elevate
northeast florida

Chapter 1 Executive Summary: Economic Assessment & Community Benchmarking

avalanche July 10, 2018

About the Strategy

In March 2018, the JAXUSA Partnership, Northeast Florida Regional Council, CareerSource Northeast Florida, and other partners initiated a Regional Economic Development Strategy to improve regional competitiveness and collaboration throughout Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties. Avalanche Consulting, a national economic development consultancy, and the Council for Adult and Experiential Learning (CAEL), a national nonprofit focused on lifelong learning, were selected to facilitate the preparation of the economic development and workforce development strategy.

The Elevate Northeast Florida Strategy will serve as a guide for policies, programs, and investments that ensure the region's continued economic dynamism. Once complete, Elevate Northeast Florida will have four reports:

Report 1: Economic Assessment & Community Benchmarking

This first report of the Elevate Northeast Florida Strategy includes in-depth analysis of the region's current economic and demographic conditions in comparison to national and statewide trends, as well as selected benchmark regions. The first report also includes a SWOT Analysis (strengths, weaknesses, opportunities, and threats) based on both quantitative and qualitative information gathered through focus groups, interviews, and an online survey.

Report 2: Target Industry Validation & Update

Report 2 will examine the current status of the region's existing target industries and competencies and identify emerging niche sectors that can be integrated into an updated target list for future economic development efforts. The Target Industry Validation & Update will include written profiles for each target Industry as well as county-specific opportunities for growth and investment. The report will conclude with marketing playbooks for each niche sector.

Report 3: Workforce Development Assessment

The Workforce Skills Assessment will analyze the skill sets of Northeast Florida's workforce and highlight workforce attributes that distinguish Northeast Florida from the competition or need improvement. Report 3 will also include an examination of existing educational pathways, current and potential gaps in workforce supply, and opportunities for transitioning workers to higher growth careers.

Report 4: Marketing & Strategic Plan

The final report of Elevate Northeast Florida will provide marketing and community investment recommendations to help the region be even more competitive globally. Report 4 will also include an implementation timeline, estimated budget, and performance metrics that will equip Northeast Florida leaders with the tools it needs to successfully implement the Strategy.

Project Partners

The Elevate Northeast Florida Strategy is made possible by CareerSource Northeast Florida, the JAXUSA Partnership, Northeast Florida Regional Council (NEFRC), Florida Power and Light, Jacksonville Aviation Authority, Jacksonville Civic Council, Jacksonville Port Authority, Jacksonville Transportation Authority, JEA, and Northeast Florida Regional Transportation Commission, with funding provided by the US Department of Commerce Economic Development Administration. The Strategy was led by Avalanche Consulting the Council for Adult and Experiential Learning (CAEL) with input from local residents, public organizations, and private businesses.

JAXUSA Partnership

JAXUSA Partnership is a private, nonprofit division of the JAX Chamber and is Northeast Florida's regional economic development initiative. Its mission is to be a catalyst for economic growth and maximize the region's unique resources to aggressively recruit jobs and private capital investment to the region. JAXUSA coordinates economic development efforts across a seven-county region that includes Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties.

Northeast Florida Regional Council

The Northeast Florida Regional Council (NEFRC) is the regional planning organization for seven Northeast Florida Counties (Baker, Clay, Duval, Flagler, Putnam, Nassau and St. Johns) and their 27 municipalities. The mission of the NEFRC is to celebrate the unique assets of Northeast Florida and to engage its people, businesses, governments and organizations. In 2009, NEFRC adopted a Comprehensive Economic Development Strategy (CEDS). Updated in 2012 and 2015, the CEDS buttresses other economic development efforts in the region through identifying programs and projects essential to the region's economic development objectives.

CareerSource Northeast Florida

CareerSource Northeast Florida is a publicly funded agency that provides extensive workforce-related services to six counties on Florida's First Coast – Baker, Clay, Duval, Nassau, Putnam, and St. Johns counties. CareerSource opens the door to improved employment opportunities through education, training, and career services for workers. CareerSource administers an annual budget of more than $20 million.

Northeast Florida Residents & Businesses

Development of the Elevate Northeast Florida Strategy involved face-to-face discussions with private business leaders, representatives of philanthropic organizations, economic development professionals, and other civic champions. Additionally, more than 1,300 residents and business owners completed an online survey as part of the economic development strategic planning process.

Project Partners, continued

Avalanche Consulting, Inc.

Avalanche Consulting is the nation's premier economic development strategist. Avalanche is deeply driven to make a positive impact and seek clients who are equally inspired to energize their economies. Headquartered in Austin, Avalanche was established in 2005 and its team has a combined 80+ years of experience working with more than 150 cites, counties, and regions across the country.

