

Dr. Phillips Institute

Whoops! Metro Orlando is Last

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Most rankings related to economic strength within Florida show metro Orlando standing near the top. Examples include the annual growth rate in nonfarm payrolls and the absolute number of authorized building permits for private construction. When it comes to annual pay amounts, however, Orlando is barely more than an ordinary bear. The latest data available from the U.S. Department of Labor cover the year of 1998, and show that Orlando placed **last** among Florida's six dominant Metropolitan Statistical Areas (MSAs) based on *average annual pay*.

The West Palm Beach-Boca Raton area paced Florida's six key metro areas with an average annual pay amount of \$31,735. Orlando was sixth or last with an average pay amount of \$27,759. Average annual pay in Orlando was 12.5 percent below that of greater West Palm Beach.

From among 306 metro areas that were tracked, metro West Palm Beach-Boca Raton ranked 48th, while Orlando was just above the national median at 134th. Just as revealing and challenging are the facts that Orlando ranked **below**: (1) all of Florida; (2) the average of all U.S. Metro areas; and (3) the entire U.S. including those areas not large enough to garner MSA status. The first exhibit that follows displays these data for Florida's largest metro areas, the state, and the entire U.S. The second exhibit graphs the annual pay levels for the six Florida metro areas.

It is of longer-term, policymaking value to consider those MSAs that greater Orlando resembles when analyzing average pay. Accordingly, the third and final exhibit displays the average annual pay of those MSAs that occupy the strict "Middle of the Pack" from among the entire 306 MSAs that are studied. Notice that the best of this bunch is Iowa City, Iowa where the average pay of \$27,263 is just \$496.00 less than that of Orlando, or on a relative basis, just 1.79 percent less. Jackson, Mississippi represents the last of the

middle section with average pay of \$27,086--a mere \$673.00 and 2.4 percent below that of Orlando.

For the record and reflection, San Jose, California ranked first among the 306 subject MSAs with an average annual pay of \$51,409. At the other end, Jacksonville, North Carolina placed last, 306th, with \$19,815 in average pay.

