

# LAKELAND

## EMPLOYMENT GROWTH RANK

2012-2014  
**251**  
4th quintile

2012-2017  
**140**  
2nd quintile

Best=1, Worst=392

## LIFE CYCLE PHASE

Growth/Mature

## VITALITY

RELATIVE  
**114%**

RANK  
**66**

U.S.=100%

Best=1, Worst=384

## RISK EXPOSURE

2013-2018

**91**

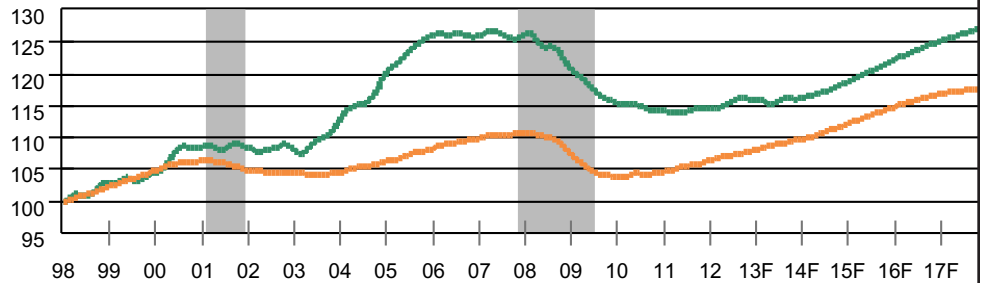
2nd quintile  
Highest=1, Lowest=384

## RELATIVE COSTS U.S.=100%

LIVING  
**96%**

BUSINESS  
**86%**

## RELATIVE EMPLOYMENT PERFORMANCE (1998=100)



Data Buffet® MSA code: MLAE

U.S. LAE

2006	2007	2008	2009	2010	2011	2012	INDICATORS	2013	2014	2015	2016	2017
17.7	17.9	17.7	16.9	16.7	16.4	16.5	<b>Gross metro product (C\$B)</b>	16.9	17.4	18.3	19.2	20.0
2.8	0.9	-1.1	-4.5	-1.0	-1.8	0.6	<b>% change</b>	2.2	3.1	5.2	4.8	4.5
210.6	210.6	207.3	196.4	191.7	190.7	192.8	<b>Total employment (000)</b>	193.4	195.9	201.1	206.5	210.9
2.2	0.0	-1.6	-5.2	-2.4	-0.5	1.1	<b>% change</b>	0.3	1.3	2.7	2.7	2.1
3.6	4.4	6.7	11.1	12.2	11.5	9.8	<b>Unemployment rate</b>	8.3	8.8	8.9	8.4	8.1
7.8	5.3	2.4	-4.3	6.1	4.7	4.9	<b>Personal income growth</b>	3.3	6.1	7.0	6.6	5.5
568.3	586.0	594.8	598.7	603.3	609.8	616.2	<b>Population (000)</b>	618.9	624.0	630.5	639.3	649.6
7,609	3,854	2,268	1,135	1,112	1,074	1,382	<b>Single-family permits</b>	1,827	2,646	3,997	4,349	4,251
1,714	368	981	0	88	82	140	<b>Multifamily permits</b>	200	416	471	495	495
174.2	168.6	141.2	111.6	101.9	93.4	95.4	<b>Existing-home price (\$ ths)</b>	105.1	109.6	115.1	119.1	127.1
5,870	3,762	1,870	1,444	1,053	837	1,368	<b>Mortgage originations (\$ mil)</b>	1,185	861	912	856	864
19.0	14.4	6.3	1.4	2.7	5.4	4.9	<b>Net migration (000)</b>	1.0	3.2	4.5	6.7	8.4
1,071	1,528	2,207	3,008	3,112	2,481	2,106	<b>Personal bankruptcies</b>	1,794	1,648	1,625	1,726	1,889

## STRENGTHS & WEAKNESSES

### STRENGTHS

- Strong growth prospects as a regional transportation hub.
- Consistently above-average population growth.
- Popular retirement destination.

### WEAKNESSES

- Low educational attainment.
- Below-average per capita income.
- Oversupplied housing market.
- High employment volatility.

