



Jacksonville: Choosing a Future

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The Reubin O'D Askew Institute on Politics and Society has partnered with the Bureau of Economic and Business Research to develop a series of Florida Focus papers that highlight how various regions in Florida are positioning themselves to move forward after the Great Recession. The paper below – the first in the series – is an updated and condensed version of a background essay written for participants in a meeting with the same title that was co-sponsored by the Askew Institute and the University of North Florida on January 28, 2011.

In September 2010, public television broadcast a program titled “Florida: Choosing the Future.” This program was produced with support from the Fred Friendly Seminars, the Florida Humanities Council, WEDU-Tampa, and the Reubin O’D. Askew Institute on Politics and Society at the University of Florida. Its purpose was to promote a broad-based discussion among Florida’s community leaders on the nature of Florida’s public policies as related to government, business development,

education, the environment, and citizen participation. The program’s underlying premise was that Floridians need to be engaged in choosing a future for the state. In much the same vein, Jacksonville’s residents should position themselves to choose a future for Jacksonville/Duval County.

As a first step in this process, Duval County residents will need to ask the hard questions before they tackle the various economic and social challenges. And these challenges will likely overlap those facing the state as a whole. Yet, while the economies of, and the economic tools available to, the state and Duval County are interlinked, the emphasis given to various policy priorities is very much a local decision. And certain policy tools such as the property tax and local option tax are determined at the local level within constitutional and statutory constraints. Equally significant, local governments exercise control over community development projects and use of tax increment financing, local government

Table 1 FORECLOSURES			
	DELINQUENCY %	FORECLOSURE INVENTORY %	TOTAL %
Florida	10.2%	13.2%	23.4%
United States	9.0%	4.1%	13.1%

Source: Lender Processing Services, November 2010 data¹.

pension plans and zoning, and, to some degree, transportation and education policy.

Many local decisions in the recent past contributed to the development of Jacksonville, a city that has multiple strengths including: the site of three Fortune 500 company headquarters, a younger workforce than the Florida and national average, four military installations providing employment to nearly 50,000 women and men, a far lower cost of construction than the national average, an international airport, the University of North Florida and several other universities and colleges, museums and the Jacksonville Symphony, a professional football team and other major sports teams, a large intermodal system including JaxPort, which employs 65,000 people, and a network of healthcare providers including the Mayo Clinic.² Despite these obvious strengths, Duval County and the State of Florida face many challenges as they emerge from the Great Recession. Now would seem to be the propitious moment to engage citizens in planning for a robust future.

Challenges for Economic Recovery

Very few states escaped the adverse impacts of the Great Recession, and Florida declined economically more than most. In particular, Florida's foreclosure problem has contributed significantly to the state's anemic recovery. Foreclosed housing in Florida as a percentage of total housing inventory exceeds the percentage of every other state.³ Although Florida does not lead the nation in mortgage payment delinquencies (that distinction goes to Mississippi), the combination of delinquencies and foreclosed housing is the highest in the nation. Table 1 shows the percentages of delinquencies and foreclosure inventory in Florida and the U.S.

Foreclosure rates in Duval County, though significant, are only 59% of the state average. They are also lower than those of other large, predominantly urban counties. For example, if the metric for foreclosure filing rates in November 2010 is used, Duval County had 869 foreclosures, one in every 454 housing units, compared to Miami-Dade with one in every 248 housing units, Orange with one in every 236 housing units, and Broward County with one in every 252 housing units.⁴ Duval County

Table 2 HOUSING UNITS PERMITTED							
	2006	2007	% CHANGE 2006- 2007	2008	% CHANGE 2007- 2008	2009	% CHANGE 2008- 2009
Duval County	13,593	7,857	-42.2%	5,373	-31.6%	1,926	-64.2%
Florida	219,087	122,300	-44.2%	61,088	-50.1%	32,615	-46.6%

Source: Florida Legislative Office of Economic and Demographic Research, "Duval County," December 2010.

was spared some of the worst effects of the housing meltdown because the escalation of housing prices leading to the recession was not as great as in other Florida metro regions.⁵

New housing construction is also significantly down from the 2005 peak. Duval County was slower than the state as a whole to experience negative growth in housing starts as measured by housing units that were permitted. However, as Table 2 shows, housing starts declined more overall from 2007-2009 in Duval County than in the state as a whole.⁶

A sluggish demand for new housing also resulted from a significant slowing

in the state's population growth. Population growth in the last two years of the decade (2008-2009 and 2009-2010) was the lowest since the 1940s. For 2009, the population was estimated to have grown by only 0.1% in Florida, much the same as in Duval County.⁷ Table 3 shows that Duval County's growth rate lagged behind that of the state as a whole from 1990-2000 and 2000-2009. The projected growth rate for Duval County is somewhat lower than that of the state as a whole from 2009-2015, and lower than the average of other five-year periods in the past 20 years:

Table 3 POPULATION CHANGES					
	2000 CENSUS	% CHANGE 1990-2000	2009 ESTIMATE	% CHANGE 2000-2009	% CHANGE 2009-2015 ^a
Florida	15,982,824	23.5%	18,750,483	17.3%	6.0%
Duval County	778,879	15.7%	900,518	15.6%	5.1%

^aThe 2015 projection is based on the 2009 estimate.