Council for Adult and Experiential Learning (CAEL)

CAEL is a national, non-profit organization whose mission is to put meaningful learning, credentials and work within reach for every community. CAEL works to remove policy and organizational barriers to learning opportunities, identifies and disseminates effective practices, and delivers value-added services. Since its founding in 1974, CAEL has been providing colleges and universities, companies, economic development organizations, labor organizations and state and local governments with the tools and strategies they need for creating practical, effective lifelong learning solutions to address long term skills needs.

Steering Committee Members

The Elevate project partners and consulting team sincerely thank the members of Elevate Northeast Florida's Strategy Committee for helping inform and guide the development of this strategic plan. Members include:

Tony Allegretti, *Cultural Council of Greater Jacksonville*
Katrina Austin, *Flagler County DEO*
Dr. Perry Bechtle, *Mayo Clinic*
Brian Bergen, *Putnam County EDC*
The Honorable Aaron Bowman, *City of Jacksonville*
Michelle Braun, *United Way of Northeast Florida*
Debbie Buckland, *BB&T*
Carolyn Clark, *Urban Land Institute*
Josh Cockrell, *Infinity Global Solutions*
Rena Coughlin, *Nonprofit Center*
Steve Crosby, *InvestJAX*
Jay Cunio, *JAA*
Dr. Mark Dawkins, *University of North Florida*
Laura DiBella, *Nassau County EDB*
Lara Diettrich, *Diettrich Planning*
Janice Donaldson, *Small Business Development Center*
Kevin Doyle, *Wexford Strategies*
Heather Duncan, *AT&T*
Karen Everett, *St. Johns County Chamber of Commerce*
Bruce Ferguson, *CareerSource Northeast Florida*
Mike Fleming, *Jacksonville University*
Elizabeth Feustel, *Jacksonville Civic Council*
Bill Garrison, *NEFBA*
Melissa Glasgow, *St. Johns County*
Jake Gordon, *Downtown Vision*
Shelley Hirsch, *Nassau County EDB*
Elaine Johnson, *Guidewell*
Will Ketchum, *Burdette Ketchum*
Robin King, *CareerSource Flagler Volusia*
Jana Kooi, *Florida State College at Jacksonville*
Dr. Anna Lebesch, Steering Committee Co-Chair, *St. Johns River State College*
Eric Mann, *First Coast YMCA*
Phyllis Martin, *United Way of Northeast Florida*
Trina Medarev, *World Affairs Council*
Jeanne Miller, *Jacksonville Civic Council*
Sherri Mitchell, *Nassau County EDB*
Katie Mitura, *Visit Jacksonville*
Candace Moody, *CareerSource Northeast Florida*
Alan Mosley, *Regional Transportation Commission*
The Honorable Don O'Brien, *Flagler County*
Mary O'Brien, *Meridian Waste*
Jeff Parsons, *AT&T*
Laura Pavlus, *Clay County EDC*
Robert Peek, *JAXPORT*
Jordan Pope, *JEA*
Crawford Powell, *Baker County Chamber of Commerce*
Ed Randolph, *City of Jacksonville OED*
Lake Ray, *FCMA*
Darryl Register, *Baker County Chamber of Commerce*
Bob Rhodes, *Attorney-At-Law*
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Darnell Smith, Steering Committee Co-Chair *Florida Blue*
Kelly Smith, *Wells Fargo*
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Crystal Stiles, *FPL*
Brian Teeple, *Northeast Florida Regional Council*
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Helga van Eckert, *Flagler County DEO*
Nina Waters, *Community Foundation for Northeast Florida*
Kirk Wendland, *City of Jacksonville OED*

Summary of Findings

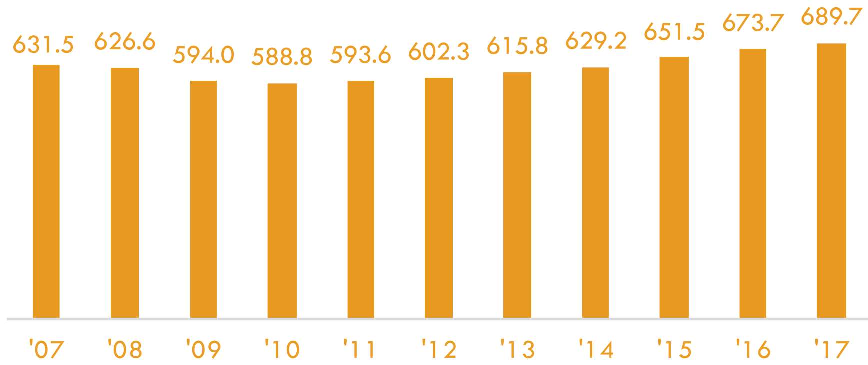
The theme of strong economic momentum alongside potential growth-related challenges surfaces throughout this Economic Assessment & Community Benchmarking report. As the first report of four that will comprise the Elevate Northeast Florida Comprehensive Economic Development Strategy, this report contains the foundation of research on which a plan of action for the next five years will be established. From the data analysis and to-date input, it is clear that **the region will need an intentional and strategic approach to maintaining progress** – even more so than the approach set forth in the region's last strategic plan, the 2012 Innovate Northeast Florida Strategy.