## CURRENT EMPLOYMENT TRENDS

### % CHANGE YR AGO, 3-MO MA

	Feb 13	Jun 13	Oct 13
Total	1.0	0.2	0.2
Construction	1.3	2.6	3.4
Manufacturing	3.6	2.3	2.4
Trade	0.3	0.1	0.5
Trans/Utilities	4.5	3.1	0.4
Information	-2.2	6.4	6.2
Financial Activities	-0.1	-0.7	-1.8
Prof & Business Svcs.	1.8	-1.2	-0.5
Edu & Health Svcs.	-0.1	-0.5	-0.7
Leisure & Hospitality	2.0	-1.1	0.6
Other Services	-0.7	-2.6	-2.2
Government	-0.4	0.5	-0.1

## FORECAST RISKS

SHORT TERM



LONG TERM



### UPSIDE

- International fertilizer markets drive demand for additional phosphate mining.
- Area benefits from tourism spillover from Tampa and Orlando.

### DOWNSIDE

- Flood of distressed inventory destabilizes fragile housing market.
- Restricted credit for low-income residents prolongs housing correction.

## ANALYSIS

**Recent Performance.** A turning housing cycle has begun to jolt Lakeland-Winter Haven's ailing recovery back to life. Construction and manufacturing hiring has supported the labor market, offsetting job losses in the service sector. A longer workweek has stabilized wage growth. Foreclosure starts have declined in 2013, and some progress has been made reducing inventories. Taxable sales growth is once again outpacing the state average, leading to modest retail and leisure/hospitality hiring linked to tourism. The unemployment rate is stuck at 8% and has not changed meaningfully since March.

**Housing.** Housing will provide a major cyclical boost when the recovery begins in earnest as foreclosure inventory clears and population growth strengthens. Foreclosure inventory in LAE has been absorbed faster than the Florida average. The modest improvements in the housing market have allowed the metro area to maintain the strongest pace of residential permitting since the recession. That said, the area still has significant excess housing supply, which will require a marked upshift in population growth to relieve. Construction employment has risen steadily since the beginning of the year, but the ratio of construction workers to new permits is still above its historical average, which will act as a governor on builder payrolls even if residential construction continues to gain.

**Phosphates.** Phosphate mining and processing will remain the pillar of local manufacturing outside of food processing, contributing little in the way of job growth but supporting high-wage jobs already in the area. Extraction operations have not added to payrolls recently, but the opening of a new Mosaic distribution facility in LAE cements the industry's ties to the area. Though there are twice as many workers employed in food manufacturing, mostly tied to the area's citrus operations, wages in phos-

phate processing are significantly higher, resulting in similar wage impacts from the two industries. With a manufacturing base related closely to agriculture and food production, LAE will benefit from rising international food demand throughout the next decade. The local phosphate industry is much more sensitive to international conditions than citrus—chemicals made up two-thirds of metro area exports in 2012, compared with 15% for crops and food.

**Tourism.** Strengthening linkages to the central Florida tourism hubs of Orlando and Tampa will provide a large proportion of LAE's service sector jobs in coming years. Retail and leisure/hospitality have both added jobs recently, many of them resulting from expansion at Legoland and the opening of the Streamsong Golf Resort over the past year. Legoland is also poised for further expansion. The facility will add a hotel in 2015, supporting an estimated 250 jobs during construction and another 250 employees upon completion. Streamsong has not had the same immediate impact on tourism spending that Legoland did in 2011, as taxable sales for LAE have not appreciably outpaced the state average this year.

**Lakeland-Winter Haven's recovery will make only halting progress this year. Though the drag from the housing market is diminishing, LAE has yet to absorb the next wave of foreclosed properties. The slower pace of private sector job gains has precluded a major labor market improvement in 2013. The medium-term outlook is better, calling for robust gains in private services. Population growth has quickened and, along with investor demand for real estate, will help to stabilize the housing market. Longer term, vigorous expansion in construction and education/health-care will power above-average job increases.**

Tyler Case  
November 2013

## EMPLOYMENT & INDUSTRY

### TOP EMPLOYERS

Publix Supermarkets Inc.	6,644
Wal-Mart Stores Inc.	5,100
Lakeland Regional Medical Center	4,540
Winter Haven Hospital	2,500
MOSAIC	1,950
GEICO	1,850
State Farm Insurance	1,800
Watson Clinic	1,600
GC Services	1,000
Florida's Natural Growers	1,000
Rooms To Go	900
FedEx National LTL	850
Heart of Florida	800
The Ledger Publishing Co.	702
Comcar Industries	700
Summit Consulting	654
Saddle Creek Corp.	625
W.S. Badcock Corp.	600
Walgreens	600
JC Penney	538