Source: Florida Legislature Office of Economic and Demographic Research, "Duval County," December 2010.

Sluggish net migration – more people leaving Florida and fewer arriving – is responsible for the much lower estimated population growth during 2010 and 2011. During several months in 2008 and 2009, Florida actually experienced negative net migration.⁸

Population growth is shaped by many forces beyond a county's or even the state's control, such as business' access to national and international credit markets which can drive hiring and expansion. Baby boomers may decide not to move to Florida for retirement if they cannot sell their homes elsewhere. Shrinking pension portfolios also affect relocation decisions as baby boomers are forced to work longer and postpone retirement. However, local governments, such as Duval County, often can and do deploy various economic development strategies that may affect decisions on the part of businesses to relocate, remain, expand their operations, or leave a community or state. These strategies may also affect decisions of families and retirees to move to and remain in Florida and of tourists to visit Florida.

Deploying Development Strategies: A Balancing Act

Duval County's leaders are faced with a balancing act in implementing economic development strategies, because resources are finite and stakeholder interests obviously differ. Businesses considering expansion will be interested in different public services than, for example, families who are weighing the pros and cons of moving

to Jacksonville or tourists who are considering a holiday on Jacksonville or Fernandina Beach.

All these parties, despite disparate interests, share the need for goods and services. For businesses, the need may include workforce training facilities and a skilled labor pool; for families, decent, affordable and safe housing, and good and dependable wages, roads, and public schools; for tourists, plentiful cultural and recreational amenities. This shared demand for goods and services, however defined, drives employment growth.

The question facing both Duval County and the state is how that growth should be guided. For both, the objective is clear: the economy must become more diverse, less dependent on real estate and construction, and with a greater emphasis on higher paying jobs. So, for both, wage or income growth is an important metric. And, as a consequence, so are educational attainment and the availability of needed workforce skills.

As noted below, export activity is considered an economic development strategy linked to employment growth and higher wages. To that end, both Duval County and the state see the importance of exporting. Both advocate a targeted industry/cluster approach to propelling employment growth forward and informing the most efficient use of government resources. Table 4 includes a few extracted passages from Florida's and Duval County's respective strategic plans that underscore the similarities in priorities:

Table 4		
VISIONS AND STRATEGIES		
	DUVAL COUNTY	FLORIDA
Plan	Blueprint for Prosperity: Raising the Income of Duval County Residents (February 13, 2006) ⁹	Roadmap to Florida's Future 2010-2015 Strategic Plan for Economic Development ¹⁰
Diversity	Vision: "Before 2020, Duval County will be a harmonious and business-friendly environment that supports a vibrant, diversified, and growing economy with ample opportunities for productive employment, the capacity to fund public services and a high standard of living shared widely among its citizens." ¹¹ (p. 25)	"Florida must continue to diversify its economy by focusing on higher value-added, innovation-driven growth." (Executive Summary, p. 4)
Wage and Income Growth	Among its economic development strategies is the maintenance of "a business climate that is friendly to high-wage job creation through expansion, retention, relocation, and new business start-ups." The climate should, among others, attract "businesses with high-wage jobs to Jacksonville's Westside, north side, and downtown, and should [encourage] higher paying jobs to be located in high-poverty zip code areas." (p. 25)	"The ultimate goal of the Roadmap is to increase prosperity for all Floridians through quality economic growth. High-wage jobs – and jobs for the future – will be critical to this goal." ¹²
Education and Workforce Skills	Vision: "Before 2020, Duval County will value education and have a high expectation of educational excellence in preparing our citizens for life and employment in the 21 st Century." (p. 21) One of the strategies to that end is to "increase the earnings per job potential of existing and future adult Duval County residents by encouraging every adult to increase their training and level of education. Improved training and education will result in increases in output per hour, thereby increasing productivity." (p. 23)	"Florida needs a world-class K-20 education system and seamless talent supply chain to meet workforce demands at all skill levels. STEM-science, technology, engineering, and math – is of the utmost priority if Florida is to achieve its long term goal." (Executive Summary, p. 4)
The importance of exports	An economic development strategy calls for "maintain[ing] an aggressive economic development marketing program for creating high-wage economic base jobs that produce products and services sold outside Duval County." Another strategy calls for supporting small business start-ups and proprietors engaged in export activities. (p. 26)	"International exports have helped buffer the effects of the downturn and international commerce will be an important opportunity in Florida's recovery." (Executive Summary, p. 4)
The importance of targeted industry clusters	"Pursue targeted industry sectors that help meet Blueprint Key Benchmarks in a very competitive global job market." (p. 26). These targeted industries were defined as "clusters" and strategies were suggested for their advancement in a subsequent Duval County economic diversification plan. ¹³ That plan notes that "The development of competitive clusters is one of the key generators of regional wealth." (p. 18).	"For years, Florida's economic development community has recognized that clusters are engines of economic growth and that by focusing on the needs of its clusters, the state can most efficiently employ its resources to deliver maximum economic impact and diversify its economy." ¹⁴