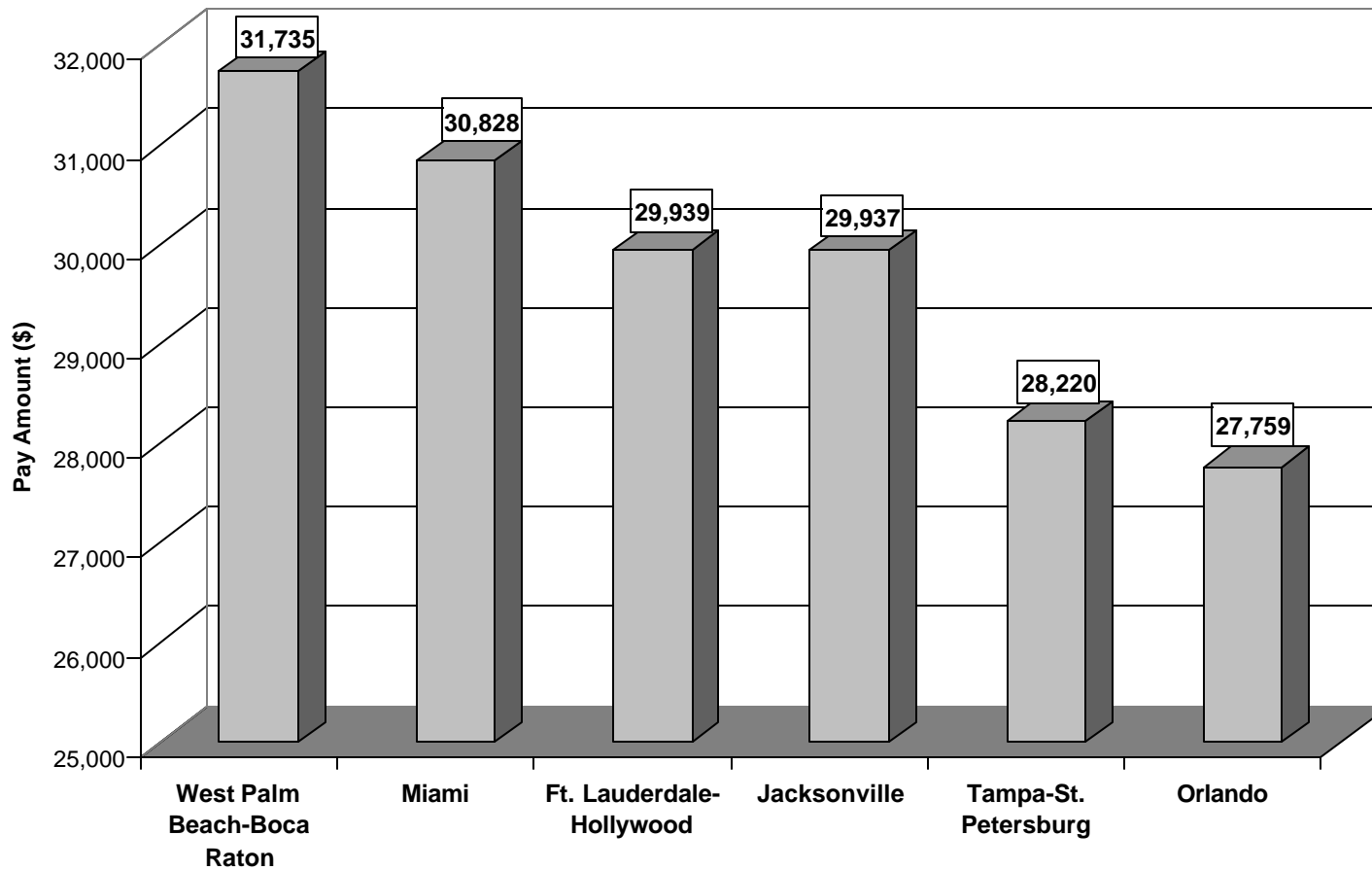
Such data explicitly document that metro Orlando's jobs-mix needs to be twisted if ever the region is to enjoy the wide economic benefits of higher-paying jobs. The concentrated weight of low-paying service sector jobs embedded in tourism, retailing, amusement-recreation, and hotels and other lodging provide a strong negative drag on Orlando wages relative to other regions of the U.S. The twist to higher-paying service sector and manufacturing jobs is a worthwhile goal of any local industrial policy.

Too narrow a definition of "high technology" is to be avoided and is counterproductive to local development in that many old-economy sectors, such as ethical drug manufacturing and automobile assembly and components manufacturers, along with financial institutions, are now heavy users of so-called high-tech infrastructure and should qualify for the same economic incentives targeted for, say, semi-conductor chip developers, manufacturers, software developers, or telecommunications firms.

Average Annual Pay in Largest Florida Metro Areas 1998			
	Metro Area	Pay Amount (\$)	Rank in U.S. From 306
1.	West Palm Beach-Boca Raton	31,735	48
2.	Miami	30,828	64
3.	Ft. Lauderdale-Hollywood	29,939	82
4.	Jacksonville	29,937	83
5.	Tampa-St. Petersburg	28,220	127
6.	Orlando	27,759	134
<u>Reference:</u>			
	Florida	28,143	—
	U.S. - All Metro Areas	33,381	—
	U.S. - Entire Nation	31,908	—

Source: Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, College of Business Administration, University of Central Florida. Raw data from the U.S. Department of Labor, Bureau of Labor Statistics, June 2000.

**Average Annual Pay in
Largest Florida Metro Areas
1998**



<p style="text-align: center;">The Metro Company Greater Orlando Keeps or The Middle of the Pack Average Annual Pay, 1998</p>		
Metro Area	Pay Amount (\$)	Rank in U.S. From 306
Iowa City, Iowa	27,263	151
Lima, Ohio	27,239	152
Houma, Louisiana	27,142	153
Youngstown-Warren, Ohio	27,123	154
Jackson, Mississippi	27,086	155

Source: Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, College of Business Administration, University of Central Florida. Raw data from the U.S. Department of Labor, Bureau of Labor Statistics, June 2000.