresa Tinker, Council Director

Sherri Croom, Deputy Council Director

Michelle Tait, Legislative Research Assistant

Martha Adeyemo, Council Administrative Assistant

➤ **Economic Development Policy Committee -- 414-9782 - 204 HOB**

- Mark Kruse, Staff Director
- Ryan West, Legislative Analyst
- Rebecca Wintering, Legislative Intern
- John Love, Administrative Assistant

➤ **Roads, Bridges & Ports Policy Committee -- 488-3483 – 218 HOB**

- Phillip Miller, Staff Director
- Richard Brown, Attorney
- Stephanie Cater Johnson, Legislative Analyst
- Administrative Assistant

➤ **Governmental Affairs Policy Committee -- 488-1791 - 209 HOB**

- Heather Williamson, Staff Director
- Judy McDonald, Chief Legislative Analyst
- Eric Haug, Legislative Analyst
- Martha Ellinor, Administrative Assistant

➤ **Military and Local Affairs Policy Committee -- 410-4905 – 210 HOB**

- Barbara Hoagland, Staff Director
- Jason Fudge, Attorney
- Linda Nelson, Attorney
- Tarik Noriega, Economist
- Jason Rojas, Legislative Analyst
- Mary Dickens, Administrative Assistant

Florida: Employment Outlook

**Economic Development &
Community Affairs Policy Council**

October 6, 2009

Presented by:



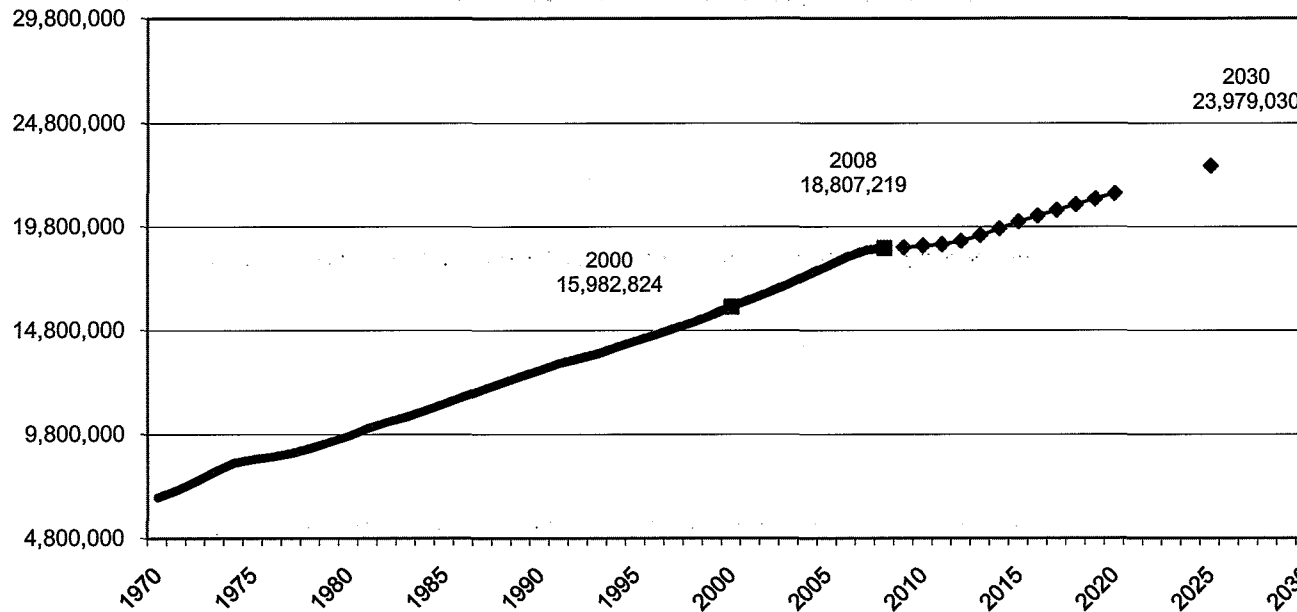
The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

Population Growth Slowing

- Population growth is the state's primary engine of economic growth, fueling both **employment** and income growth.
- Population growth hovered between 2.0% and 2.6% from the mid 1990's to 2006, then began to slow – only reaching 0.7% in 2008. In the short term, population growth is forecast to remain relatively flat – averaging 0.4% between 2008 and 2012. Population growth is expected to rebound in the future – averaging 1.1% between 2025 and 2030.
- The future will be different from the past; the long-term growth rate between 1970 and 1995 was over 3%.
- Florida is still on track to break the 20 million mark in 2015, becoming the third most populous state sometime before then – surpassing New York.



Florida's April 1 Population

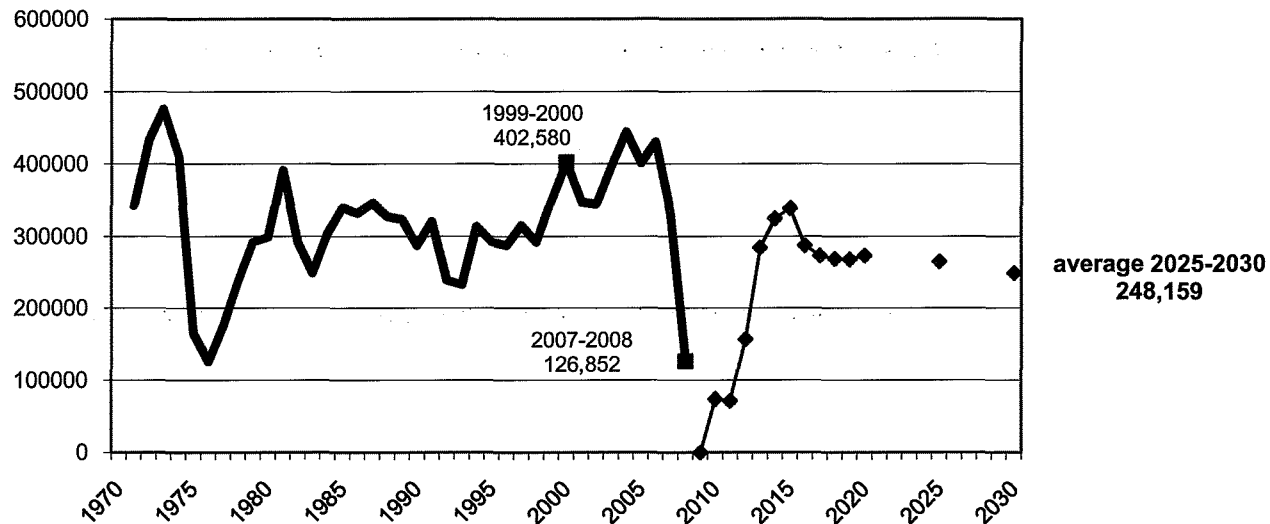


Florida's population:

- was 15,982,824 in 2000
- was 18,807,219 in 2008
- is forecast to grow to 23,979,030 by 2030



Florida's Population Growth



Population increased by:

- 445,224 between 2003 and 2004
- 126,852 between 2007 and 2008

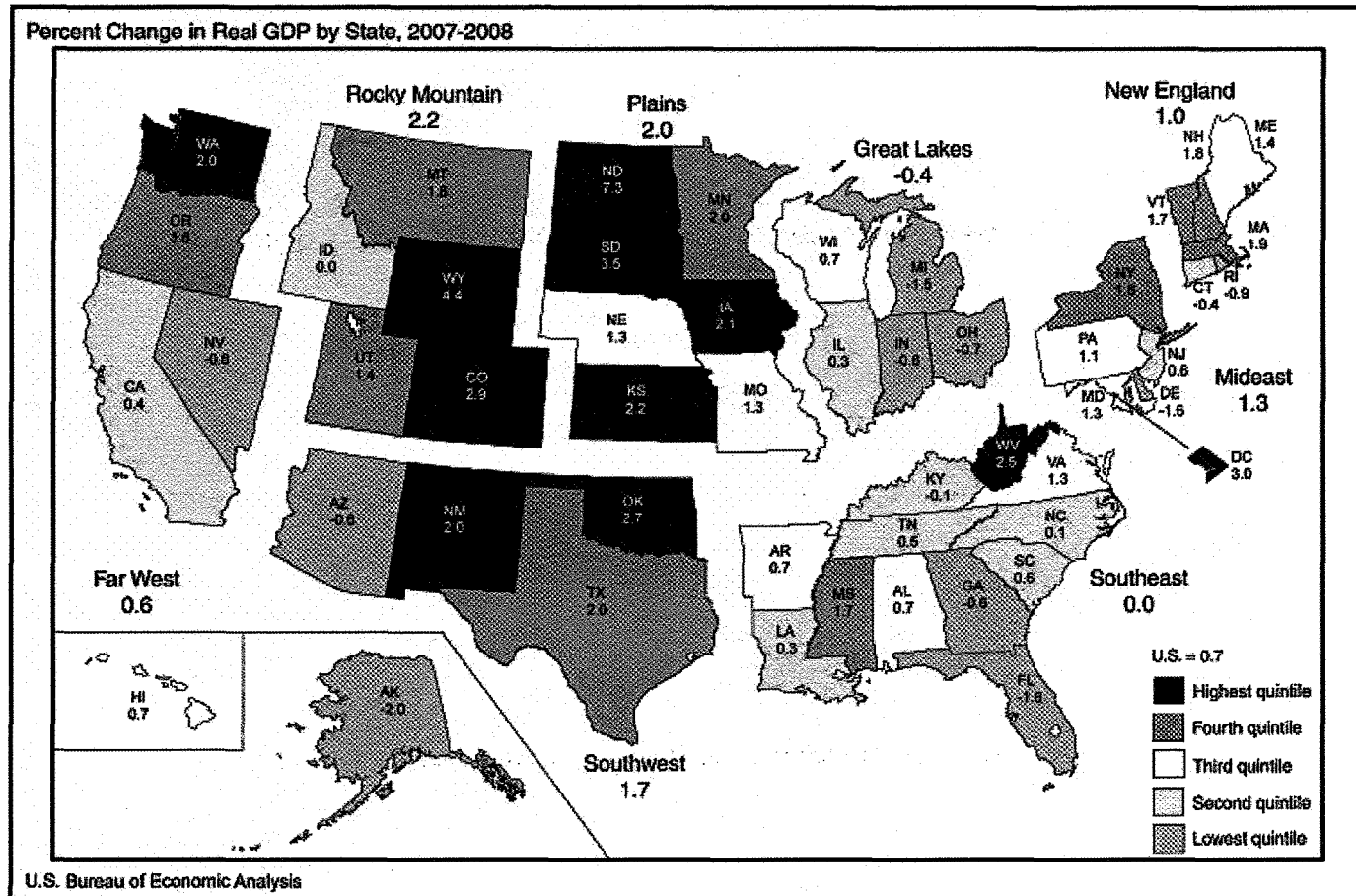
Population is forecast to increase on average by:

- -0- between 2008 and 2009 (likely revised to -58,000)
- 74,226 between 2009 and 2010
- 71,705 between 2010 and 2011
- 156,825 between 2011 and 2012
- 283,580 between 2012 and 2013