The following pages describe top drivers of the region's economy and provide context for the rest of this report. This summary of findings is followed by a SWOT analysis, which highlights research findings that will inspire the Elevate Strategy's framework.

Northeast Florida has experienced a strong wave of growth in recent years. The seven-county region has increased employment 14.5% since 2012 and added 100,000 new jobs in the past seven years. Since 2010 – the lowest point in the recession – Northeast Florida has enjoyed nearly uninterrupted growth across nearly all of its industries. Job creation has occurred at a pace that is more than 50% higher than the US average.

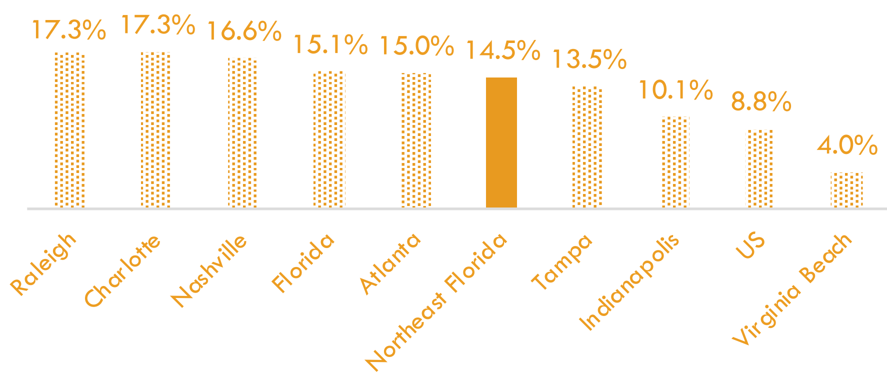
The pace of regional job growth is accelerating. Between 2016 and 2017, employment in Northeast Florida rose 2.4%. Among benchmark regions, only Nashville a experienced a greater rate of job growth during this period.

NORTHEAST FLORIDA EMPLOYMENT (THOUSANDS OF JOBS)



SOURCE: AVALANCHE CONSULTING / EMSI

EMPLOYMENT GROWTH 2012 – 2017

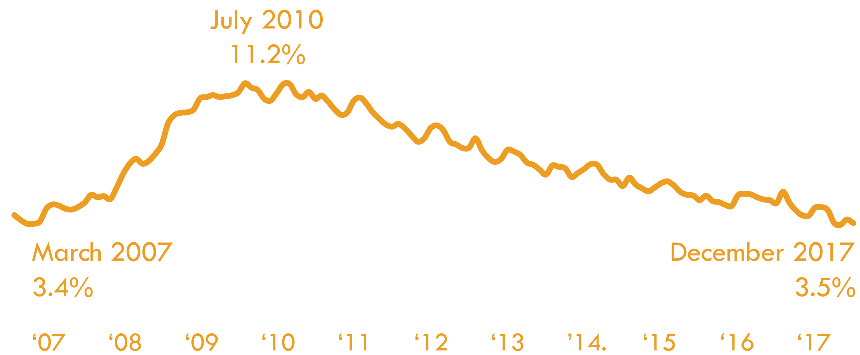


SOURCE: AVALANCHE CONSULTING / EMSI

Job gains have also contributed to record unemployment levels. Unemployment in Northeast Florida is quickly approaching a 10-year low, which is positive news for residents but more challenging news for businesses. In focus groups and interviews conducted for this Economic Assessment & Community Benchmarking report, some employers expressed concerns about their ability to fill job openings with skilled talent, a concern that mirrors what national employers are feeling.