Sources: CFDC Research Polk County, 2011, Lakeland Economic Development Council, 2013

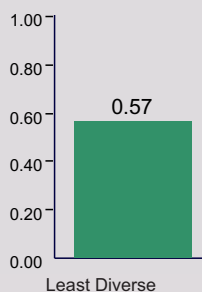
### PUBLIC

Federal	1,113
State	4,058
Local	23,689

2012

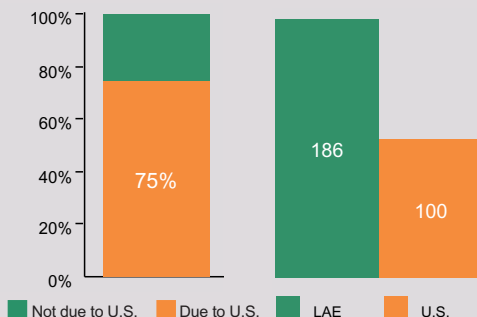
### INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



### EMPLOYMENT VOLATILITY

Due to U.S. fluctuations      Relative to U.S.



## MIGRATION FLOWS

### INTO LAKELAND, FL

### NUMBER OF MIGRANTS

Orlando, FL	6,747
Tampa, FL	4,183
New York, NY	571
Miami, FL	525
Fort Lauderdale, FL	478
West Palm Beach, FL	308
Atlanta, GA	295
Jacksonville, FL	280
Cape Coral, FL	225
North Port, FL	224
<b>Total In-migration</b>	<b>27,468</b>

### FROM LAKELAND, FL

Orlando, FL	6,479
Tampa, FL	3,996
Miami, FL	483
Fort Lauderdale, FL	452
New York, NY	384
Jacksonville, FL	370
North Port, FL	349
Atlanta, GA	321
Palm Bay, FL	232
West Palm Beach, FL	229
<b>Total Out-migration</b>	<b>26,470</b>

### Net Migration

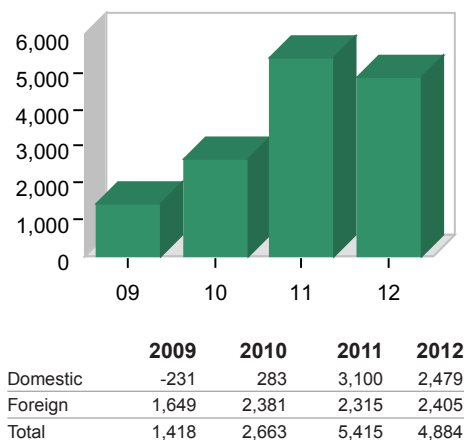
**998**

## COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	LAE	FL	U.S.	LAE	FL	U.S.
Mining	0.5%	0.1%	0.6%	\$53,814	\$31,496	\$121,241
Construction	4.8%	4.6%	4.2%	\$40,007	\$44,539	\$55,288
Manufacturing	7.5%	4.3%	8.9%	\$65,020	\$64,388	\$75,242
Durable	36.3%	66.0%	62.6%	nd	\$67,552	\$76,882
Nondurable	63.7%	34.0%	37.4%	nd	\$58,465	\$72,564
Transportation/Utilities	6.9%	3.2%	3.7%	\$48,651	\$51,809	\$63,045
Wholesale Trade	4.8%	4.3%	4.2%	\$63,796	\$72,329	\$77,359
Retail Trade	12.7%	13.2%	11.1%	\$31,961	\$31,432	\$31,495
Information	0.8%	1.8%	2.0%	\$47,871	\$72,015	\$93,099
Financial Activities	5.9%	6.7%	5.8%	\$36,256	\$32,632	\$47,540
Prof. and Bus. Services	13.1%	14.4%	13.4%	\$40,481	\$47,520	\$61,311
Educ. and Health Services	15.2%	15.0%	15.2%	\$49,198	\$49,176	\$50,524
Leisure and Hosp. Services	9.8%	13.5%	10.3%	\$20,283	\$26,589	\$23,812
Other Services	3.1%	4.2%	4.1%	\$31,025	\$28,406	\$33,224
Government	15.0%	14.6%	16.4%	\$53,973	\$67,958	\$70,342

