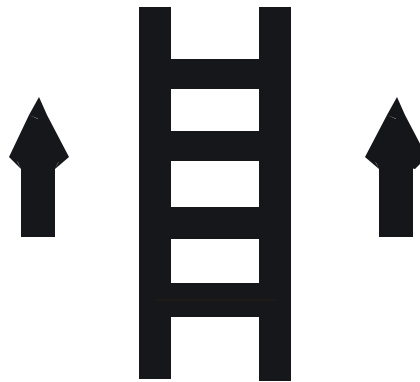

Economic Development Goal Setting Study

*Hernando County
Florida*



Prepared for

Hernando Progress, Inc.

March - 2006

Prepared by

**William H. Fruth
POLICOM Corporation**

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Introduction

Community and government leaders across the nation have come to realize their actions can change, alter, and direct the condition of their local economy. The economic quality of life of the residents and the success of businesses many times are directly influenced by the policies and leadership of those who have the influence and power to create a climate conducive to economic growth.

In areas with strong economies, local governments do not struggle to fund essential services and are usually able to provide expanded programs benefiting all that reside in the area. In such areas, schools are strong, streets safe and clean, park and recreation programs abundant, and the need to provide social-welfare programs for impoverished citizens is reduced.

Citizens living in an area with a strong economy enjoy consistent employment, regular wage gains, opportunities for personal advancement, and are able to reliably save for and invest in their future.

Businesses are able to plan for consistent expansion, hire full-time employees for the long term, and are willing to risk significant capital, investing in their operations.

Communities grow closer, tight-knit; as young men and women, after completing high school or college, remain in the area, as growing employment opportunities in their “hometown” capture their interest.

Unfortunately, in areas with weak or declining economies, the opposite occurs. Local governments struggle to fund essential programs, with budgets under growing pressure to assist the impoverished. Residents have uncertain futures, filled with personal anxieties, with limited employment opportunities, stuck in subsistence level jobs. Businesses employ part-time workers and are unwilling to risk significant capital because of an uncertain future. The best and brightest young men and women must move from the area to seek quality employment, which is not available in their hometown.

Even though local community leaders cannot control the actions or policies of the federal or state government, they indeed can establish policies and create local programs, which assist and foster economic growth.

Nationally, there are more than 6,000 economic development organizations, Chambers of Commerce, and local, regional, and state government offices working in some fashion to improve the economy of their respective areas. Never in history has there been such an effort.

Some organizations have large budgets, better community cooperation, and a stronger commitment from local government than others. These areas have the best chance to either maintain or improve the economic quality of life and standard of living of their citizens.

Some areas, however, provide little or no attention to economic development programs. They do not fully understand the need to have a constant, aggressive economic development program just to maintain the existing condition. In these areas, typically, the local economy is in decline.

Purpose of This Study

Community leaders in the Hernando County area are making a commitment to improve the “economic quality of life” for the citizens in the area. They, like the leaders in successful communities across the nation, understand a strong, vibrant economy is needed to maintain and enhance the overall quality of life for the area residents.

In order to do this, POLICOM Corporation has been asked to establish employment and earnings goals to the year 2025, which, when achieved, will elevate the Hernando County economy to one which is stronger than its present day condition. By establishing these benchmarks, Hernando County leaders will have a clear path to follow to improve the standard of living for its residents.

This study is ancillary to the *Historical, Comparative Economic Analysis for Hernando County* created by POLICOM in March of 2006. The “Analysis” details the history and components of the economy, determines the level of the economy, and compares Hernando County growth for more than 100 economic elements for five time periods to the nation, state, and the 361 Metropolitan areas. For more comprehensive information and data regarding the economy of Hernando County, please refer to this study.

This study is composed of three parts:

1. The economic history and existing condition are examined for their growth in quality and size.
2. Economic Projections to the year 2025 are generated to estimate the future level of the economy.
3. A reasonable, achievable Goal is set to the year 2025, determining an economic level for which the community can reach if the employment and earnings goals are met.

