

BUSINESS

New study finds Brevard has second-strongest economic growth in country

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The Space Coast has landed in the No. 2 spot among the nation's best-performing communities for economic growth from among 200 larger metropolitan areas.

The just-released 2021 rankings by the Milken Institute, a nonprofit think tank, take into account jobs, wages and high-tech growth, as well as housing affordability and housing broadband access. Data trends analyzed date back to 2014, but also include short-term job gains or losses from October 2019 to October 2020, reflecting the impacts of the coronavirus pandemic.

The Palm Bay/Melbourne/Titusville metro area's No. 2 ranking was up from No. 10 a year ago. It's also a monumental jump from 2016, when the Space Coast ranked 153rd out of 200.

It finished second this year behind Provo/Orem, Utah, which was one of three Utah communities in the Top 10. The bottom-ranked community among the 200 was Peoria, Illinois.

The report said the Space Coast's "continued success is largely due to a diversified, high-tech industrial base, including a significant part of the national aerospace and defense industries. The aerospace and defense industries have also largely

stabilized the metro, despite COVID-19 shuttering tourism in the region," specifically the Port Canaveral cruise industry, which has been idled since last March.

In a statement tied to the new Milken Institute rankings, Lynda Weatherman, president and chief executive officer of the Economic Development Commission of Florida's Space Coast,

said the report demonstrates that "Florida's Space Coast is on the national radar as a diversified, high-tech center that can lay substantial claim to the growing aerospace and defense sectors."

The study analyzed 12 economic indicators. The Space Coast ranked 16th or higher among the 200 communities in all five job components of the rankings:

13th in job growth from 2014 to 2019.

8th in job growth from 2018 to 2019.

16th in wage growth from 2014 to 2019.

3rd in wage growth from 2018 to 2019.

13th in short-term job growth from October 2019 to October 2020.

"Employment has only fallen 1.5 percent in the short term, and recovery is a matter of time and combating the virus," the report said.

Compared with other communities, Brevard County's employment decrease was less pronounced during the pandemic — which triggered the deepest recession the country has faced since the Great Depression.

Brevard had 232,000 nonagricultural jobs in December, the latest-available figure from the Florida Department of Economic Opportunity. That's down 1.5% from the 235,600 jobs in December 2019.

But the percentage job loss was significantly less than the job loss statewide of 4.6% during that time period.

And some local companies also increased employment during in 2020.

For example, Melbourne-based L3Harris Technologies Inc. adding 450 people to its Brevard County staff during 2020. The aerospace and defense technology company now has 7,750 employees in Brevard, up from 7,300 a year ago.

Jim Girard, chief human resources officer at L3Harris, said: "Being named a best-performing region shines a light on the many benefits our area has to offer, which is what attracted L3Harris to move here nearly 70 years ago. The recognition is well-deserved, and should help L3Harris and other companies to attract new talent to the region."

Weatherman said that "a resilient, sustainable, world-class economy is what we've been building for the last decade on the Space Coast, and although we did not expect it to be tested

by the headwinds of a global pandemic, we are gratified to see the momentum continue.”

Port Canaveral Chief Executive Officer John Murray said "the high ranking earned by our community is testimony to this region’s long-standing determination and commitment to support business growth with good-paying jobs."

The port's cargo business remains strong, even as its cruise business is at a standstill.

"Port Canaveral is proud to be a significant business and industry driver contributing to the success of our local economy," Murray said.

The Space Coast also ranked high in various measures of growth in the high-tech sector.

But the report said the Space Coast "could stand to improve its housing affordability While 70% of all households spent less than 30% of their income on housing in 2019, rents and median home sales have increased in recent years,

highlighting a need to build low-income, affordable housing today."

Brevard ranked 87th out of 200 in housing affordability and 49th out of 200 in households with broadband access.

The report found that, in Brevard, "continued investment in attracting and growing an educated workforce would also ensure greater economic opportunity for residents and supply of talent for industry partners. In 2019, only 30.4% of the population aged 25 or older had a bachelor’s degree, about 3 percentage points less than the national average."

According to the report, "The top-performing metros have cohesive strategies allowing them to weather economic storms and leverage their assets more effectively. The experience of these metros also provides a benchmark for leaders in other regions seeking to promote sustainable growth and prosperity."

Mike Slotkin, a professor of economics at Florida Institute of Technology's Bisk College of Business, said Brevard County's high overall ranking in the Milken Institute report is a reflection of how well the area recovered once it came out of the Great Recession, as well as the fact that defense, space and manufacturing sectors continued to hold their own, even after the start of the pandemic.

"This is very complimentary of our area," and could encourage continued job growth involving companies looking for a site to expand, Slotkin said. "This is good news."

Slotkin added that he is curious to see how Brevard County places in the rankings, post-pandemic.

"The next big thing is what we look like in 2023," Slotkin said.

Here are the 2021 rankings of best-performing large metro areas in Florida, among 200 communities, with the 2020 ranking in parentheses:

2. Brevard County (10)
20. Naples (58)
23. Cape Coral/Fort Myers (23)
25. Lakeland (39)
27. Orlando (5)
28. Crestview/Fort Walton Beach/Destin(61)
31. Port St. Lucie (35)
32. Tampa/St. Petersburg/Clearwater (48)
33. Ocala (80)
39. Jacksonville (33)
46. North Port/Sarasota/Bradenton (62)
55. Pensacola (103)
57. Gainesville (72)
63. Fort Lauderdale (43)
69. Deltona/Daytona Beach/Ormond Beach (65)
85. West Palm Beach (47)
97. Miami (59)
123. Tallahassee (74)

The report found that the highest-ranked large communities were in the Intermountain West and South regions of the country, and that many high-tech industries have shifted to those areas from their "traditionally dominant centers in California and Massachusetts."

Behind Provo and Brevard County, the 13 communities on the Milken Institute's elite "Tier 1" list for 2021 were:

3. Austin, Texas
4. Salt Lake City, Utah

5. Raleigh, North Carolina
6. Boise, Idaho
7. Phoenix, Arizona
8. Nashville, Tennessee
9. Ogden, Utah
10. Huntsville, Alabama
11. Denver, Colorado
12. Fort Collins, Colorado
13. Seattle, Washington

The Milken Institute also ranked 201 smaller communities, with Idaho Falls, Idaho, ranking No. 1, and Pine Bluffs, Arkansas, ranking No. 201.

Florida communities on the 2021 list, with their 2020 rankings in parenthesis, were:

3. The Villages (5)
8. Sebastian/Vero Beach (9)
11. Punta Gorda (39)
72. Sebring (78)
126. Homosassa Springs (151)
136. Panama City (117)

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