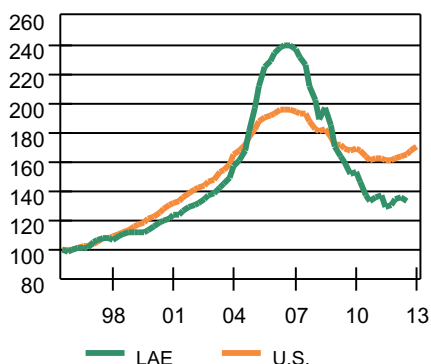
Sources: Percent of total employment — Moody's Analytics & BLS, 2012, Average annual earnings — BEA, 2011

## NET MIGRATION, LAE



Sources: IRS (top), 2010, Census Bureau, 2012

## HOUSE PRICES



Source: FHFA, 1996Q1=100, NSA

## LEADING INDUSTRIES

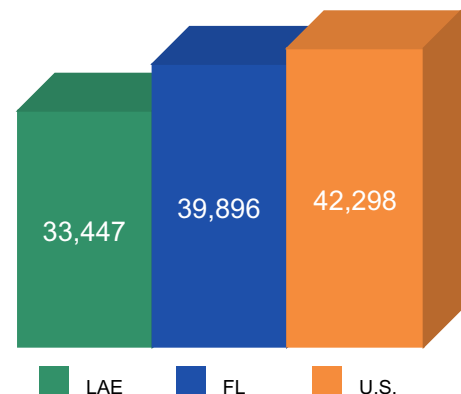
### NAICS INDUSTRY      EMPLOYEES (000)

GVSL State & Local Government	27.7
7225 Restaurants and other eating places	13.6
6221 General medical and surgical hospitals	7.7
6211 Offices of physicians	5.6
5511 Management of companies and enterprises	5.3
4931 Warehousing and storage	5.2
5613 Employment services	4.4
4451 Grocery stores	4.2
4529 Other general merchandise stores	3.7
5241 Insurance carriers	3.6
FR Farms	3.5
5617 Services to buildings and dwellings	3.2
6231 Nursing care facilities (skilled nursing facilities)	3.1
4841 General freight trucking	3.1
5614 Business support services	3.0