Study Area

The geographic definition of the area examined is Hernando County, Florida. Hernando County is one of four component counties of the Tampa – St. Petersburg – Clearwater Metropolitan Statistical Area which also includes Pinellas, Hillsborough, and Pasco Counties.

Metropolitan – Micropolitan Areas

As a result of the 2000 census, the Office of Management and Budget (OMB) created new geographic definitions for the Metropolitan areas in the United States. Prior to these changes there were 318 defined areas.

Additionally, an entirely new set of areas was created now know as Micropolitan Statistical Areas. For the geographic definitions of all Metro-Micropolitan areas, go to www.policom.com.

Overall, the economic strength of the Micropolitan areas is much weaker than the Metropolitan areas.

Metropolitan Statistical Areas have at least one urbanized area with a population of at least 50,000, plus adjacent territory (counties) which have a high degree of social and economic integration with the core measured by commuting. They must have at minimum one county but most often include several counties.

There are now 361 Metropolitan Statistical Areas (METROS) in the United States plus 8 in Puerto Rico for an overall total of 369. Among the 3,142 counties in the United States, 1,090 are included in the 361 areas. Approximately 82% of the nation's population resides in the METROS.

Micropolitan Statistical Areas did not exist prior to the new definitions.

Once looked upon as quasi rural areas, a Micropolitan Statistical Area must have an urbanized area (city) with a population of at least 10,000 but fewer than 50,000 people. They must be at least one county and most are a single county. Among the 3,142 counties in the United States, 674 of them are included in Micropolitan Statistical Areas (hereafter called MICROS).

The OMB has identified 575 MICROS in the United States and 5 in Puerto Rico for a total of 580. Approximately 11% of the nation's population resides in the MICROS.

Database

The economic database used to prepare this Economic Development Goal Setting Study is maintained and published by the United States Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (hereafter called REIS). The Bureau of Economic Analysis is the official economic data gathering agency for the Federal Government. The nation's data collection system is presently undergoing a transition from the Standard Industrial Classification System (SIC) to the North American Industrial Classification System (NAICS). At the time this study was created, a long-term time series for data based upon the NAICS format was not available. Therefore data used for this report is a combination of SIC and NAICS data.

The Researcher also utilized NAICS based "ES-202" data from 1994 to 2004. Also known as "Covered Workers" data, earnings and employment data for about 75% of the nation's workforce is included in this data set published by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). The BLS is presently attempting to convert previous SIC data to the NAICS format. Some of the converted data is used to create this report.¹

Terms

Unless otherwise noted the following shall mean:

- **Earnings:** The total amount of wages and salaries paid to all full and part-time workers, "other labor income," (includes employers contribution to private retirement programs) and the profits of proprietors.

- **Employment:** The total number of full and part-time wage and salaried workers and the number of proprietors.
- **Wages:** The annual earnings per worker, which is derived by dividing the total earnings by total employment.

Economic Strength

Annually, POLICOM Corporation ranks the Metropolitan and Micropolitan areas for “Economic Strength.” Economic strength is the long term tendency for an area to consistently grow in size and quality. POLICOM reviews a 20 year history of each area for 28 different economic elements which reflect how an economy has behaved.

It should be noted the economic condition of the Metropolitan areas is much stronger or better than the Micropolitan areas. The ten strongest Micropolitan Areas were ranked against the 361 Metropolitan Areas (The column headed by “MSA?” shows the results.). Even though they were in the top ten as a MICRO, only three were ranked in the top 100 as a METRO. ²