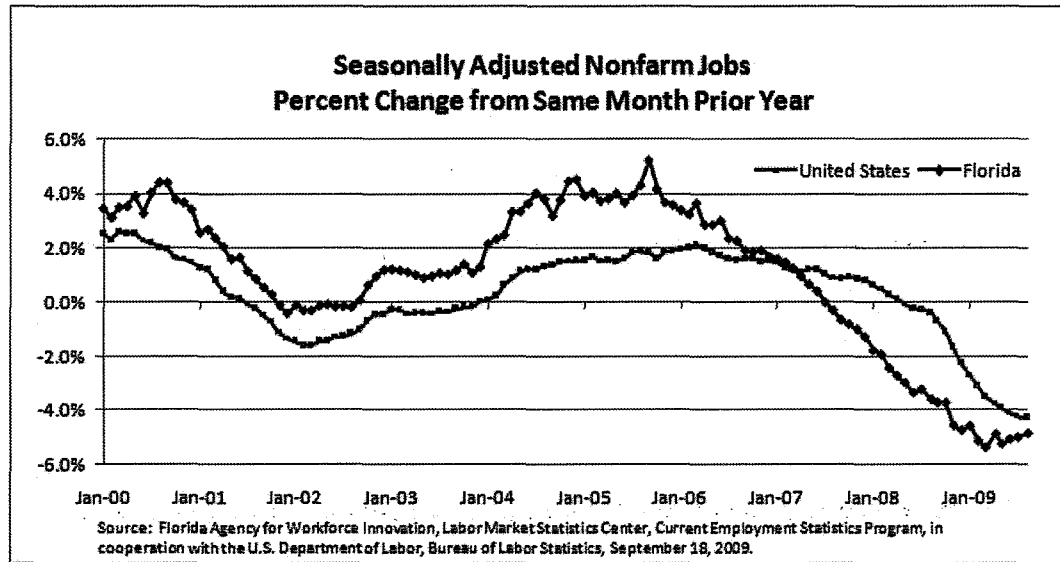


Economy Lost Ground in 2008

- Florida's growth is now declining. State Gross Domestic Product (GDP) ranked us 48th in the nation in real growth with a decline of (-1.6%) in 2008. In 2005, we were ranked 2nd in the nation.



Employment Worsens

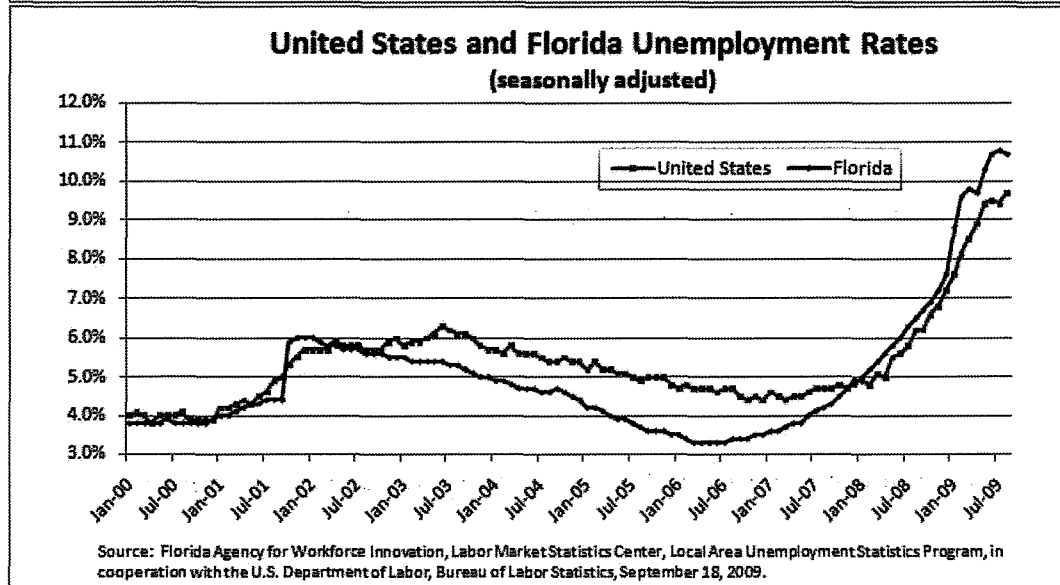


August (YOY)

US -4.3%
FL -4.8%
(-372,700 jobs)

Recent Best

Sept 2005: +5.2%



August

US 9.7%
FL 10.7%
(984,000 people)