Two Strategies – Diversify the Economy and Increasing Income and Average Wages

Diversifying the economy is essential if the state and localities are to be cushioned against future downturns and better positioned for global opportunities. The Great Recession has showed us that an over-reliance on sectors such as construction, real estate, and services can significantly affect the state's long-term prosperity. According to a recent presentation by the Florida Legislature Office of Economic and Demographic Research, the growth of Florida's output, as measured by State Gross Domestic Product (GDP),¹⁵ declined in 2008 and 2009. In terms of state GDP rankings, Florida ranked 50th in the nation in 2008 and 45th in 2009 in

real growth, compared to 4th in 2005. Florida's GDP fell 3.4% from 2008 to 2009.¹⁶

Several metrics are used to gauge prosperity and they all have different implications. Average annual wages provide some broad insight into the types of occupations that are more or less lucrative. For example, in 2009, average annual wages in Duval County for several high-paying occupations such as the information sector and education and health services tended to exceed those for such occupations statewide.¹⁷ However, the information sector represented only 2% and education and health services roughly 14% of all average annual employment in both Duval County and the state as a whole, as reflected in Table 5.

Table 5		
EMPLOYMENT BY INDUSTRY, 2009 (% of total employment)		
AVERAGE ANNUAL EMPLOYMENT % BY INDUSTRY	DUVAL COUNTY	FLORIDA
Natural resource & mining	0.1%	1.3%
Construction	5.6%	5.5%
Manufacturing	5.5%	4.5%
Trade, transportation, utilities	21.4%	20.4%
Information	2.0%	2.0%
Financial activities	11.1%	6.7%
Professional & business services	15.4%	14.6%
Education & health services	14.5%	14.3%
Leisure & hospitality	9.7%	12.7%
Other services	2.8%	3.2%
Government	12.0%	14.8%

Source: Florida Legislature Office of Economic and Demographic Research, "Duval County," December 2010.

Until recently government has been another source of relatively stable employment. This has been particularly true in Duval County with its substantial military base-related employment. While government employment grew steadily in the years leading up to the recession, total government employment has dipped slightly from 2008 to 2009 in Florida and Jacksonville.¹⁸ According to a recent report, the number of full-time equivalent state government positions filled in Florida decreased by 1.09% from 2009-2010 to 2010-2011.¹⁹ Employment at all levels of government is projected to decline in Jacksonville due to revenue shortfalls and deficit reduction measures at the federal and state levels. State and local government jobs will continue to decline until at least 2012.²⁰ Federal government jobs will fare worse with projected reductions each year through 2014.²¹ On the other hand, Jacksonville is well positioned to expand its employment in healthcare and professional services, both sectors with relatively high paying jobs.

A second and related metric is per capita personal income. Because Duval County's strategic plan "the Blueprint for Prosperity" has per capita income growth as one of its most important objectives, a few comments on this metric are warranted. Personal income is income received from all sources, including from participation in

production as well as from government and business transfer payments. So this metric includes more than average wages.²²

The U.S. Bureau of Economic Analysis tracks personal income by metropolitan statistical area (MSA). The Jacksonville MSA includes five counties: Duval, Nassau, St. Johns, Clay, and Baker. In the "Blueprint for Prosperity," the metric of comparison for per capita personal income in Duval County was made to the United States, not to Florida, because the study considered it critical for Jacksonville/Duval County to be globally competitive.²³ The average per capita income in metropolitan areas of the nation tends to be higher than that of the average for the nation as a whole because per capita income in cities is greater than that in non-urban regions on average. If a comparison is made to the average per capita income of all U.S. metro areas, Jacksonville's numbers look worse than the overall U.S. average over time. For example, if Jacksonville's per capita personal income in 2009 (\$38,801) is compared to the U.S. metro average (\$40,757) for that year, Jacksonville's per capita income was 4.8% less. As Table 6 shows, even immediately prior to and during the recession (2007-2008), Jacksonville's per capita income lagged that of the average U.S. metro area.²⁴

Table 6			
PER CAPITA PERSONAL INCOME, 2007-2009			
	2007	2008	2009
Jacksonville MSA	\$40,170	\$40,028	\$38,801
U.S. metropolitan area (average)	\$41,260	\$41,930	\$40,757

Source: Bureau of Economic Analysis, August 9, 2010.