Ten Strongest Metropolitan Areas

1	Washington-Arlington-Alexandria, DC-VA-MD
2	Atlanta-Sandy Springs-Marietta, GA (MSA)
3	Charlotte-Gastonia-Concord, NC-SC (MSA)
4	Nashville-Davidson-Murfreesboro, TN (MSA)
5	Birmingham-Hoover, AL (MSA)
6	Salt Lake City, UT (MSA)
7	Madison, WI (MSA)
8	Minneapolis-St. Paul-Bloomington, MN-WI (MSA)
9	Denver-Aurora, CO (MSA)
10	Kansas City, MO-KS (MSA)

Ten Weakest Metropolitan Areas

361	Danville, IL (MSA)
360	Odessa, TX (MSA)
359	Danville, VA (MSA)
358	Anniston-Oxford, AL (MSA)
357	Pine Bluff, AR (MSA)
356	Gadsden, AL (MSA)
355	Pocatello, ID (MSA)
354	Johnstown, PA (MSA)
353	Weirton-Steubenville, WV-OH (MSA)
352	Houma-Bayou Cane-Thibodaux, LA (MSA)

Ten Strongest Micropolitan Areas

1	Concord, NH (McrSA)
2	Hilton Head Island-Beaufort, SC (McrSA)
3	Lebanon, NH-VT (McrSA)
4	Edwards, CO (McrSA)
5	Baraboo, WI (McrSA)
6	Traverse City, MI (McrSA)
7	Durango, CO (McrSA)
8	Easton, MD (McrSA)
9	Bozeman, MT (McrSA)
10	East Stroudsburg, PA (McrSA)

MSA?

32
63
83
103
105
123
131
136
149
152

Ten Weakest Micropolitan Areas

575	Jennings, LA (McrSA)
574	Silver City, NM (McrSA)
573	Tallulah, LA (McrSA)
572	Bogalusa, LA (McrSA)
571	Williston, ND (McrSA)
570	Pecos, TX (McrSA)
569	Parsons, KS (McrSA)
568	Beatrice, NE (McrSA)
567	Woodward, OK (McrSA)
566	Coffeyville, KS (McrSA)

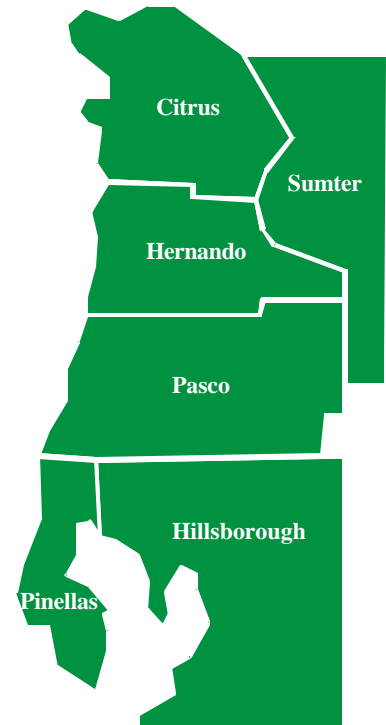
¹ A explanation of the NAICS industries appears in Section 4 of the Historical, Comparative Economic Analysis.

² For a complete list of all areas and detailed methodology, go to www.policom.com click metropolitan areas.

Economic Overview

As previously stated, Hernando County is one of four component counties of the Tampa – St. Petersburg – Clearwater Metropolitan Statistical Area. The MSA is ranked 44th among the 361 metropolitan areas for economic strength. The county is bordered to the north by Citrus County which is also known the Homosassa Springs Micropolitan Area. It is ranked 199th among the 575 Micropolitan areas for economic strength. Hernando is bordered to the east by Sumter County which is known as The Villages Micropolitan area. It is ranked 245th for economic strength among the 575 Micropolitan areas.

Among the four component counties, Hernando has the smallest population and least number of jobs. While comprising 6% of the metropolitan area’s population, it accounts for only 3% of the jobs in the area.



Even though the county is the smallest in the Tampa MSA, Hernando has a population greater than 102 of the 361 metropolitan statistical areas in the United States.