Recent Best

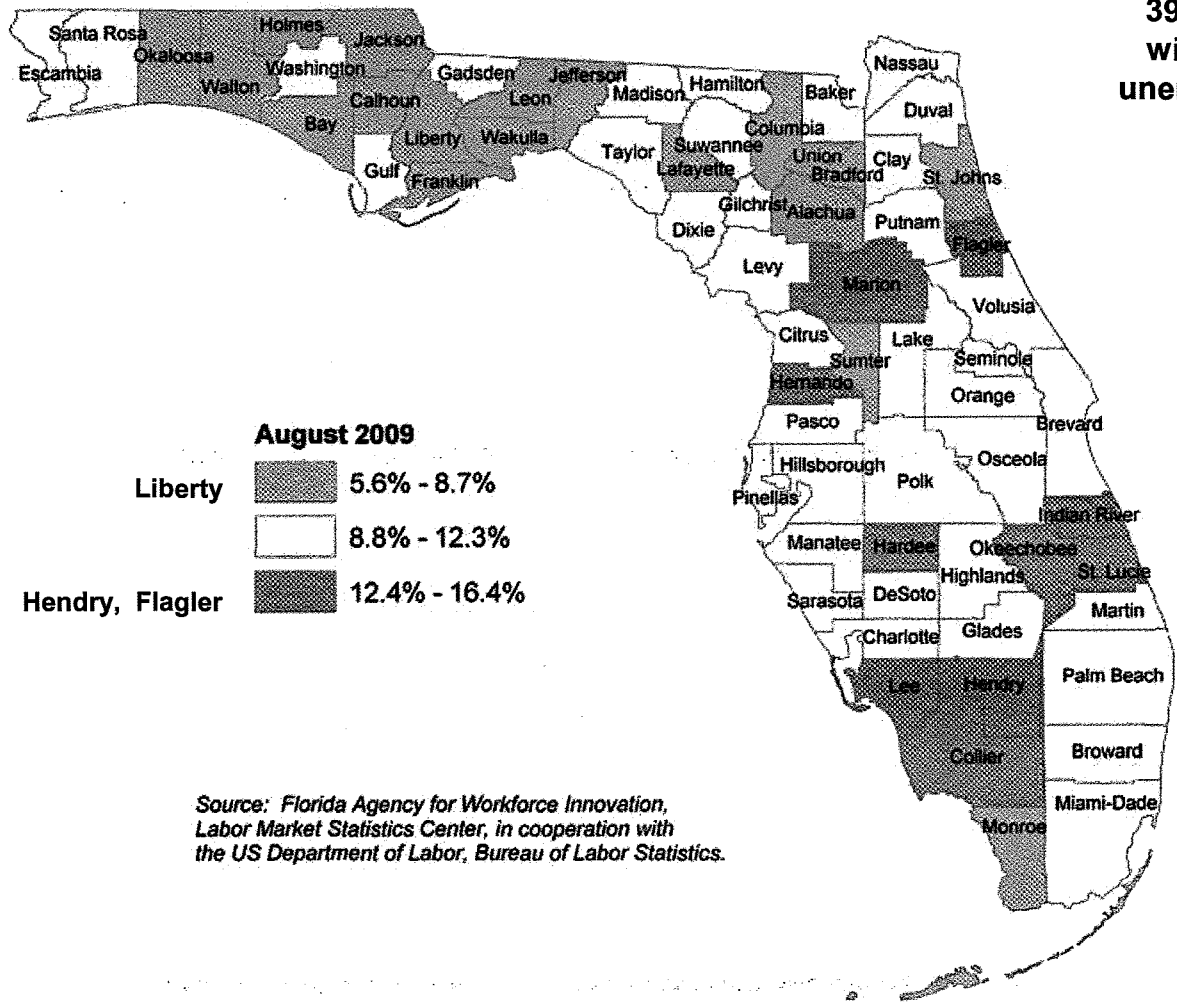
July 2006: 3.3%

Projected Bottom

FL 11.0%
Spring, 2010



Unemployment Rates



39 of 67 counties with double-digit unemployment rates

August 2009

Liberty	5.6% - 8.7%
	8.8% - 12.3%
Hendry, Flagler	12.4% - 16.4%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center, in cooperation with the US Department of Labor, Bureau of Labor Statistics.



Industry Impacts

All major industry sectors except private education and health services are currently in decline. Over the last year...

- *Professional and business services lost 93,300 jobs;*
- *Trade, transportation, and utilities lost 85,100 jobs;*
- *Construction lost 62,700 jobs;*
- *Manufacturing was down by 45,000 jobs;*
- *Leisure and hospitality declined by 35,200 jobs;*
- *Financial activities was down by 28,900 jobs;*
- *Information lost 12,600 jobs;*
- *Total government declined by 8,900 jobs; and*
- *Other services lost 5,600 jobs.*

Sector Shares Changing

Percent of Total Employment by Major Industry				
	United States		Florida	
	2005	2008	2005	2008
Total, All Industries				
Natural Resources and Mining	1.3%	1.4%	1.3%	1.2%
Construction	5.5%	5.3%	7.5%	6.7%
Manufacturing	10.8%	9.9%	5.2%	4.8%
Trade, Transportation, and Utilities	19.5%	19.4%	20.1%	20.5%
Information	2.3%	2.2%	2.2%	2.0%
Financial Activities	6.1%	5.9%	6.8%	6.8%
Professional and Business Services	12.8%	13.1%	17.1%	14.9%
Education and Health Services	12.5%	13.3%	11.7%	13.2%
Leisure and Hospitality	9.7%	9.9%	11.4%	12.3%
Other Services	3.3%	3.3%	3.1%	3.3%
Government	15.9%	16.0%	13.6%	14.1%

Percentages do not add to 100.0% as some businesses are not classified in an industry.
 Sources: Quarterly Census of Employment and Wages from the US Department of Labor, Bureau of Labor Statistics
 and the Agency for Workforce Innovation, Labor Market Statistics Center.
 Preliminary 2008



