Creating a Community of the Future Today

Florida City and County Management Association
June 1, 2018

Amy Holloway, President, Avalanche Consulting

@ChiefSherpa
“The best way to predict the future is to create it.”

— Abraham Lincoln
We are strategists for the nation’s top performing economies.
We view economic development through a holistic lens.

The Future is Florida
Demography

Technology

Economy

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Demography

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Economy

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FLORIDA POPULATION TRENDS

1,000 NEW PEOPLE PER DAY

5.4 m MORE PEOPLE BY 2030

Source: 2017 Economic Development Task Force Report, Florida Chamber of Commerce
<table>
<thead>
<tr>
<th>Type</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Counties (43 Counties)</td>
<td>2,176,423</td>
</tr>
<tr>
<td>Non-Metropolitan Counties (24 Counties)</td>
<td>6,667</td>
</tr>
</tbody>
</table>
Every 24 hours, more than 10,000 people turn 65.
PERCENT OF U.S. POPULATION AGE 65+

1960: 9.1%
2016: 15.0%

Source: World Bank
PROJECTED PERCENT OF FLORIDA POPULATION AGE 65+

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17.3%</td>
</tr>
<tr>
<td>2016</td>
<td>19.2%</td>
</tr>
<tr>
<td>2020</td>
<td>20.5%</td>
</tr>
<tr>
<td>2025</td>
<td>22.5%</td>
</tr>
<tr>
<td>2030</td>
<td>24.4%</td>
</tr>
<tr>
<td>2035</td>
<td>25.2%</td>
</tr>
<tr>
<td>2040</td>
<td>25.5%</td>
</tr>
<tr>
<td>2045</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

Source: Bureau of Business & Economic Research
CULMULATIVE CHANGE IN WHITE, NON-HISPANIC POPULATION
2010 – 2016 (MILLIONS)

Deaths: 12.4m
Births: 12.8m

Source: US Census Bureau
74.5%
96%

Economic Developers Who Report an Increase in the Importance of Workforce Availability in the Site Selection Process

Source: Avalanche ED Index Q1 2018
The 10 HARDEST JOBS to Fill

1. Skilled Trades (electricians, carpenters, welders, bricklayers, plasterers, plumbers, masons and more)
2. Drivers (truck, lorry, heavy goods, delivery, heavy equipment and construction drivers)
3. Sales Representatives (sales executives, sales advisors and retail sales people)
4. Teachers
5. Restaurant & Hotel Staff
6. Accounting & Finance Staff (bookkeepers, certified accountants and financial analysts)
7. Nurses
8. Laborers
9. Engineers (mechanical, electrical and civil engineers)
10. Technicians (production, operations or maintenance technicians)

Lack of available applicants and lack of experience are the top reasons employers can’t fill positions:

- Lack of available applicants/ no applicants: 23%
- Lack of experience: 18%
- Lack of hard skills (technical competencies): 16%
- Looking for more pay than is offered: 16%
- Lack of soft skills (workplace competencies): 12%

Source: Manpower Group 2016-2017 US Skills Shortage Survey
Cost Burdened Households in Florida

- **Owners**: 34%
- **Renters**: 56%

Source: US Census Bureau
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95%

Amount of Time Cars Are Parked on a Typical Day

Source: The High Cost of Free Parking
500,000,000
parking spaces in U.S.

3,590
square miles of parking spaces

Source: MIT; New York Times
% OF EMPLOYMENT AT RISK OF AUTOMATION OVER NEXT 20 YEARS

- Nevada: 58.5%
- South Dakota: 57.8%
- Wyoming: 55.6%
- Louisiana: 55.1%
- Texas: 54.9%
- South Carolina: 54.9%
- Alabama: 54.7%
- Florida: 54.7%
- Montana: 54.6%
- Mississippi: 54.4%

Source: Avalanche Consulting / Frey & Osborne
U.S. JOBS AT RISK OF AUTOMATION OVER NEXT 20 YEARS

- Loan Officers: 98.0%
- Receptionists: 96.0%
- Paralegals: 94.0%
- Retail Sales: 92.0%
- Taxi Drivers: 89.0%
- Security Guards: 84.0%
- Cooks / Fast Food: 81.0%
- Financial Advisors: 58.0%
- Programmers: 48.0%
- Reporters: 11.0%

Source: Avalanche Consulting / Frey & Osborne
PERCENT OF WORKERS WHO SAY TECHNOLOGY HAS GENERALLY...