The Brookings Institution offers a global perspective on Jacksonville's competitive prowess.²⁵ This study ranked 150 metropolitan areas throughout the world in terms of their per capita income growth²⁶ and employment growth prior to the recession (1993-2007), during the recession (2008-2009), and during recovery (2009-2010). Of the 150 metro areas under review, 50 are in the United States, including four in Florida (Miami, Orlando, Tampa, and Jacksonville). Each of the Florida metro areas lost significant ground during the recession in terms of both income and employment but managed to regain quite a bit of ground relative to other global metro areas during recovery. (Each Florida metro area experienced what the Brookings Institution study characterizes as a "mixed" recovery, because employment continued to contract, even while income increased modestly from 2009-2010). The "mixed" recovery picture of Florida's large metros was typical of U.S. metros in general because changes in metro employment and income are strongly correlated to national trends. The same housing meltdown and drop in consumer demand for goods and

services that affected the U.S. also affected many large U.S. metros, including Jacksonville. Businesses slashed jobs in response to slow demand during the recession but have been slow to resume hiring. We are in the midst of the much publicized "jobless recovery," although there is disagreement about the extent to which the nation's high unemployment rate is due to structural problems (a mismatch between supply and demand). The unemployment rate in Jacksonville was 11% in 2009. Much the same as unemployment in the state and other big Florida cities, Jacksonville's unemployment is expected to taper off gradually this year but still hover over 10% until 2013.²⁷

The Brookings Institution also analyzed the 100 largest U.S. metro areas in terms of their recovery from the recent recession. Based on an assortment of metrics in addition to employment (unemployment, Gross Metropolitan Product, and housing,) Jacksonville was classified among the 20 weakest in its recovery from the recession. Of the eight metro areas in Florida included in the study, only Orlando was not among the 20 poorest performers. No Florida metro

was included among the top 60 U.S. metro performers.²⁸

Despite the sluggish economy of the recent past and present, there is some good news for Jacksonville on the horizon. The city is forecast to experience stronger growth among the Florida MSAs from 2010-2014 with the highest projected average per capita growth among the four largest Florida metros during that period.²⁹ In addition, Jacksonville is (with Miami) projected to see higher average wage growth than the Tampa and Orlando MSAs during that period.³⁰

The Case for Export Expansion

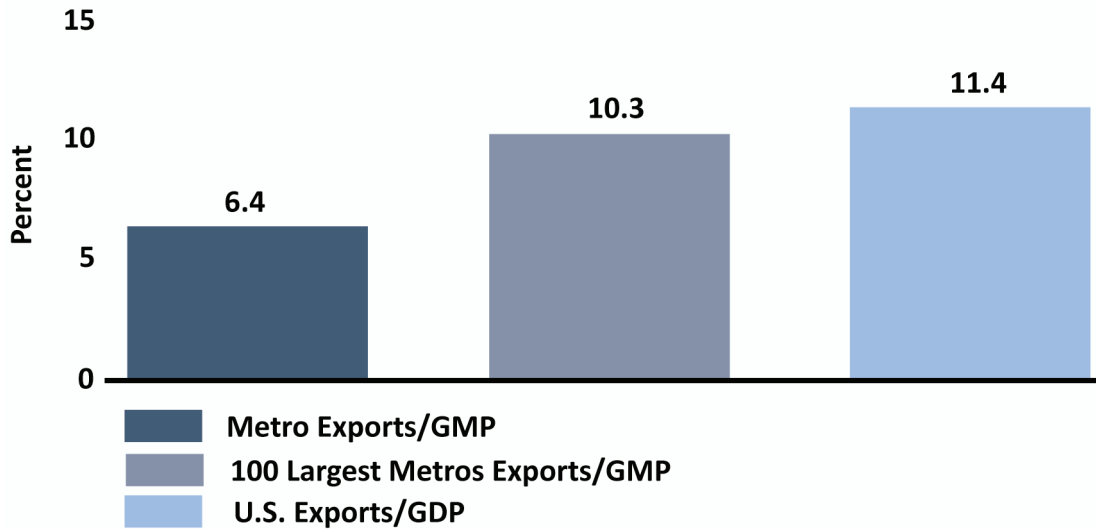
One approach to expediting the recovery from the Great Recession would appear to be through expanded export activity, in large part because of the escalating demand for American-produced goods in emerging markets. The opportunities for job creation from exports can be considerable: the Brookings Institution's research analyzed export growth in 100 U.S. metro areas: in 2008, 5,800 jobs supported every \$1 billion in exports for the average U.S. metropolitan area subject to that analysis.³¹ The Brookings Institution also found wage-related benefits from export-related jobs: "For every \$1 billion dollar increase in the exports of the industry in which they work, workers in the exporting industries located in 94 of the top 100 metro areas earn roughly one to two percent higher wages. Even workers without high school diplomas earn an export premium, if they work in an

export industry."³² While exporting may be desirable in terms of average wages, research findings suggest that long-term wage growth and productivity of exporting firms appear not to be superior to that of non-exporting firms. However, employment growth, initial wage growth, and probability of survival are higher for exporters than non-exporters.³³ So it is important to understand the benefits of exporting but not to overstate them.

