

December 13-19, 2004

Region cranks out new jobs

Central Florida leads the state in job creation

By CHRISTOPHER BOYD
Sentinel Staff Writer

For communications-equipment maker **Harris Corp.**, these are heady times. A boom in federal military and homeland-security spending has boosted profits for the Melbourne defense contractor and put the company on a hiring binge.

Harris, now the region's 12th-largest employer, has added 700 jobs during the past year to its Brevard County divisions, boosting the work force there to 6,400. Company spokesman Tom Hausman said the government's demand for enhanced communications equipment is one reason the company is adding about 50 workers a month.

"Much of the transformation occurring in the military involves communications," Hausman said. "We have diversified our government markets, and that is helping us grow."

Brevard County's employment base grew 2 percent during the 12 months ending in October, or an increase of 3,800 jobs, according to the Florida Agency for Workplace Innovation. So nearly one in every five of those jobs was created by Harris.

Harris is a standout, even in a region where a surging construction industry and rebounding tourism sector have contributed to a solid increase in jobs for companies both large and small this year.

Metropolitan Orlando, Central Florida's core market, leads the state in job creation. The area, which comprises Orange, Seminole, Osceola and Lake counties, has added more than 21,000 jobs in the past year at companies of all sizes, for a 2.3 percent growth rate.

"Companies continue to relocate to Central Florida," Workforce Innovation spokesman Warren May said. "The job gains in Orlando were largely in two areas: leisure and hospitality, and education and health services. Together, they produced 11,500 jobs during the year."

In the past year, overall employment in those two categories grew from a combined 264,300 to 276,700 in the metro area. By comparison, there was no job growth in the telecommunications sector, which held steady at 10,600 positions, while professional and technical service jobs expanded less than 1 percent, from 53,100 to 53,400.

The construction industry, meanwhile, is receiving a tremendous boost from the year's most dramatic events — hurricanes Charlie, Frances and Jeanne. The storms, which tore through the region in August and September, resulted in layoffs at first but quickly led to demand for new workers.

"We know the [construction] industry is in very high demand since the hurricanes," May said. "The construction trades were already doing very well before the hurricanes."

According to the state's figures, the metro area's leisure-and-hospitality sector, which includes attractions, hotels and

"The big strengths in Central Florida are the tourism and hospitality areas," said economist Hank Fishkind, president of **Fishkind & Associates** in Orlando. "We saw a significant rebound in tourism, and the job numbers that we are seeing are very strong."

The *Orlando Sentinel's* annual list of the region's 100 biggest employers reflects the area's growth and tourism's continued dominance. The Top Employers 2004 list has a combined 351,000 jobs — about one-fourth of all the jobs in the region and 2.7 percent more than last year's Top 100 ranking.

Walt Disney World alone added more than 2,000 employees during the past year, increasing its work force to 53,800. The giant resort is far and away the region's biggest workplace and is thought to be the country's largest single-site employer.

Disney spokeswoman Kim Prunty said the opening of two hotels this year contributed heavily to the resort's increase in jobs, along with an expanded special-events schedule.

"Our gains are necessarily the result of a substantial increase in tourism," Prunty said. "It's primarily the result of staffing for new resort hotels and staffing for special events."

Air travel to Central Florida rebounded in 2004, evidence that tourists were coming again

PLEASE SEE **JOBS, 16**

JOBS FROM 14

restaurants, has grown 4.6 percent during the past year, and more than 177,000 people now work in those industries.

in larger numbers.

But there is uncertainty about 2005. Some economists think growth will begin to falter if interest rates start to rise. That could curtail tourism, more than offsetting any increase in international visitors lured here by the slumping U.S. dollar.

"Our economy is stronger than it was last year, and a lot stronger than it was two years ago," said Craig McAllister, dean of the Crummer Graduate School of Business at Rollins College in Winter Park. "I think 2005 will be a good year, but not a great year. I predict mediocre growth."

Slow growth could affect hiring in all areas of the economy. Rising interest rates could also take a swipe at the construction industry, which was one of the most robust segments of the economy this year.

University of Central Florida economist David Scott said it's important not to overplay this year's payroll growth in metropolitan Orlando.

"What's happening here is right in line with national trends," Scott said. "We would hope that our Top 100 employers would add jobs. Through October, the U.S. economy added an average of 172,000 payroll jobs a month."

Scott said Central Florida's business climate remains favorable. But the region continues to grapple with an unfulfilled dream — augmenting the tourism economy, with its abundance of modestly paying jobs, with a technology economy that attracts highly skilled and well-compensated workers.

Although contractors like Harris and Lockheed Martin, the region's biggest tech employer, continue to reel in government contracts, companies

outside the defense field have had a harder time finding a place in the economy. Many start-up tech businesses have remained small, unable to raise needed growth money in a moribund venture-capital market.

And the technology economy is limited in scope.

"The weakness that I see with the technology sector in Central Florida is that it hasn't diversified," said Lawrence J. Belcher, chair of the Stetson University Finance Department. "It's all defense and gaming. It's very specific, and simulation and defense technology is highly dependent on what happens in Washington."

Efforts to encourage the sector continue. The University of Central Florida's Technology Incubator is one of the driving forces behind the effort to create entrepreneurial businesses, and its list of fledgling companies is growing. But most tech businesses are contributing relatively few jobs to the region's employment base.

UCF's Scott said manufacturing, which offers relatively well-paid work, continues to wither, shedding about 1,300 jobs locally in the past year, according to state data.

Telecommunications remains another weak sector. Florida lost 3,200 telecom jobs during the past year, partly the result of the collapse of small telecom companies that formed in the late 1990s to do battle with the regional Bells.

FDN Communications of Maitland is an exception. The independent phone company has grown and is being sold to

another telecom provider, ITC-DeltaCom Inc. FDN continued to add employees this year, including Web-page designer Doug Boberg, who landed a job there after his own Web-design company faltered.

The Agency for Workforce Innovation forecasts continued strong demand in the hospitality, education and health-care fields through the rest of the decade. Computer-software engineers are expected to find the most opportunities, with employment in that particular category expanding about 6 percent a year in metro Orlando.

Fred Smith, a computer engineer who graduated from the University of Florida last spring, landed a job as a business-development manager with Harris. The 23-year-old Smith said he received offers from four of the five companies to which he applied for work.

"Computer engineers are sought after," Smith said. "I picked Harris because they went out of their way to accommodate me."

Despite the uncertain future of the national economy, and continued weakness in some fields, economist Fishkind said Central Florida's employment market should remain strong — barring a catastrophe.