2003	Population	%	Jobs	%
Tampa MSA	2,531,185		1,486,558	
Hillborough	1,073,450	42%	758,940	51%
Pinellas	925,997	37%	569,666	38%
Pasco	388,224	15%	108,840	7%
Hernando	143,514	6%	49,112	3%

Economic Linkage

There is an economic linkage between Hernando County and the other component counties in the metropolitan area. Economic linkages are typically created as a result of “commuting.”

When more than 25% of a workforce is imported or exported, areas are joined economically. Money flows among the counties as earnings are created in one county and spent in another.

Based upon the U.S. Census Bureau’s Journey to Work data, of those who work in Hernando County, approximately 80% live in the county. About 10% of the Hernando workforce commutes from Pasco County.

Since Hernando is well above the 75% threshold, it does not appear it is dependent upon another county for its workforce.

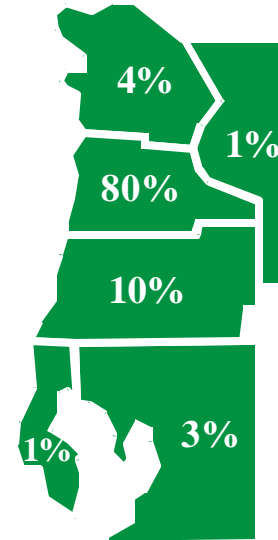
However, the county is somewhat dependent upon other counties for jobs for its residents.

Among those who live in Hernando County and have a job, only 67% of them work in the county. A full 15% commute to Pasco County with another 12% going to either Hillsborough or Pinellas.

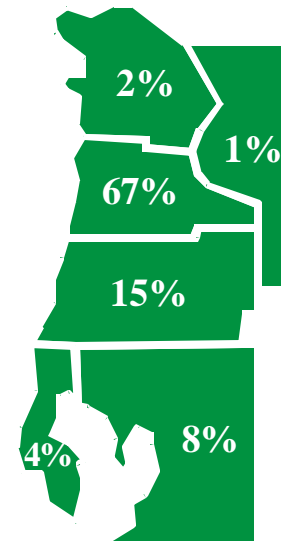
There are typically two types of individuals who commute: 1) High wage earners who cope with a long commute because they desire to live in a particular place and 2) low wage earners who cannot afford to live where they work.

While there are likely some commuters which fall into the first category, it appears a preponderance of the commuters are in the second grouping, low wage earners.

Of those who work in Hernando, where do they live?



Of those who live in Hernando, where do they work?



There is no direct data set which identifies the earnings by commuters. However, a general characteristic can be determined by calculating the Per Capita Earnings by Place of Residence. Earned income is divided by the resident population. If there are a large number of high wage commuters, this number will also be relatively high.

2003	PCER	Rank
Florida	18,150	
Hernando	11,385	358
Tampa MSA	18,848	171
St. Johns	23,154	55

Hernando County has an extremely low Per Capita Earnings by Place of Residence (PCER). Among the 361 metropolitan areas, it ranks 358th. In

contrast, St. Johns County has a very high PCER. St. Johns County has a very large number of commuters traveling daily to Jacksonville for high wage jobs.

Comparative Growth

POLICOM has calculated the percentage growth rate for more than 100 different economic factors for Hernando County.³ The rate of growth (average annual increase) was then ranked against the 361 Metropolitan areas for comparison. Since Hernando County has a population greater than 102 metropolitan areas, this is an appropriate methodology to provide relative growth comparisons.

The chart to the right shows how Hernando County ranked for seven elements for two time periods.

Hernando Growth Rank - 361 Areas	2003 1994	1993 1984
Population	33	2
Employment	7	2
Earnings	31	2
Annual Wages	335	47
Number of NF Proprietors	7	2
Per Capita Personal Income	110	187
Per Capita Government Transfers	338	165

From 1984 through 1993, the county had some of the fastest growth rates in the nation for population, jobs, total worker earnings, and the

number of non-farm proprietors. Even wages increased at a rate faster than a vast majority of the areas in the nation.