Florida's strategic plan, "Roadmap to Florida's Future," acknowledges the importance of export activity for job expansion and high-paying jobs. For example, a recommendation in Florida's strategic plan to leverage international finance and professional services such as law and engineering, underscores that point: "They are important in their own right as traded-exportable-services are key to global economic commerce."³⁴ Information technology is another sector ripe for exports, according to the state's strategic plan as the state is ranked third in the U.S. for IT exports.³⁵

Jacksonville's export activities also contribute to job creation. According to a recent Brookings Institution report, Jacksonville produces an estimated \$3.7 billion annually in total exports, ranking it 68th of 100 exporting metros examined. The report notes that "as a share of its total economy, 6.4 percent of what it produces was exported in 2008, supporting 29,930 jobs."³⁶ However, as the graph by the Brookings Institution

**Jacksonville’s Export Share of GMP
Percent Relative to Large Metros and U.S.**



Brookings Institution analysis of various data for Jacksonville, FL MSA

Source: Extracted from Metropolitan Policy Program at Brookings, “Export Nation,” July 2010.

above shows, Jacksonville’s export sales of both goods and services as a share of the total economy lag behind those of other large metro areas.³⁷ The Gross Metropolitan Product (GMP) measures the market value of all final goods and services produced or provided within a metropolitan area in a given period of time.

Another metric for Jacksonville’s overall competitiveness in exports is cargo volume which is a proxy for a port’s activity. Because JaxPort compares itself to ports in Savannah and

Charleston to the north, a comparison of Jacksonville’s foreign export sales to exports in those two cities may be useful. As Table 7 shows, foreign exports in Jacksonville trailed those in Savannah and Charleston in 2009, although in terms of import volumes, Jacksonville was slightly more competitive than Charleston.

Challenges remain for JaxPort. For example, construction of a new terminal at the port for the Korean container company, Hanjin, has been delayed for two years. The facility

Table 7 U.S. PORT RANKINGS BY CARGO VOLUME 2009, SHORT TONS		
CITY	IMPORT	EXPORT
Jacksonville	9,040,120	1,598,483
Charleston	8,436,693	5,018,878
Savannah	16,694,456	13,694,303

Source: American Association of Port Authorities, “Port Industry Statistics.”³⁸

was supposed to open in 2014, the same year as was scheduled for the opening of the new Panama Canal. Now it is scheduled to open in 2016. The delay will allow more time for Jacksonville's harbor to be dredged. However, there are certain steps that must occur for the dredging to take place, including obtaining Congressional authorization for the federal match for the dredging. There is, however, no guarantee that the federal funding will be authorized.³⁹

The Case for Cluster Industry Expansion

In addition to export promotion strategies, both the state and Duval County have embraced the strategy of focusing economic development efforts on specified industry clusters.⁴⁰ Florida essentially targets all major industry sectors whereas Jacksonville targets aviation and aerospace, supply chain logistics, finance and insurance, corporate headquarters, information technologies, and life sciences and advanced manufacturing. Florida and Jacksonville overlap in particular in their focus on advanced manufacturing, aviation and aerospace, information technology, and life sciences.⁴¹

Industry clusters tend to be regional by nature. For example, Enterprise Florida identified as a cluster the space industry but that cluster will only be found in certain counties with space initiatives such as Brevard County. But recent federal government cutbacks in funding for the space industry suggest that this economic sector may not prosper in the near term.

In a recent study the Brookings Institution explains the nature and benefits of regional industry clusters as follows:

Regional innovation (or industry) clusters are geographic concentrations of interconnected businesses, suppliers, service providers, coordinating intermediaries, and associated institutions like universities or community colleges in a particular field (e.g., information technology in Seattle, aircraft in Wichita, and advanced materials in Northeast Ohio). By facilitating such dynamics as labor market pooling, supplier specialization, and knowledge spillovers, industry clusters benefit all sorts of firms and regions by enhancing the local and innovation potential, encouraging entrepreneurship, and ultimately promoting growth in productivity, wages, and jobs.⁴²

The same study made the point that federal and state policies can facilitate regional clusters, but the solutions need to be crafted at the regional level.⁴³

Bringing Everyone On Board

Even though investments in all levels of education, workforce training, and economic development to diversify the economy are considered to be critical to the state's and Duval County's long-term prosperity, significant challenges exist. Both the state's and Duval County's strategies include provisions for

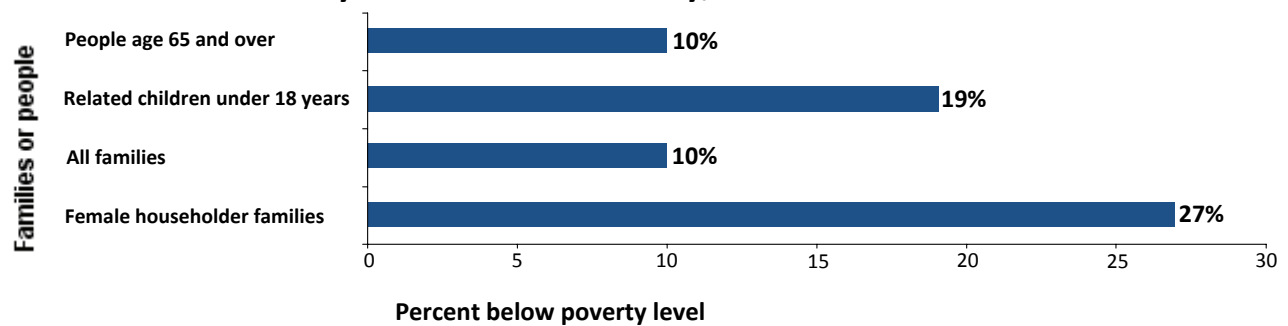
addressing inequities in education. Duval County’s “Blueprint for Prosperity”, however, defines “prosperity” more expansively than the state’s strategic plan through its use of metrics to capture equity-related concerns such as racial opportunity, poverty rates, family stability, and public safety. Three of the six desired outcomes associated with successful implementation of the “Blueprint” are what might be classified as “bringing everyone on board:” fewer low-income residents, greater economic equity among racial and ethnic groups, and a reduction in the County’s poverty rate.