High-tech employment	2.9
As % of total employment	1.5

Sources: BLS, Moody's Analytics, 2012

## PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2011

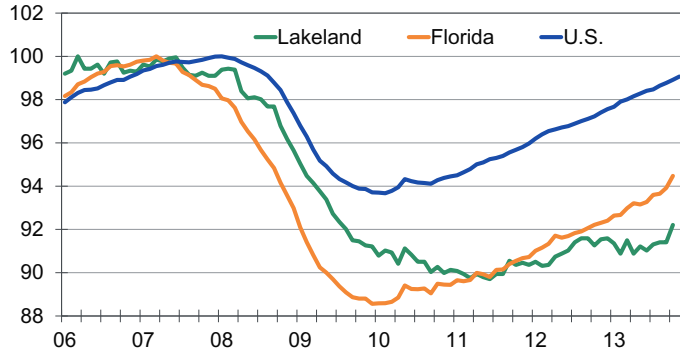
## MOODY'S RATING

**Aa2**

COUNTY  
AS OF OCT 04, 2010

## Lakeland Lags Despite Recent Improvement

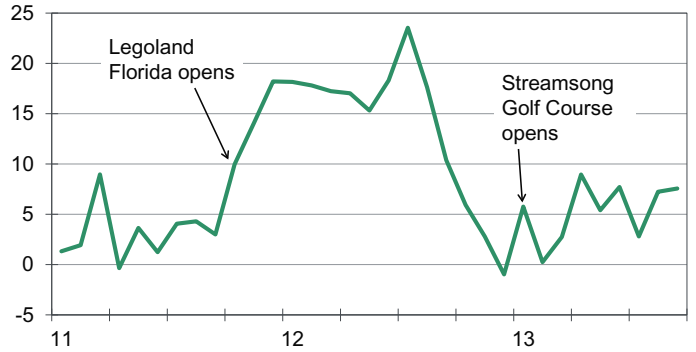
Payroll employment, peak=100



Sources: BLS, Moody's Analytics

## New Golf Resort Is Not a Hole in One

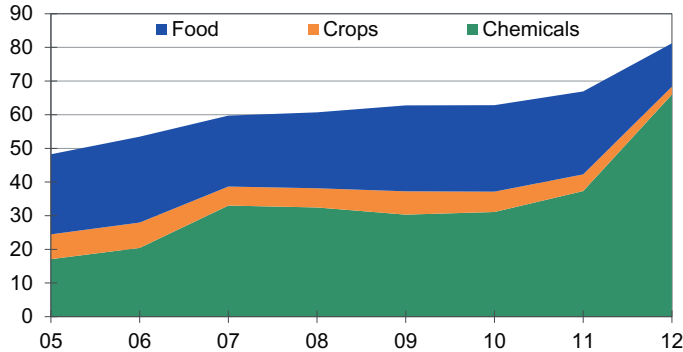
Tourism taxable sales, % change yr ago



Sources: State of Florida, Moody's Analytics

## Phosphate Exports Grow in Importance

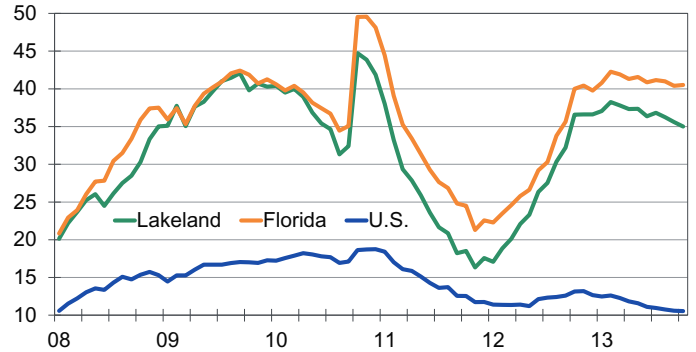
Exports, % of total value



Sources: ITA, Moody's Analytics

## Lakeland Slowly Working Off Excess Inventory

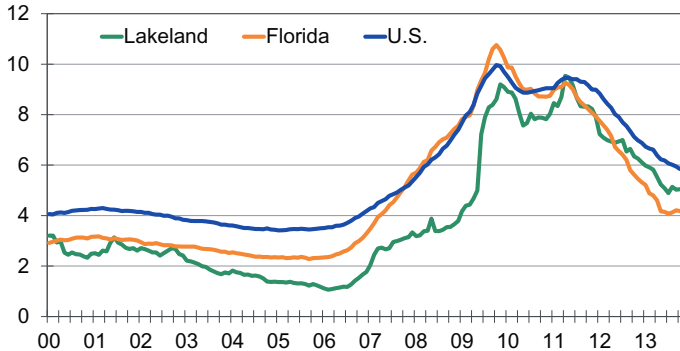
Foreclosure inventory, # per 1,000 households, NSA



Sources: RealtyTrac, Moody's Analytics

## Permit Issuance Does Not Warrant Hiring

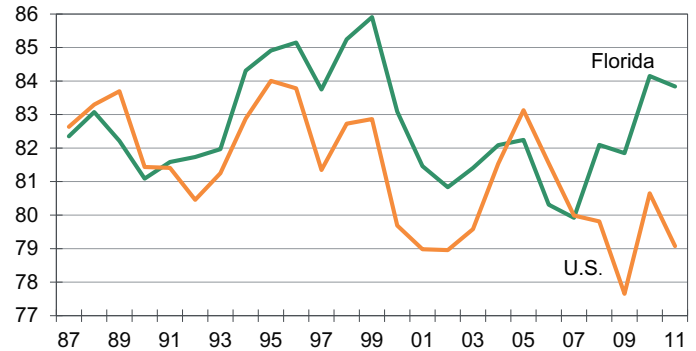
Construction employment per residential permit, 12-mo MA



Sources: BLS, Census Bureau, Moody's Analytics

## Lower Wages Keep Business Costs Down

Per capita income indexed to...



Sources: BEA, Moody's Analytics

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