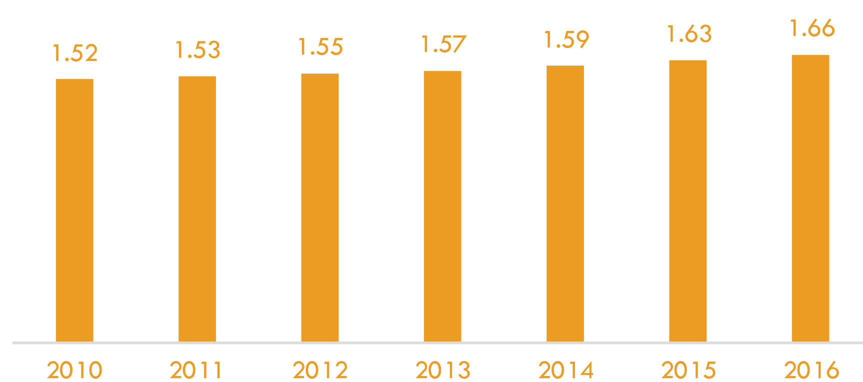
Reassurance for employers comes from the region's healthy population growth and large labor shed. Currently, Northeast Florida is home to nearly 1.7 million residents. **Since 2010, the region's population has grown by more than 140,000 individuals**, a 9.4% increase. During this period, the region's population increased at a faster pace than the national average.

NORTHEAST FLORIDA UNEMPLOYMENT RATE



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

NORTHEAST FLORIDA POPULATION (MILLIONS)



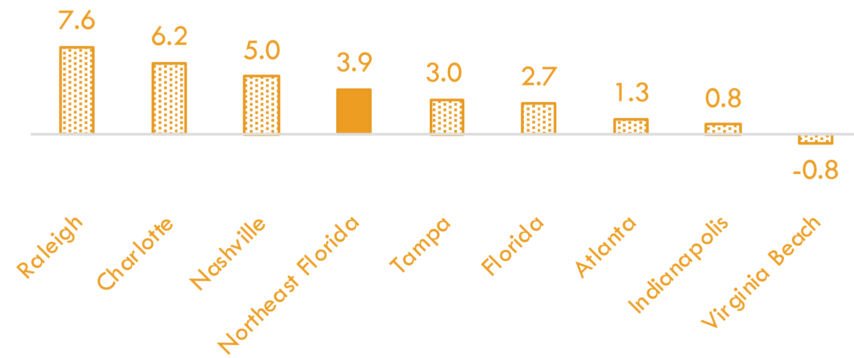
SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Northeast Florida's strong job growth, affordability, and quality of life have helped attract college-educated talent into the region.

The influx of talent into Northeast Florida is helping the region close educational attainment gaps, and quickly. In 2012 when the Innovate Northeast Florida strategy was completed, the share of population with an Associate's degree was less than 9%, and the share with a Bachelor's degree was 26%. Since then, the number of residents with Bachelor's degrees has increased 10.5% and number with Associate's degrees is up 10%. As the charts to the right illustrate, 10% of the adult population now has an Associate's degree and 28% have a Bachelor's degree or higher. While still lagging some competitors, this is remarkable change in a short amount of time.

Northeast Florida is attracting working-age professionals at a faster pace than a majority of other Florida communities and the nation as a whole. In fact,17.5% of the region's population growth was fueled by residents between the ages of 25 and 44. Nationally, this group was responsible for less than 14% of total population growth.

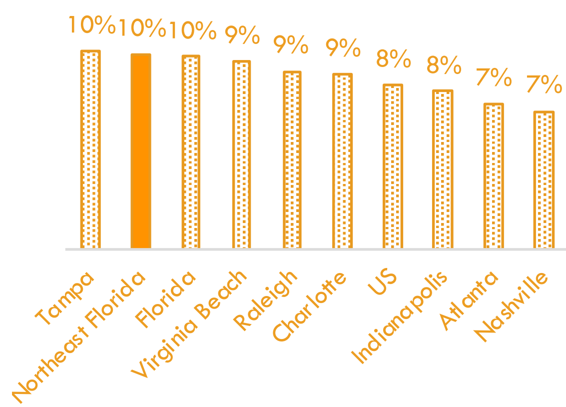
NET INFLUX OF COLLEGE-EDUCATED DOMESTIC MIGRANTS INTO REGION (PER 1,000 RESIDENTS), 2016



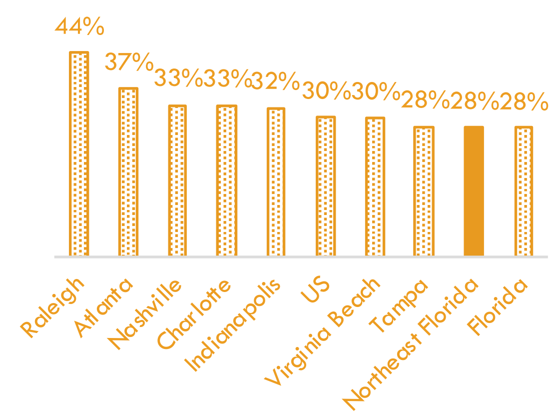
SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Northeast Florida looks well positioned to enjoy an increase in young professionals in the years ahead. **During the past five years, the number of Northeast Florida residents younger than 25 years old increased 1.7%. Nationally, this cohort grew just 0.3%** during this period. If Northeast Florida continues to recruit talent and can simultaneously retain its youth in the years ahead, the region economic competitiveness will further increase.