The “Blueprint” appears to acknowledge that long-term prosperity

will remain elusive if community leaders fail to tackle the problems of systemic poverty, crime, unaffordable housing, unemployment, family instability, racial tensions, lack of access to affordable health care and public transportation, and underachievement in education.

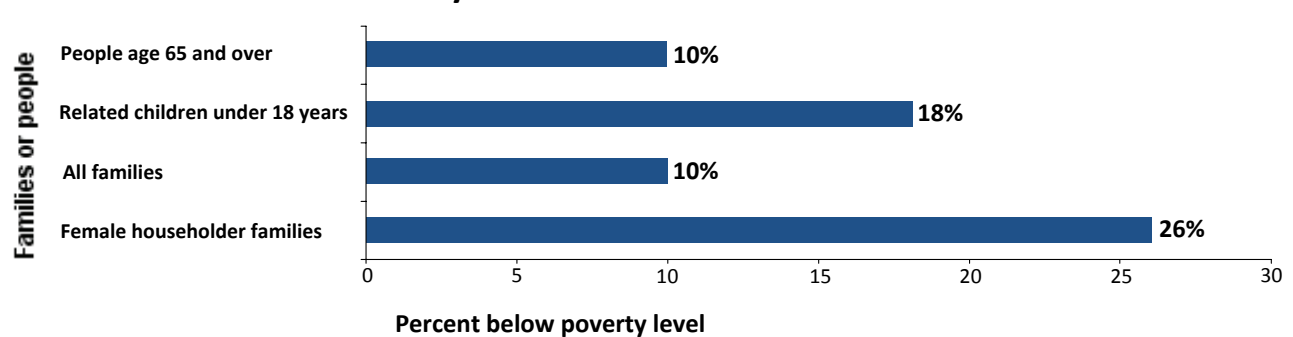
The poverty rate is a metric often associated with so many other societal ills. Duval County’s poverty rate profile is similar to that of the state as a whole.⁴⁴ From 2005-2009, 13% of people in the County, as in the state, lived in poverty. The incidence by age was also roughly the same in both:

Poverty Rates in Duval County, Florida in 2005-2009



Source: American Community Survey, 2005-2009.

Poverty Rates in Florida in 2005-2009



Source: American Community Survey, 2005-2009.

High school graduation is one means of reducing the probability of deprivation associated with poverty. There are now three methods used to compute high school graduation rates in Florida. However, no matter which one is used, Duval's graduation rate lags behind that of Florida as a whole.⁴⁵ In addition, high school graduation rates vary within the school district. For example, in 2008-2009, the graduation rate was 74.7% in Sandlewood High School and 83.8% in Duncan U. Fletcher High school.⁴⁶ The good news is that regardless of the method used to determine the graduation rate, Duval's rates, as well as Florida's, have steadily improved during the past few years.⁴⁷

Another metric commonly associated with educational attainment, which is also correlated to wage and income metrics, is the high school dropout rate. Duval's dropout rate has historically been high relative to other large school districts, with the exception of Miami-Dade. Although Duval's dropout rate declined significantly in 2009-2010 from the preceding year for

reasons unknown, it still exceeds that of most big Florida school districts, except for Miami-Dade, and the state as a whole. Table 9 compares dropout rates in Duval's school district to rates in other large counties and Florida from 2003-2004 to 2009-2010:

Dropout rates may reflect one end of the spectrum. Preparedness for post-secondary education may reflect the other. A percentage of Florida high school graduates whose test scores exceed a minimum threshold in reading, math, and writing on common college placement tests may be used to portend preparedness for college and, in the longer-term, potentially well paying jobs.