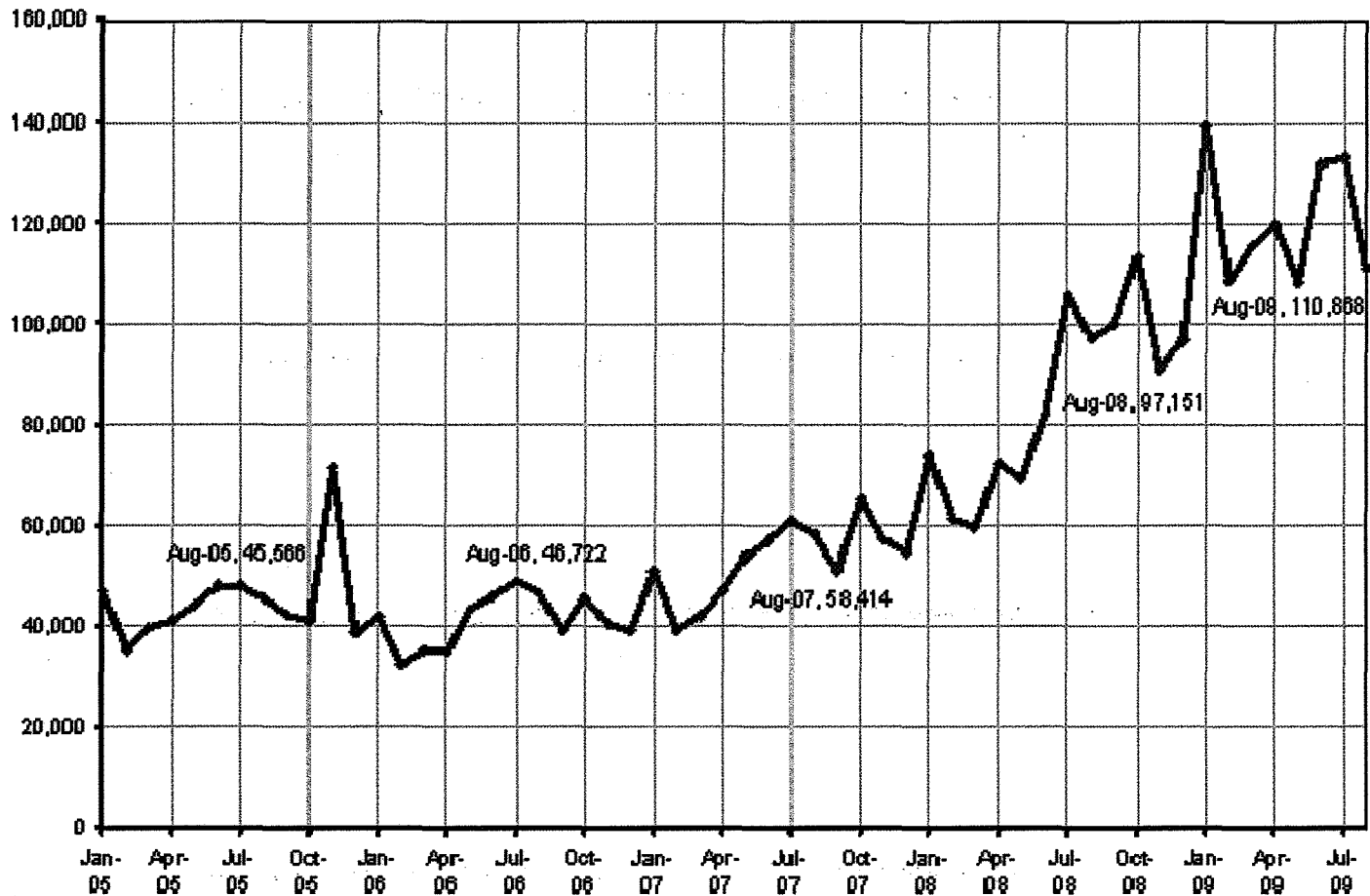
Wages Falling as Share of US

FLORIDA AVERAGE ANNUAL WAGES AS A PERCENT OF THE U.S.

	2001	2002	2003	2004	2005	2006	2007	2008*
Total All Industries	87.1%	88.2%	88.8%	89.4%	90.5%	90.5%	89.4%	89.0%
Total Private	85.8%	87.1%	87.8%	88.0%	89.1%	89.1%	87.8%	87.3%
Agriculture, Forestry, Fishing and Hunting	90.0%	88.5%	88.4%	91.7%	91.9%	94.2%	89.4%	85.9%
Mining, Quarrying, and Oil and Gas Extraction	75.0%	76.2%	73.8%	70.4%	68.2%	69.0%	69.3%	64.1%
Utilities	90.8%	91.4%	93.1%	90.8%	89.0%	82.8%	81.9%	86.4%
Construction	87.5%	87.4%	89.3%	90.5%	91.0%	91.6%	89.0%	85.7%
Manufacturing	88.4%	89.3%	89.1%	88.7%	88.1%	88.9%	88.7%	89.4%
Wholesale Trade	93.5%	93.6%	94.3%	94.5%	95.5%	96.3%	94.5%	94.4%
Retail Trade	99.9%	100.2%	100.7%	101.7%	103.6%	103.8%	101.5%	100.9%
Transportation and Warehousing	93.1%	93.5%	95.0%	95.3%	96.2%	97.2%	96.4%	97.0%
Information	81.0%	82.2%	81.8%	84.0%	84.1%	83.4%	82.3%	82.2%
Finance and Insurance	76.9%	80.7%	82.5%	80.1%	80.7%	78.5%	75.9%	75.1%
Real Estate and Rental and Leasing	92.2%	92.7%	95.8%	96.0%	99.1%	94.6%	91.8%	89.3%
Professional and Technical Services	84.6%	84.8%	84.1%	84.7%	85.3%	85.9%	84.8%	84.1%
Management of Companies and Enterprises	88.0%	88.6%	91.3%	89.1%	94.3%	94.0%	93.2%	87.3%
Administrative and Waste Services	92.9%	95.3%	94.4%	94.8%	96.8%	97.2%	95.3%	94.4%
Educational Services	86.2%	86.0%	86.4%	87.9%	88.1%	88.9%	89.1%	88.3%
Health Care and Social Assistance	102.4%	102.3%	102.8%	103.2%	103.3%	103.2%	102.9%	102.0%
Arts, Entertainment, and Recreation	103.4%	102.0%	103.7%	104.8%	104.6%	102.0%	101.9%	103.3%
Accommodation and Food Services	106.4%	105.8%	107.4%	108.3%	111.4%	111.8%	111.5%	109.7%
Other Services, except Public Administration	95.7%	95.0%	96.7%	98.1%	99.6%	100.2%	99.7%	99.2%
Total Government	95.0%	95.2%	95.5%	98.3%	99.2%	99.3%	99.4%	99.7%
Federal Government	96.6%	97.2%	96.3%	97.2%	95.7%	95.7%	95.3%	95.4%
State Government	79.2%	79.7%	80.1%	84.8%	88.0%	90.0%	91.1%	87.3%
Local Government	101.3%	101.3%	101.6%	104.1%	104.9%	104.3%	104.4%	105.6%

Unemployment Comp Claims

Florida Initial Claims January 2005 - Present



Source: Florida Agency for Workforce Innovation, Unemployment Compensation Program



Recession – A Little Longer

- United States economy has officially been in a recession since December 2007.
- The longest recession now on record – and projected to last until the Spring of 2010.

Recessions since the Great Depression

<u>Recession</u>	<u>Duration</u>	<u>Recession</u>	<u>Duration</u>
2001	8 mos	1960-1961	10 mos
1990-1991	8 mos	1957-1958	8 mos
1981-1982	16 mos	1953-1954	10 mos
1980	6 mos	1948-1949	11 mos
1973-1975	16 mos	1945	8 mos
1969-1970	11 mos	1937-1938	13 mos