SHARE OF 25 YEARS+ POPULATION W/ ASSOCIATE'S DEGREE, 2016



SHARE OF 25 YEARS+ POPULATION W/ A BACHELOR'S DEGREE OR HIGHER, 2016



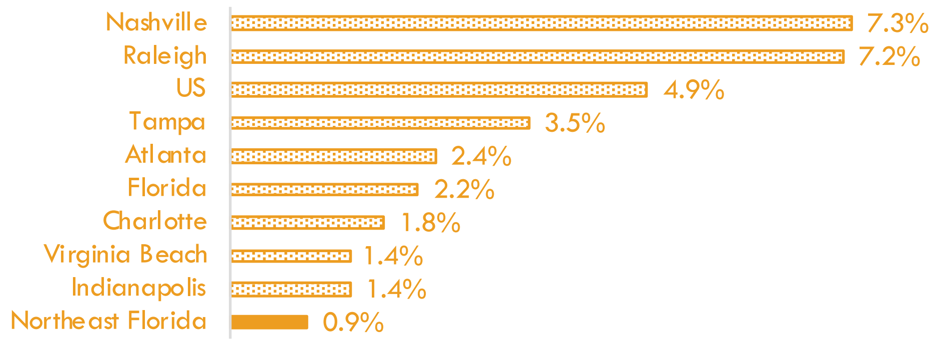
SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

Strong employment and population growth has not translated into significant household income growth. During the past five years, incomes in the region have increased at a slower pace than benchmark communities. In addition, income levels vary greatly by demographic segment. On average, Black/African-American residents' household incomes are 60% the level of White Non-Hispanic household incomes.

Although cost of living is a frequently cited regional advantage, some residents feel pressure on their pocketbooks, especially related to housing costs. **While income levels have barely budged, home prices have increased by more than 75% since 2012**. Over 30% of homeowners in the metro now spend more than 30% of their income on their mortgage payment each month. More than 50% of renters are cost-burdened, spending greater than 30% of their income on rent.

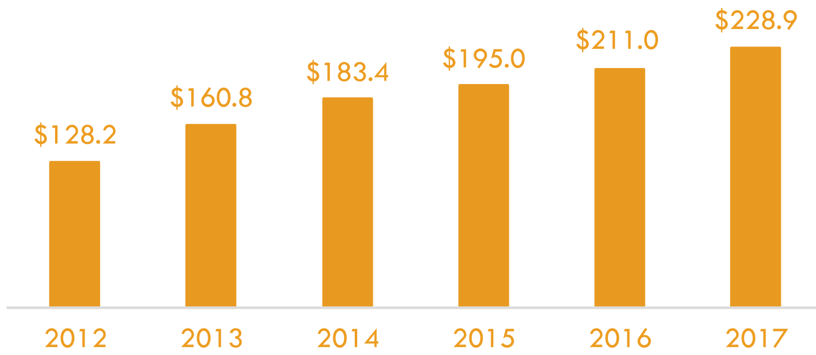
Helping residents increase their incomes and afford quality housing not only depends on growing higher wage jobs in the region, but also connecting residents with viable career pathways. One of the most revealing data points gathered through the Elevate Northeast Florida resident survey is that **42% of those surveyed are not aware of career opportunities or pathways in the region**. Getting residents into higher and higher paying jobs will begin with informing them of their options.

CHANGE IN MEDIAN HOUSEHOLD INCOME
2011 - 2016



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

JACKSONVILLE METRO MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(IN THOUSANDS OF DOLLARS)



SOURCE: AVALANCHE CONSULTING / NATIONAL ASSOCIATION OF REALTORS

Given the interconnectedness of the region's workforce, ensuring an efficient transportation system is vital.

In a survey of 1,340 residents conducted for this Strategy, **nearly 50% of participants listed transportation/transit options as the region's most pressing challenge.** These survey results represent a notable shift compared to the 2012 Innovate Northeast Florida survey. In the Innovate survey, transportation infrastructure was rated as a less pressing issue than preK-12 schools, career/job opportunities, economy, government/political leadership, and workforce/talent.