From 1994 through 2003, the county continued to grow at an extremely brisk rate in population, jobs, and total worker earnings. However, the growth rate for wages was reduced to one of the slowest in the nation during this time. By viewing the actual annual data for several items, a clearer picture of the economy is revealed.

³ Please see Section 3, Historical, Comparative Economic Analysis for Hernando County.

The next chart shows the actual amount for six items for 1983 and 2003 along with their associated rank among the 361 metropolitan areas.

In 1983, the county's population of 60,271 ranked 358th among the 361 metropolitan areas. However, as a result of explosive population growth, it now ranks 259th in size.

Hernando Actual - 361 Areas	2003	Rank	1983	Rank
Population	143,514	259	60,271	358
Annual Wages	26,222	360	12,845	361
Per Capita Personal Income	24,555	299	9,767	311
Per Capita Government Transfers	7,015	2	2,584	4
Per Capita Medical Transfers	2,590	12	515	27
Per Capita Welfare - Actual	302	287	79	325

Of concern are the rankings for wages and per capita personal income. In both 1983 and 2003 they are some of the lowest in the nation. While from 1983 to 1993 the county had wage growth which was the 47th fastest in the nation, the basis was so low the overall wage did not increase significantly. Mathematically, "twice nothing is still nothing."

Nature of the Economy

The tale of the economy lies in Per Capita Government Transfers and Per Capita Government Medical Transfers.

Government transfers are principally payments to individuals residing in the area from the various federal, state, and local government "entitlement" programs. The largest of these programs include 1) social security and disability programs, 2) medical payments (Medicare and Medicaid), 3) income maintenance (welfare), 4) unemployment compensation, and 5) veterans benefits. ⁴

From the ratio of the three components of Total Personal Income, certain characteristics of a local economy can be deduced. Total Personal Income (TPI) is defined as the "income received by, or on behalf of, all the residents of the area." There are three distinct ingredients to TPI: 1) Earnings by place of residence, 2) Dividends, Interest, and Rents (passive income), and 3) Government Transfers.

⁴ Please see Sections 1 and 2, Historical, Comparative Economic Analysis for a discussion regarding Government Transfers.

Typically, areas, which have government transfers greater than 20% of the TPI, have a high retirement population (Social Security & Medicare), a distressed economy (Medicaid and Income Maintenance), or a combination of both.

The chart compares the percentage government entitlements are of the Hernando Total Personal Income. In 2003, Government Transfers accounted for 28.6% of TPI. Among the 361 metropolitan areas, **this is the 2nd highest percentage.**

Hernando				
Total Personal Income (000)	2003	Area %	USA	USA %
Total Personal Income	3,524,037		9,151,694,000	
Earnings By Residence	1,633,913	46.4%	6,340,842,000	69.3%
Dividends, Interest, Rents	883,439	25.1%	1,475,529,000	16.1%
Government Transfers	1,006,685	28.6%	1,335,323,000	14.6%
History of Percentage - Area				
	2003	1993	1983	1973
Earnings By Residence	46.4%	42.4%	44.0%	66.6%
Dividends, Interest, Rents	25.1%	27.3%	29.5%	18.6%
Government Transfers	28.6%	30.3%	26.5%	14.9%
History of Percentage - USA				
	2003	1993	1983	1973
Earnings By Residence	69.3%	67.8%	67.7%	76.3%
Dividends, Interest, Rents	16.1%	18.0%	19.2%	13.5%
Government Transfers	14.6%	14.2%	13.0%	10.2%

Since Per Capita Welfare was relatively low, the high percentage of transfers is directly caused by a high percentage of retirement age individuals, not a faltering economy.

Approximately 31% of Hernando County’s population is over the age of 65.⁵ This is more than twice the national and Hillsborough County average and much greater than the Florida average. Citrus County to the north has a moderately higher percentage.