There is, however, a caveat with this metric. The Florida Department of Education collects data on these test scores for *only* those students who attended public colleges and universities in Florida immediately after graduation. This metric does not capture students who attend other forms of higher education in state or any college or university in another state or

Table 9							
FLORIDA PUBLIC HIGH SCHOOL DROPOUT RATES							
BY SELECT SCHOOL DISTRICT, 2003-2004 to 2009-2010							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Duval	5.1%	5.9%	6.6%	5.2%	3.3%	4.8%	2.2%
Broward	1.1%	1.7%	2.7%	3.2%	2.0%	2.1%	1.6%
Miami-Dade	4.6%	4.5%	6.7%	5.8%	4.5%	3.9%	4.0%
Hillsborough	1.9%	2.1%	2.1%	1.6%	1.8%	1.0%	0.7%
Orange	2.5%	2.0%	1.9%	1.7%	1.5%	1.1%	0.7%
Florida	2.9%	3.0%	3.5%	3.3%	2.6%	2.3%	2.0%

Source: Florida Department of Education.⁴⁸

students who pursue other plans immediately after graduation. In 2008-2009, only 61% of all students taking college placement tests in reading, writing, and math were considered to be adequately prepared for college.⁴⁹ Moreover, significant disparities exist between Duval's high schools. For example, Duncan U. Fletcher High School had 69.7% of its students prepared for college, while Sandlewood High School had only 56.4%.

Conclusion

Duval County's strategic efforts are inextricably affected by regional, state and federal policies and by the health of the state and national economies. On the one hand, the County shares some of the same objectives and strategies as the regional, state and federal governments. On the other hand, priorities may be different as they sometimes are at the county level. Duval County and the Northeast region also compete with other largely metro regions in the state and elsewhere. To compete successfully the Jacksonville metro area developed such initiatives as the JaxPort, state-of-the-art healthcare facilities, a large regional airport, and 22 corporate headquarters employing over 37,000 people.⁵⁰

While Duval County was slower to experience the impacts of the downturn than the state as a whole, it, like other predominantly metropolitan counties in the state, was eventually hit hard by the recession and is still combating unemployment and housing woes. There are modest signs of recovery,

however. Companies such as Jacksonville-based CSX are hiring and report increased earnings, and tourism and hotel occupancy have picked up.

Strategies involving both exports and investments in targeted industries may accelerate the County's recovery, as well as that of the larger metro region, if research findings amassed by the Brookings Institution on metro areas turn out to be correct. Like other large metro areas in Florida, Jacksonville/Duval County will continue to face the daunting task of exploiting its comparative strengths while attempting to bring everyone on board to plan, share in, and enhance its future. Critical to that effort will be an educated and skilled workforce, which is fundamental for success in a global economy. In addition to the County's strategic planning efforts to improve education and upgrade workforce skills, among other objectives, regional planning and engagement of the sort undertaken by Cornerstone and Jacksonville Community Council, Inc. will be instrumental in growing and attracting businesses to, and expanding intermodal transportation in, Northeast Florida.

As leaders grapple with the best choices for Jacksonville and the greater metropolitan region, there are several important questions worth pondering: How should the community structure its strategic initiatives for the future so that these initiatives are annually reviewed and assessed and, where warranted, modified? What steps can be taken to place the County on a firmer economic and business footing? What can be done

to stimulate per capita growth? What measures can be taken to more actively promote export activity and targeted industry productivity? The city has taken steps to improve public education, but what other steps should be taken to accelerate educational improvements?

Should poverty reduction be a goal or is that more a byproduct of strategies to improve education and to reinvigorate the economy? Will Jacksonville's post-recession policy choices move its residents closer to bringing everyone on board?

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Endnotes

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¹⁹ The National Governors Association and the National Association of State Budget Officers, “The Fiscal Survey of States,” Table 14, Fall 2010, <http://www.nasbo.org/LinkClick.aspx?fileticket=C6q1M3kxaEY%3d&tabid=38>. Accessed January 1, 2011.

²⁰ “Florida & Metro Forecast,” Institute for Economic Competitiveness, December 2010, http://www.iec.ucf.edu/file.axd?file=2010%2f12%2fflforecast_dec10_sec.pdf, at 43. Accessed January 10, 2010.

²¹ *Ibid.*

²² The complete definition of “personal income,” as defined by the Bureau of Economic Analysis, is: “Income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum of compensation of employees (received), supplements to wages and salaries, proprietors’ income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.” See <http://www.bea.gov/glossary/glossary.cfm?letter=P>. Accessed January 12, 2011.

²³ The introductory section of the “Blueprint for Prosperity” makes the case for change in Duval County from a global perspective: “While we tend to consider how Duval County compares on a state or national

level, the reality is that Duval must compete in the continuous, relentless, cost-cutting struggle for business in the new century global economy." See Jacksonville Chamber of Commerce, "Blueprint for Prosperity: Raising the Income of Duval County Residents," P. 6.

²⁴ U.S. Bureau of Economic Analysis, "Table 1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2007-2009," August 9, 2010.

²⁵ Metropolitan Policy Program, the Brookings Institution and LSE Cities, London School of Economics and Political Science with Deutsche Bank Research, "Global Metro Monitor: The Path to Economic Recovery," December 2010,

http://www.brookings.edu/~media/Files/rc/reports/2010/1130_global_metro_monitor/1130_global_metro_monitor.pdf. Accessed January 1, 2011.

²⁶ The metric, referred to in the study as "income," is per capita Gross Value Added. The GVA data were supplied by Moody's Economic.com and derived from the Bureau of Economic Analysis' gross domestic product by state estimates. See *Ibid.*, p. 11. This is a different metric than is used by the Bureau of Economic Analysis to compute per capita personal income for other purposes.