Pressure on transportation networks is not surprising given the region's strong population growth and percentage of people commuting outside of their home county for work. With continued economic momentum, one can expect congestion to increase unless there are changes in commuting patterns or further investments in transportation infrastructure and regional transit options. Average travel time to work for the region as a whole is on par with benchmark communities, but it creeping upward for counties located farther from Duval County.

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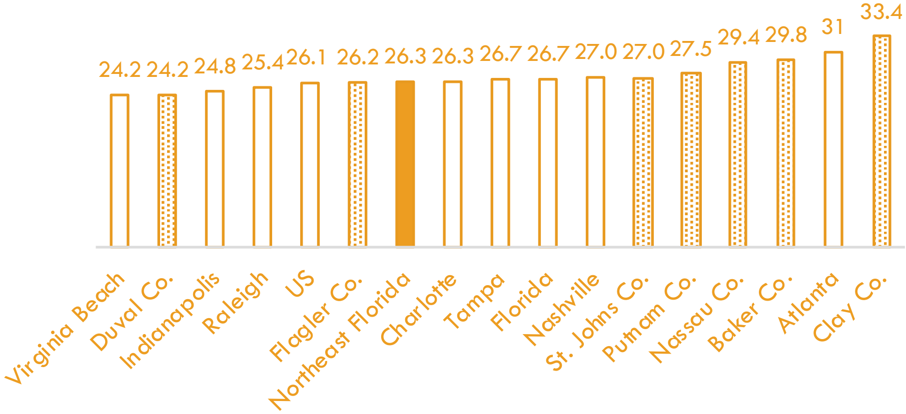
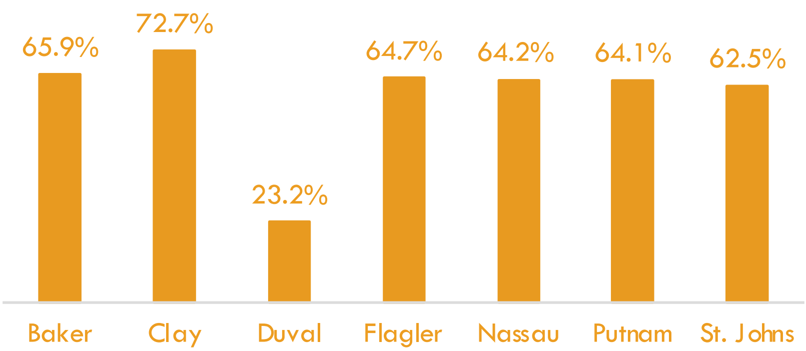
The following pages, the SWOT Analysis, shares a more granular summary of Elevate Northeast Florida's to-date research findings. The SWOT is organized around five topics: economic momentum; talent, education, and workforce; infrastructure and real estate; quality of place; and entrepreneurship and innovation. It highlights truly differentiating regional strengths, weaknesses, opportunities, and threats. The list of strengths can be incorporated into sales messages and marketing content. Weaknesses and threats may inspire action. Opportunities, similarly, may evolve into goals and recommendations in the Elevate Action Plan.

AVERAGE TRAVEL TIME TO WORK IN MINUTES
2016



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

SHARE OF RESIDENT WORKERS EMPLOYED
OUTSIDE THE COUNTY, 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

SWOT Analysis: Economic Momentum

STRENGTHS

- During the past five years, employment in Northeast Florida has increased by approximately 96,000. At 15%, Northeast Florida's five-year job growth rate has outpaced the national average by over 50%.
- In recent years, employment growth within Northeast Florida has been broad-based. With one exception, all major employment categories in the region increased jobs between 2012 and 2017.
- As a whole, surveyed Northeast Florida residents are positive about the region's economic performance—nearly 60% of survey respondents rated the region's economy an "A" or "B" during the past five years.
- Below 4%, the region's unemployment level is at a 10-year low.
- The region's population and workforce growth rates have greatly exceeded the national average over the past five years.

WEAKNESSES

- Although a low level of unemployment is good for workers, it has made it more difficult for local employers to find employees with certain skillsets.
- Between 2012 and 2017, average annual wages in Northeast Florida increased by just 3% on an inflation-adjusted basis.
- Real per capita gross regional product in the Jacksonville metro is approximately 20% less than the US metropolitan average.
- Despite relatively strong employment growth in recent years, more than 30% of surveyed residents believe the availability of regional career/job opportunities needs further improvement.

