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FORECAST 2006: COVER STORY

Metro Orlando is hot for new jobs

But experts would like to see region add more than just service workers

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While no economist claims a perfect crystal ball, those who track and study employment trends generally agree that 2006 should be another good year for jobs in Central Florida.

Florida led the nation in job growth last year and, within the state, Orlando had the top growth rate among the state's six big metro areas.

The four-county Orlando metro area has about 40,000 more jobs today than it had a year ago. And the latest jobless numbers put Orlando at 3.3 percent unemployment — again, best among the state's six biggest metro areas and well below the nation's seasonally adjusted figure of 5 percent.

"That's absolutely outstanding performance," said David Scott, an economist and finance professor at the University of Central Florida.

But Scott, like many others, adds the qualifier that the region still needs to diversify its economic and employment base to ensure longtime stability. "We're good at making T-shirts and delivering pizzas," Scott said. "But we don't need another water slide on International Drive."

To keep Central Florida strong and balanced, he said, community leaders need to keep trying to attract clean industries such as automobile assembly and pharmaceuticals. "You don't get wealthy delivering pizzas to each other," Scott said. "We don't export enough stuff. We wait for arrivals at our tourists spots."

And, as is now well known, the leisure industry can be swiftly and severely affected by a terrorist attack that disrupts travel or a hurricane strike that damages the state or its image across the country and overseas.

Scott says community leaders have spent too much energy recruiting glamorous businesses, such as the film industry, and not enough time on plain, clean manufacturers that can provide a large number of stable, well-paying jobs. "We need a plant that stamps out 2 billion aspirin a day," he said.

Trent Flood, a spokesman for the Metro Orlando Economic Development Commission, notes that, while computer-gaming and earlier efforts to land film studios receive more attention because they're "sexier," the region's economic-development agency actually concentrates on "plain vanilla" manufacturers.

For example, last year the EDC helped keep WinDoor Inc. in the area, retaining 200 jobs and likely adding another 200 at a window-and-door manufacturer whose payroll averages \$16.79 an hour.

Bruce Nissen, research director at the Center for Labor Research and Studies at Florida Atlantic University, also worries about "the quality of the job being created" in a service economy that tilts toward tourism and hospitality.

Nissen, like Scott, sees Central Florida's economy continuing along at a good pace. "Job creation numbers have been good, and I don't see that changing," he said.

But Nissen also notes that, while industries such as housing, tourism and business services appear to have sustainable momentum, they are not keeping up with the growth of the state's working-age population. Local unemployment rates are low, he fears, in part because "larger and larger numbers of people are dropping out of the work force" and not showing up on the government's monthly surveys.

Central Florida, however, has a vast reservoir of entrepreneurial spirit and a good atmosphere for those willing to take a risk, said Mary Recchia Brown, who chairs the Small Business Chamber of the Orlando Regional Chamber of Commerce.

"What I'm seeing in our region is growth," Brown said.

Growth fuels demand for all manner of services, she said, and the region's strong growth should continue in 2006.

"I really think it's pretty good," said Brown, who owns a marketing consulting company. "It had turned around since 9-11."

Gary Earl, president and chief executive officer of Workforce Central Florida, said he expects the momentum in employment to continue.

"We don't see anything out there that will change the situation," said Earl, who heads the agency that helps prepare potential employees for jobs and helps businesses recruit workers.

During its most recent fiscal year, the

five-county organization placed 54,000 workers in jobs with average pay of \$11.67 an hour. (Employers and job seekers wanting more information may call 1-800-757-4598.)

A sampling of local businesses conducted by Manpower Inc., the temporary-staffing company, found that most employers are treading water when it comes to their employment plans for 2006.

The latest sampling, released in December, showed that 21 percent of employers expect to add workers during the first quarter of this year. That was slightly below the national average and significantly below the statewide response of 40 percent.

However, only 8 percent of the Orlando-area employers said they expect to cut staff during the first three months of 2006, which was right at the statewide average. The remaining 70 percent or so said they either expect no change to their work forces or were uncertain about their employment.

While Scott, the UCF economist, remains concerned about the mix of jobs in Central Florida, he said the continuing growth will keep things moving forward. In the short term, explosive growth may be messy, he said, but it's better than the alternative.

"You want to take growth where you can get it," Scott said. "Growth is difficult to manage, but easy to squelch."