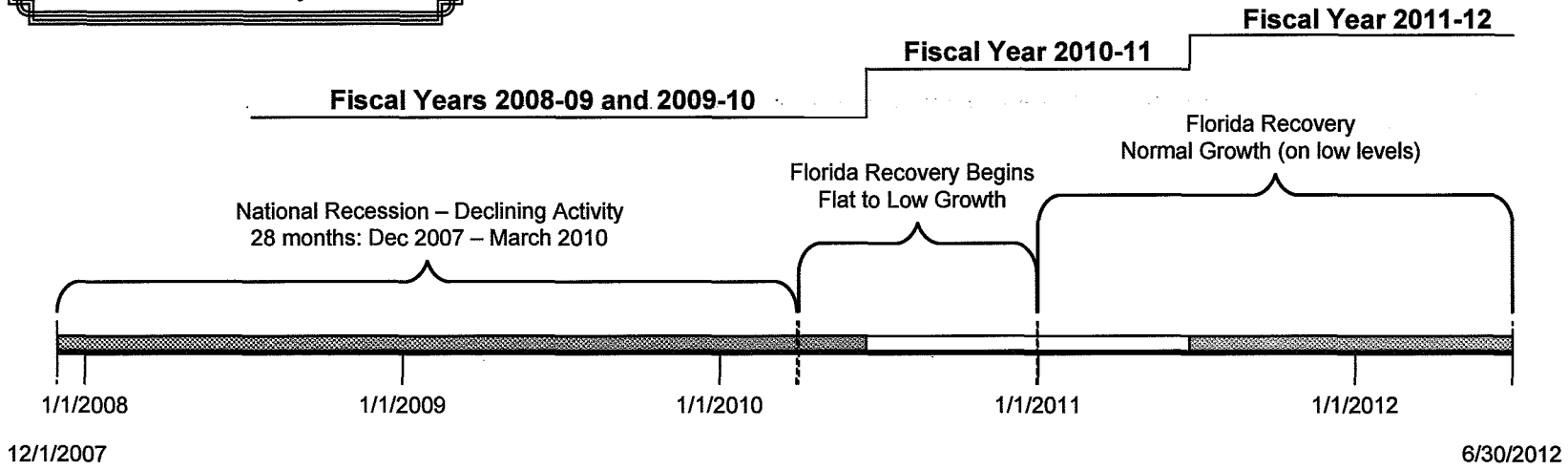


The Reasons...

- Drags are more persistent relative to some past events, and strength will be slow to return.
- Credit Market, while much improved, remains sluggish and still difficult to access.
- Global recessionary conditions affect international migration, tourism and spending decisions, as well as exports.
- U.S. Consumers are responding to massive wealth destruction and tighter credit conditions.
- Recovery in the Florida housing market is not anticipated to begin until the latter half of Fiscal Year 2010-11.



Florida Recovery Timeline
 Summer 2009 Projections



Fiscal Years 2008-09 and 2009-10

National GDP has negative growth of -1.7%.
 National consumer price index is flat.
 National consumer spending is flat.
 Standard & Poor's Index is negative.
 Florida has virtually zero population growth.
 Florida personal income declines.
 Florida employment declines.
 Florida unemployment rate peaks at 10.9%.
 Florida housing starts decline.
 Florida registration of new light vehicles declines.
 Florida visitors decline.

Fiscal Year 2010-11

National GDP has weak growth.
 Florida population still has virtually no growth.
 Florida personal income has weak growth.
 Florida employment has weak growth.
 Florida unemployment rate is only slightly off the peak.
 Florida private housing starts enter positive territory.

Fiscal Year 2011-12

Most Florida measures return to normal or accelerated growth rates.
 Florida population growth is still weak.
 Florida unemployment rate improves slowly.



Near-Term Employment Forecast

- Overall **employment** is projected to decline a further -3.0% in Fiscal Year 2009-10 and then increase by 1.4% in Fiscal Year 2010-11, 3.3% in Fiscal Year 2011-12, and 2.9% in 2012-13.
- Job **restoration** in the construction, manufacturing, information and government sectors will lag behind the other areas – not returning to positive annual growth until Fiscal Year 2011-12.
- The **unemployment rate** for Fiscal Year 2010-11 is projected to be 10.8%, followed by 9.9% in Fiscal Year 2011-12 and 9.1% in Fiscal Year 2012-13. *(As things improve, more people will seek jobs...)*
- The Florida forecast generally matches the national forecast, except the national unemployment rate peaks at a lower level, and Florida's job growth – once **recovery** begins – is a little faster.

Long-Term Workforce Trends

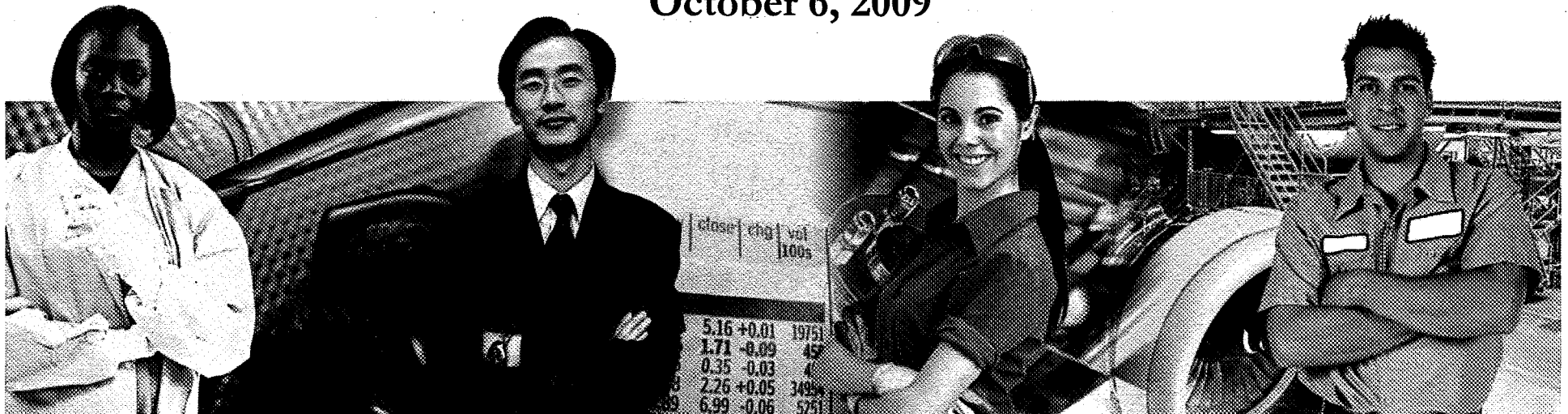
- The ratio of taxpaying workers to retirees will fall as baby boomers age:
 - US today, 4:1
 - FL today, 3:1
 - FL in 2030, 2:1
- Pool of native workers will shrink: new retirees will not be fully replaced by younger workers.
- Worker shortages (especially among highly educated and skilled) will become the norm.