OPPORTUNITIES

- Since 2010, regional population has increased at more than twice the national growth rate. Sustained population growth helps increase the regional talent base while also contributing to an increased demand for goods and services locally. Continuing to match new residents with careers and retain them long-term is a strong opportunity.
- The diversity of communities within Northeast Florida provides businesses from a variety of industries with many different location options.
- Suburban counties seek to attract more jobs as a way to create a better housing-jobs balance and reduce traffic.
- Educational attainment levels in Northeast Florida continue to rise, a dynamic that should continue to be leveraged to expand businesses and increase the region's overall economic momentum.

THREATS

- Since 2012, Construction has accounted for one of every six jobs created in Northeast Florida. A slowdown in the housing market could have a negative impact on the region.
- During the past five years, lower paying industries in Northeast Florida have typically experienced greater rates of job growth relative to higher wage industries. This dynamic, combined with rising housing costs, could make it more difficult to recruit workers to the region in the future.
- After a period of sustained growth, the value of goods exported from the Jacksonville metro has flattened in recent years.
- Local business leaders believe that national/global awareness of the region's brand is unreflective of its economic vibrancy. A weak brand could dampen economic development and talent attraction.

SWOT Analysis: Talent & Education

STRENGTHS

- Educational attainment in Northeast Florida at the Associate's level exceeds national and statewide averages. The percent of workers with degrees has increased 3% since 2012.
- The region's workforce has grown at a faster pace than jobs.
- Those surveyed recognize the quality of the region's colleges and universities as one of its top five strengths.
- The region boasts a higher concentration of Bachelor's degrees in Science & Engineering related fields relative to the US average.
- Earn Up is a strength and a beacon to employers that area leaders are proactively improving educational attainment.
- The region's workforce programs for veterans are frequently cited by employers as a reason why they are located in Northeast Florida.

WEAKNESSES

- Educational attainment in Northeast Florida at the Bachelor's and higher level is improving but trails the US average.
- Due the lack of greater transit availability and geographic distance of education/service offerings, workers in some parts of Northeast Florida find it difficult to pursue additional education or career assistance.
- Regional employers and leaders have voiced concerns about the ability to find a sufficient number of employees in certain fields given the region's relatively low levels of unemployment.
- 42% of those surveyed for this strategy said that they are not aware of career opportunities or pathways in the region.

OPPORTUNITIES

- The region consistently attracts recent college graduates, contributing to the region's rising levels of educational attainment. Keeping up this trend, as well as investing in education programs and career pathway awareness at home, will greatly benefit the region's economy.
- Young professionals in Northeast Florida have higher than average educational attainment at the Associate's degree level. Promoting this fact should help attract businesses seeking skilled tradespeople.
- The region is home to numerous colleges and universities that provide a continuous supply of new, skilled workers. The quality of post-secondary institutions in the region is perceived by residents as a core regional strength to build on.
- New leadership has recently transitioned into many higher education institutions, providing opportunities to partner with them on economic development and workforce development initiatives.

THREATS

- An aging population and impending Baby Boomer retirement is a significant issue for many industries, and is beginning to strain availability of workers in key fields like production and engineering. This threat impacts most US regions, including Northeast Florida.
- Rising housing costs, especially in and around urban cores, have pushed a growing number of workers away from established employment centers. The misalignment between where people live versus work, plus growing highway congestion, could make hiring and worker retention more difficult.

SWOT Analysis: Infrastructure & Real Estate

STRENGTHS

- Northeast Florida employers benefit from a large labor shed and a workforce that is willing to travel to work. With the exception of Duval County, a majority of workers in every county in the region are employed outside their home jurisdiction.
- Total shipping container traffic at JAXPORT rose 12% between 2012 and 2017. Air cargo traffic volumes at Jacksonville International Airport have also increased during this period.
- When compared to benchmark regions such as Nashville and Atlanta, traffic congestion in Northeast Florida is relatively modest.
- Jacksonville is the location of a Network Access Point (NAP) where subsea fiber cables from South America converge. This is the only NAP between Miami and Atlanta, and provides businesses with speed, fiber density, redundancy, and security only available at a NAP.

WEAKNESSES

- Although Northeast Florida has a regionally integrated workforce, regional transit options are limited.
- More than 80% of workers drive alone to work, underscoring the shortage of transit options and placing significant demands on the region's existing roadway infrastructure.
- Traffic congestion is a top concern of residents across the region. On average, surveyed residents characterized the region's transportation access, the availability of walking and bike paths, commute times, road capacity, and the availability/accessibility of transit as below average.