²⁷ Florida & Metro Forecast," Institute for Economic Competitiveness, p. 43.

²⁸ Howard Wial and Richard Shearer, "Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas," *Metro Monitor*, The Brookings Institution, December 15, 2010,

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³¹ Emilia Istrate, Jonathan Rothwell, and Bruce Katz, "Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness," Brookings Institution, Metropolitan Policy Program, p. 17, July 26, 2010,

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³³ Andrew B. Bernard and J. Bradford Jensen, "Exceptional Exporter Performance: Cause, Effect, or Both?" *Journal of International Economics* 47 (1999), 1-25.

³⁴ "Roadmap to Florida's Future," Diversifying Florida's Economy: Cluster Strategies, p. 18.

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http://www.brookings.edu/~media/Files/rc/reports/2010/0726_exports/0726_exports_profiles/Jacksonville_FL.pdf. Accessed January 2, 2011.

³⁷ See methodology for this comparison in *Ibid.*, p. 2.

³⁸ See http://aapa.files.cms-plus.com/Statistics/2009US_PORTRANKINGS_BY_CARGO_TONNAGE.pdf. Accessed January 14, 2011.

³⁹ David Bauerlein, "Hanjin Cargo Terminal Delayed Up to Two Years at JaxPort," *The Florida Times-Union*, *Jacksonville.com*, January 24, 2011, <http://jacksonville.com/business/2011-01-24/story/hanjin-cargo-terminal-delayed-two-years-jaxport>. Accessed January 25, 2011.

⁴⁰ The U.S. Economic Development Administration has also embraced this approach through its regional innovation clusters program. See <http://www.eda.gov/AboutEDA/RIC/>. Harvard will partner with EDA to lead a cluster mapping project in the United States.

⁴¹ See "Roadmap to Florida's Future," Diversifying Florida's Economy: Cluster Strategies, and the website description for Jacksonville's targeted industries at

<http://www.coj.net/Departments/Jacksonville+Economic+Development+Commission/Business+Development/Jacksonville+Business+Overview/Targeted+Industries.htm>. Accessed January 2, 2011.

⁴²Mark Muro and Bruce Katz, "The New 'Cluster Moment': How Regional Innovation Clusters Can Foster the Next Economy," Metropolitan Policy Program at Brookings, September 2010, http://www.brookings.edu/~media/Files/rc/papers/2010/0921_clusters_muro_katz/0921_clusters_muro_katz.pdf.

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⁴⁴ If predominantly metropolitan counties are a source of comparison, Duval fares somewhat better. In 2008, the poverty rate in Duval County was 12.1% of the population, compared to that of Miami-Dade (16.5%), Hillsborough (13.9%), and Orange (13.7%). Broward County had roughly the same percentage (12.0%) as Duval. See Bureau of Economic and Business Research, University of Florida, *Florida Statistical Abstract 2010*, Table 5.48.

⁴⁵ Graduation rates are computed in Florida using National Governors Association (NGA), No Child Left Behind (NCLB), and Florida's methodologies: Each rate measures something different. The NGA graduation rate counts recipients of standard and special diplomas but not GEDs. The NCLB graduation rate counts recipients of standard diplomas and GEDs awarded to high school students but not special diplomas and GEDs awarded to adult students. Finally, Florida's graduation rate counts all recipients of high school diplomas-- standard and special diplomas and all GEDs. In 2009-2010, Duval's graduation rate was 66.6%, using the NGA criteria as a basis, 69.9% using NCLB as a basis, and 73.1% using Florida's calculation as a basis. These percentages compare to the state as a whole: 79.0% (NGA), 78.2% (NCLB), and 80.7% (Florida). See "Florida Public High School and Dropout Rates 2009-2010," Table 8, <http://www.fldoe.org/eias/eiaspubs/default.asp>. Accessed January 25, 2011. (Excel spreadsheet version)

⁴⁶ See Duval County Public Schools, <http://www.duvalschools.org/reseval/SPAR/2010/NCLBSPAR2010index.asp#chooseschool>. Accessed January 25, 2011.

⁴⁷ "Florida Public High School and Dropout Rates 2009-2010," Tables 9-11 (Excel spreadsheet version).

⁴⁸ Excerpted from Florida Department of Education, "Florida Public High School Dropout Rates, See [Dropout Rates by District, 1998-99 through 2009-10](#). Accessed January 2, 2011.

⁴⁹ Florida Department of Education, "Articulation: Performance on Common Placement Tests, Florida Public High School Graduates," <http://www.fldoe.org/articulation/perfCPT/default.asp>, The remedial cut-off scores upon which the percentage is based can be accessed at this link. Accessed January 12, 2011.

⁵⁰ This is the total number of employees in top corporate headquarters, Updated February 2010. See <http://www.coj.net/Departments/Jacksonville+Economic+Development+Commission/Business+Development/Jacksonville+Business+Overview/Targeted+Industries.htm>. Accessed January 12, 2011.