Workforce Efforts to Address Today's Needs and Tomorrow's Talent

**Economic Development & Community Affairs Policy Council
Florida House of Representatives**

**Chris Hart IV
Workforce Florida President & CEO
October 6, 2009**



Florida's Workforce System: An Evolution



1996

- Welfare Reform
- Ending Entitlements
- Recognition that any system must be tied to work

1998

- WAGES (Work and Gain Economic Self-Sufficiency)
- Self-Sufficiency
- Benefits tied to work

2000

- Alignment among business, economic development, workforce development and education
- Combined WAGES with Enterprise Florida's Workforce Development Board

Global Competitiveness

Demand Driven

Business Led

Universal Access

Workforce Delivery System

Workforce Florida

- Statewide Policy and Oversight
- State Workforce Investment Board
- Workforce Development
- Innovation

Agency for Workforce Innovation

- Fiscal and Administrative Oversight
- Workforce Services
- -----
- Unemployment Insurance
- Early Learning

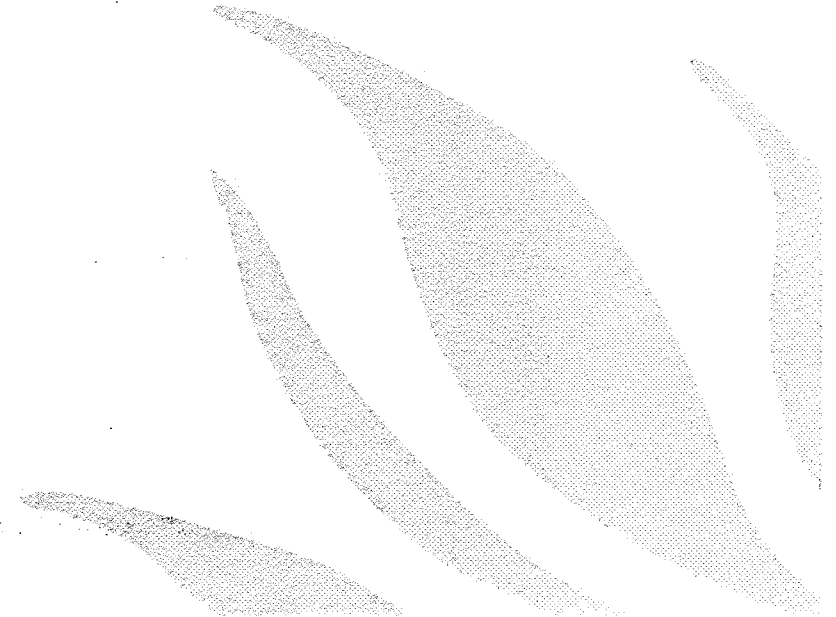
24 Regional Workforce Boards

- Local Policy and Oversight
- Local Workforce Investment Boards
- Workforce Development
- Innovation
- One-Stop Centers