OPPORTUNITIES

- Overall, Northeast Florida has relatively high levels of broadband coverage. But for some communities, high-speed internet access is limited. Extending coverage across the entire region would be a significant competitive advantage.
- The metro's office market has capacity to absorb additional growth and remains competitive from a price perspective.
- The approval of the Downtown Investment Authority's plan in 2015 has started to yield results. Significant opportunities remain to increase the number of downtown residents (with more than 50,000 workers downtown and just 4,500 housing units).
- Convention center relocation could boost the downtown economy.
- A converted Skyway-based autonomous vehicle system, and its expansion, could increase downtown's attractiveness and reduce traffic.

THREATS

- A growing geographical divide between job centers and residential areas could place an ever greater burden on the region's transportation infrastructure.
- In recent years, residential real estate prices in Northeast Florida have risen, threatening the ability to retain and attract residents in the future.
- A shortage of commercial sites and buildings is viewed as a limitation to attracting new growth in some Northeast Florida counties.

SWOT Analysis: Quality of Place

STRENGTHS

- The overall cost of living in the Jacksonville metro is 6% less than the US average. A good cost of living is viewed as a top strength by residents across the region.
- Median household income in the region ($53K/year) is higher than the state average ($49K/year).
- The region's natural beauty and waterways (beaches, Intracoastal, lakes, rivers) are among its greatest assets. Of the more than 1,300 residents surveyed for this strategic plan, a majority ranked the region's natural environment and recreation/cultural amenities among its top three strengths.
- Northeast Florida's lifestyle amenities are attracting attracting tourists—overnight visitors to Duval County have increased 17% since 2013.

WEAKNESSES

- While poverty rates have decreased, rates of poverty remain high. In Baker (18.5%), Duval (16.6%), and Putnam (27%) Counties, poverty levels are above the US average (15.1%).
- Nearly one-half of all renters in Northeast Florida spend more than 30% of their income on housing costs. The percentage of cost-burdened renters in Northeast Florida is higher than US and Florida averages.
- Median household income in Northeast Florida is slightly less than the national figure.

OPPORTUNITIES

- Downtown Jacksonville has significant room for commercial and residential development.
- Northeast Florida's outdoor amenities, especially its waterways, are major differentiators for the region. Investing in infrastructure to make them more accessible to visitors and residents is an opportunity.
- Economic equality and job growth is better in the metro than the national average. The region has an opportunity to further reduce economic disparity and poverty by targeting higher wage jobs and promoting career pathways for residents.

THREATS

- Both violent and property crime rates in the Jacksonville metro are higher than the US and Florida averages. While only high in pockets of Duval County, the average could give the false impression that the metro is less safe than others.
- Downtown Jacksonville's low vibrancy could be viewed by businesses as a negative when trying to attract workers or new companies.
- While housing costs in the metro remain lower than in many other benchmark regions, prices have soared in recent years, presenting a potential long-term threat to retaining and attracting people.
- Continued population growth, combined with limited transit options, may contribute to increased traffic congestion and longer commutes.
- The risk of sea level rise is a threat faced by coastal communities.

SWOT Analysis: Entrepreneurship & Innovation

STRENGTHS

- The region's small business community is robust. The percentage of businesses with fewer than 10 employees in Northeast Florida exceeds the US average as well as most benchmark communities.
- The region's low cost of living and affordable commercial real estate helps to reduce the startup costs associated with establishing a new business.
- Northeast Florida has a diverse, established industry base, and its growing population provides a foundation of customers for start-up businesses.
- Northeast Florida is home to major research institutions, such as Mayo Clinic and UF Health.

WEAKNESSES

- Venture capital funding in the Jacksonville metro is low. The region has not seen a startup community like other benchmark metros.
- Small business proprietors earn less revenue per capita than their peers across the state and benchmark regions.
- On a per capita basis, the Jacksonville metro's level of patent production is significantly lower than the US average and lower than most benchmark regions.

OPPORTUNITIES

- In 2016, Northeast Florida's colleges and universities managed approximately $5.1 million in academic R&D spending. There is room for growth in the future.
- Rising home values provide existing homeowners in Northeast Florida with increasing equity, which is a frequent source of funds for entrepreneurs.
- Northeast Florida's established industry base – particularly in the financial, health care, and logistics sectors – provides an opportune testing ground for developing innovative new technologies.

THREATS

- Between 2011 and 2016, academic research and development (R&D) expenditures in Northeast Florida fell by more than 50% on a per job basis.
- A lack of critical mass of entrepreneurship could result in funded companies or those that grow relocating to other competitor metros.
- Most industries – particularly Financial and IT – face continuous threats from disruptors. Will Jacksonville companies maintain their competitiveness through their own internal innovation?