- **Made work more interesting**
  - College Graduate: 64%
  - Some College: 54%
  - HS Grad or Less: 38%

- **Increased opportunities for advancement**
  - College Graduate: 53%
  - Some College: 51%
  - HS Grad or Less: 32%

Source: Pew Research Center
IoT CONNECTED DEVICES INSTALLED WORLDWIDE, 2015-2025 (IN BILLIONS)

Source: Statista
GLOBAL IoT MARKET SHARE BY SUB-SECTOR, 2020 FORECAST

- Smart Cities: 26%
- Industrial IoT: 24%
- Connected Health: 20%
- Smart Homes: 14%
- Connected Cars: 7%
- Wearables: 3%
- Smart Utilities: 2%

Source: Statista GrowthEnabler Analysis

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NUMBER OF COMPUTER SCIENCE, ENGINEERING, BIOLOGICAL SCIENCE & MATH DEGREES AWARDED BY FLORIDA COLLEGES & UNIVERSITIES

Source: National Science Foundation
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MOST AND LEAST CONCENTRATED SECTORS IN FLORIDA

U.S. Average LQ=1
U.S. Average Annual Wage=$50.6K

Source: EMSI
% INCREASE IN 1099 WORKERS, 2000 - 2015

- Florida: 90.0%
- Georgia: 85.9%
- Nevada: 81.1%
- Texas: 73.4%
- Arizona: 68.0%
- South Carolina: 59.3%
- Utah: 59.3%
- Mississippi: 57.2%
- North Carolina: 56.4%
- Virginia: 54.4%

Source: US Census Bureau

- Total: 9.1m
- Contractors and Temps: 9.4m

Source: National Bureau of Economic Research
E-COMMERCE SALES AS % OF ALL RETAIL SALES

0.8% 2000

9.1% 2017

$  $$  $$$$

Source: US Census Bureau
AMAZON WAREHOUSE SPACE IN FLORIDA (MILLIONS OF SQUARE FEET)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>3.1</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Source: Avalanche Consulting
BILLION-DOLLAR WEATHER & CLIMATE DISASTERS (ADJUSTED FOR INFLATION)

1988 - 1997: 39
1998 - 2017: 50
2008 to 2017: 109

Source: National Centers for Environmental Information
HOMES POTENTIALLY THREATENED BY SIX-FOOT SEA RISE

- Miami: 481,000
- New York: 180,000
- Tampa: 105,000
- Fort Myers: 53,000
- Boston: 53,000
- Upper Township: 46,000
- Salisbury: 45,000
- Virginia Beach: 43,000
- Bradenton: 40,000
- Naples: 38,000

Source: Zillow / National Oceanic & Atmospheric Administration
Dynamics Explored

Demography
- Aging Workforce
- Increasing Diversity
- Skills Gaps
- Affordability

Technology
- Autonomous Vehicles
- Automation
- Big Data, IoT

Economy
- Industry Diversity
- Gig Economy
- E-Commerce
- Natural Disasters

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Florida Target Industries

- Aerospace / Aviation
- CleanTech
- Defense and Homeland Security
- Financial and Professional Services
- Headquarters
- Information Technology
- Life Sciences
- Logistics and Distribution
- Manufacturing
- Tourism

Dynamics

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Source: Enterprise Florida; Avalanche Consulting
Florida Target Industries

Aerospace / Aviation
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Manufacturing
Tourism

Dynamics

Aging Workforce
Increasing Diversity
Skills Gaps
Affordability
Industry Diversity
Gig Economy
E-Commerce
Natural Disasters
Automation
Autonomous Vehicles
Big Data, IoT

Source: Enterprise Florida; Avalanche Consulting
CHANGE IN PER CAPITA EXPENDITURES, 2010 - 2015

Total
-2.5% County, 0.7% City

General Government Svcs.
-3.2% County, 3.6% City

Public Safety

Physical Environment
-2.2% County, 3.0% City

Transportation

Economic Environment
-15.2% County, 17.2% City

Human Services
-13.5% County, 6.9% City

Culture / Recreation
-15.4% County, 3.5% City

Other
-12.8% County, 1.5% City
-1.1% City

Court-Related Expenditures
1.8% County, 0.8% City

Source: Office of Economic & Demographic Research
How will these dynamics impact your community’s future?
Dynamics Explored

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Economy
- Industry Diversity
- Gig Economy
- E-Commerce
- Natural Disasters

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Create Your Future

- Health, housing, mobility services
- Inclusive and transparent leadership
- Employer engagement, align education
- Engage partners to re-engage workers
- Plan for quality dense development
- Zone for job/transit/housing centers
Create Your Future

- Re-imagine transportation infrastructure
- Re-purpose public assets, like parking
- Invest in broadband everywhere
- Invest in Smart City technologies
- Prepare for next gen “factories”

Technology

- Autonomous Vehicles
- Automation
- Big Data, IoT

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Create Your Future

- Advocate for a more diverse economy
- Invest in lifestyle to attract new generation
- Encourage flex-time, gig workers
- Plan ahead for re-use of retail real estate
- Have an economic recovery plan
What is your community’s leadership agenda?
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