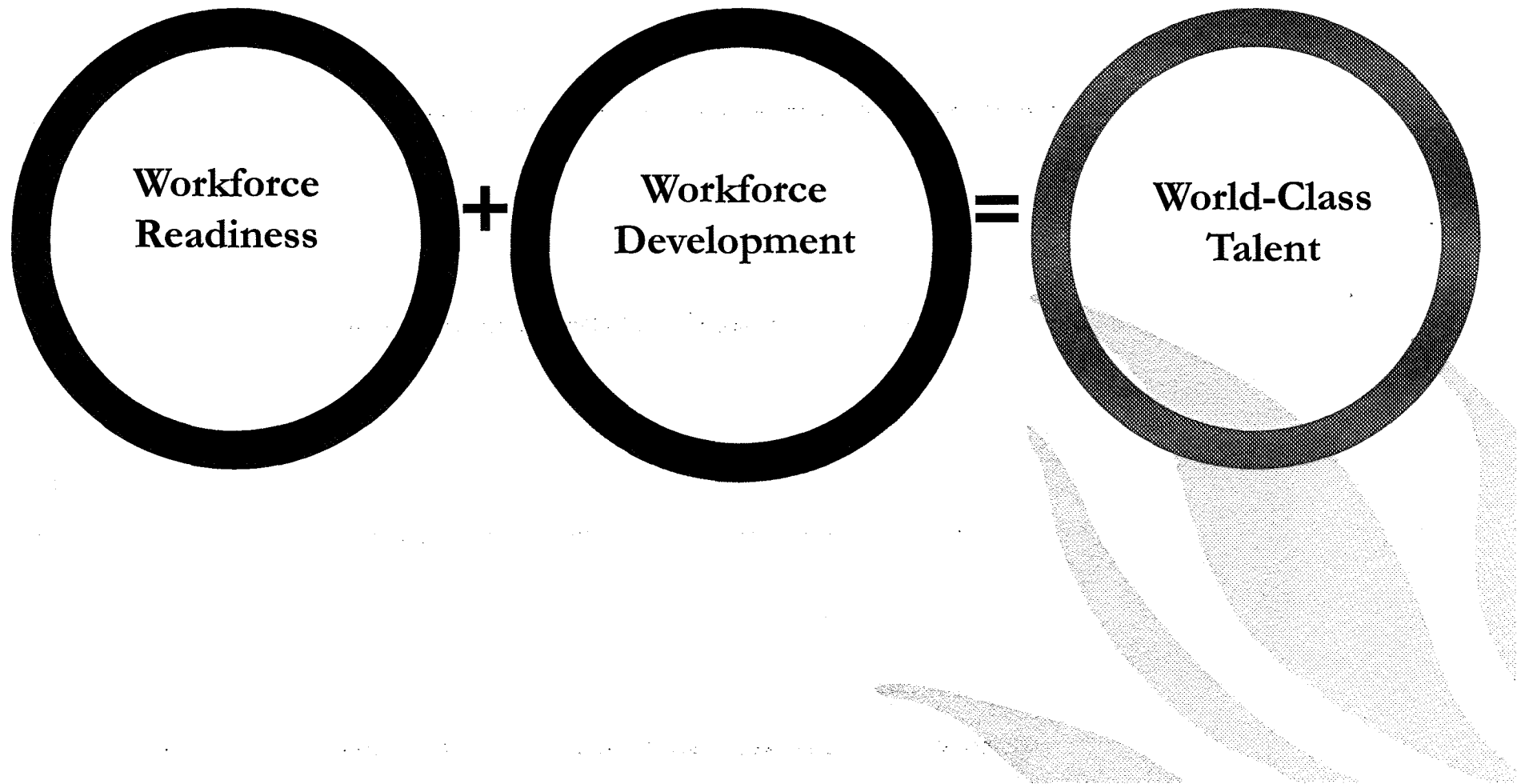


Workforce Florida's Mission

Florida will develop the state's business climate by designing and implementing strategies that help Floridians enter, remain and advance in the workforce, becoming more highly skilled and successful, benefiting Florida business and the entire state.



Florida's Demand-Driven Workforce System



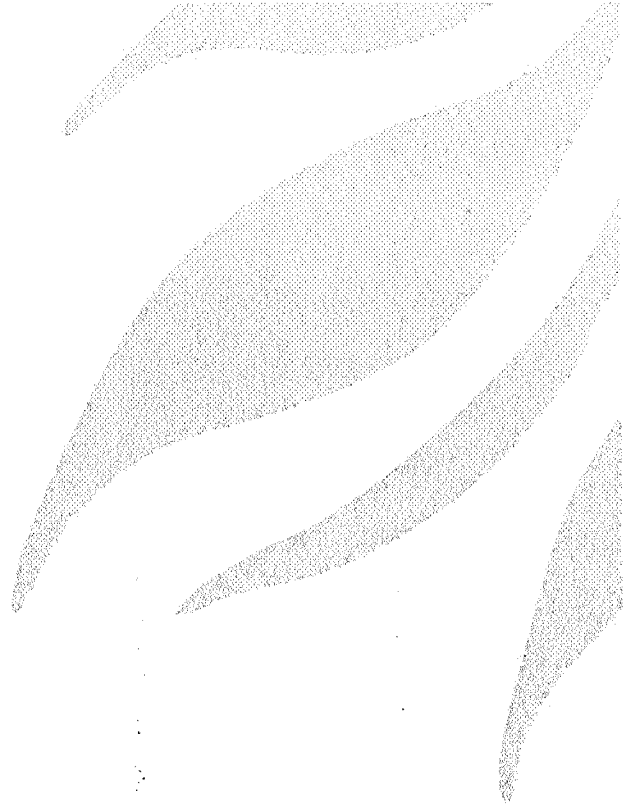
Today vs. 1975

- Florida's August 2009 unemployment rate – 10.7% – is higher than last three recessions – and highest since 1975
- Job growth or job decline – rate of job decline is steeper than what the nation is experiencing – Florida has lost 372,700 jobs over the year
- Rate of job decline is -4.8% for August 2009, compared to -5.4% in March 2009, the steepest decline since 1975

Innovation is the key...

A decorative graphic consisting of several overlapping, curved, leaf-like shapes in a light gray color, positioned in the bottom right corner of the slide.

Creating The Strategy *for Today's Needs and Tomorrow's Talent*



Workforce Florida Initiatives

Incumbent Worker Training | Quick Response Training | EMPLOY FLORIDA BANNER CENTERS | Employ Florida Marketplace | Aerospace Workforce Transition | South Central RACEC Entrepreneurship Training Program | BACKYARD GARDENING FOR SMALL BUSINESS Workforce Innovation New Generation Solutions | ReConstruct Florida | Southwest Florida Jobs! – Retain, Expand, Create | GROWING GREEN - PANAMA CITY-BAY COUNTY INTERNATIONAL AIRPORT | The Hybrid Incubator | Entrepreneur Boot Camp | Optics & Laser Tech Certification | GLOBAL TRADE TRAINING | Construction Safety Training Rural Utility Project | Modeling, Simulation and Training | WORKFORCE ALLIANCE-AREA GROWTH INDUSTRIES | Economic Gardening | Broward BDB-Entrepreneurship | Electronic Health Record & Community Health Information Exchange Training | BIOTECHNOLOGY INTERNSHIP PROGRAM | Rural Enhancement | Florida STEM Council | Aerospace Supply Chain Enhancement Project | TOUCH POINTS FOR TOMORROW | Operation Life Skills PACE Center for Girls Youth Opportunities Program | STEM Training for Emerging Careers

EMPLOY FLORIDA HEALTHCARE WORKFORCE INITIATIVE

STRATEGIC ACADEMIC AND SOLAR AND GREEN VOCATIONAL EDUCATION FOR MINORITY Youth | Project Ready | ISI Connect | Florida Futures | FLORIDAWORKS YOUTH PROGRAM FOR EMERGING INDUSTRIES | Project Workforce | Youth Employability Skills Program Page 15 Literacy Program | HILLSBOROUGH EXECUTIVE INTERNSHIP PROGRAM: RISING TO THE CHALLENGE | Teen Cuisine 2 | Florida High School High-Tech Expansion | Jobs for Florida Graduates | OPERATION ABOUT FACE PROGRAM | Forward March Program



Employ Florida Healthcare Workforce Initiative

- \$9 million statewide investment in growing skilled talent in Florida's healthcare sector, only sector consistently growing in 2009 with projected growth through 2017
- South Florida pilot launched in January in four workforce regions in response to economic downturn, 9,700 anticipated trainees in high-demand occupations
- Statewide implementation now underway:
 - ❖ Will identify occupations of critical concern to Florida healthcare employers
 - ❖ Train entry-level and incumbent workers for in-demand professions such as registered nurses (RNs)
 - ❖ Provide rigorous pre-assessment of job candidates to ensure aptitude as well as interest in healthcare
 - ❖ Oversight and tracking of best practices for statewide replication by special Workforce Florida Ad-Hoc Healthcare Committee



Thank You!

[www. WorkforceFlorida.com](http://www.WorkforceFlorida.com)