Over 65	%
USA	12.4%
Florida	17.6%
Hernando	30.9%
Pasco	26.8%
Hillsborough	12.0%
Pinellas	22.5%
Citrus	32.2%
Sumter	27.4%

As a result, government entitlements for the elderly (social security and Medicare) dominate the Hernando County economy. Entitlements are the single largest source of imported money to the area.

Local economies grow or decline in direct proportion to the amount of money flowing into an area. Money is imported to a local economy by way of the Primary Industries. Primary or Contributory Industries are those which sell their goods or services outside an area. Typically, by way of the wages paid to the workers, money enters a local economy.

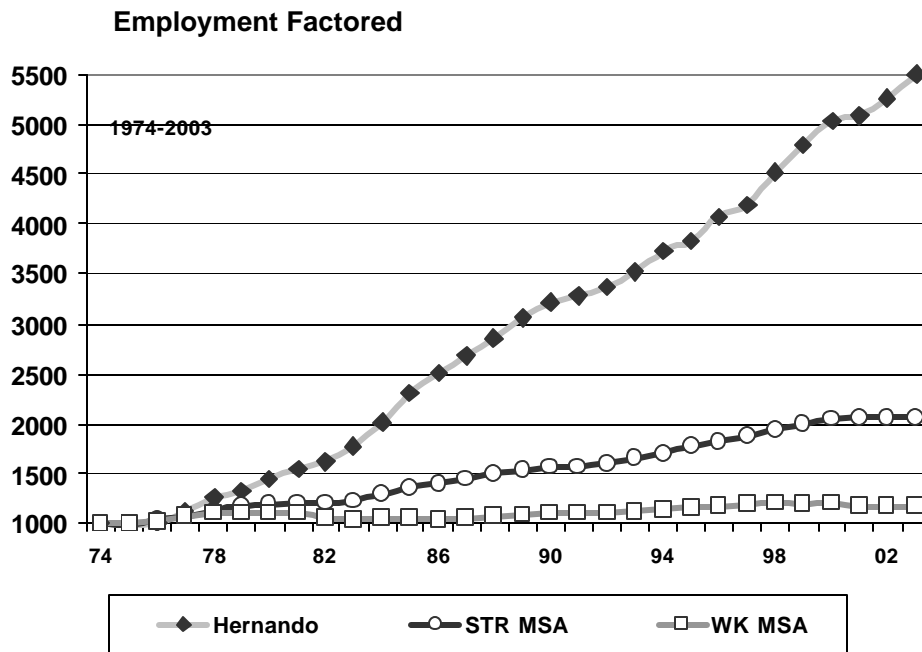
The Retirement Industry is overwhelmingly the most dominate primary industry in Hernando County. The unfortunate consequence is the Retirement Industry, while providing a consistent flow of money into an area, promulgates the formation of low wage service and retail jobs.

Additionally, a retirement based economy typically does not grow in size. If you are familiar with the term “fixed income,” you understand why. Most entitlement programs do not increase as much as inflation and many private retirement and savings programs are fixed at the time of retirement. As a result, income for retired people does not keep up with inflation. As a result, a retirement based economy becomes static, frozen in time, and does not grow. The only means for a retirement based economy to grow is through an increase in population.

Growth in the Size of the Economy

The number of jobs and total worker earnings are two means to determine the size or volume of the economy. Some economies in the United States have grown rapidly in size, while others have not.

To determine the growth in the size or volume of the Hernando County economy, total employment and total earnings are examined.



⁵ Bureau of Census, 2000 Census.

The graph compares the annual percentage growth of jobs (factoring discussed later) compared to the ten strongest and weakest Metropolitan areas. As you can see, Hernando County grew at a rate much faster than the ten strongest economies in the nation from 1974 through 2003.

The following graph shows the relative growth of earnings for the area compared to the ten strongest and weakest Metropolitan areas. Total earnings are all the wages and salaries paid and the profits of proprietors.

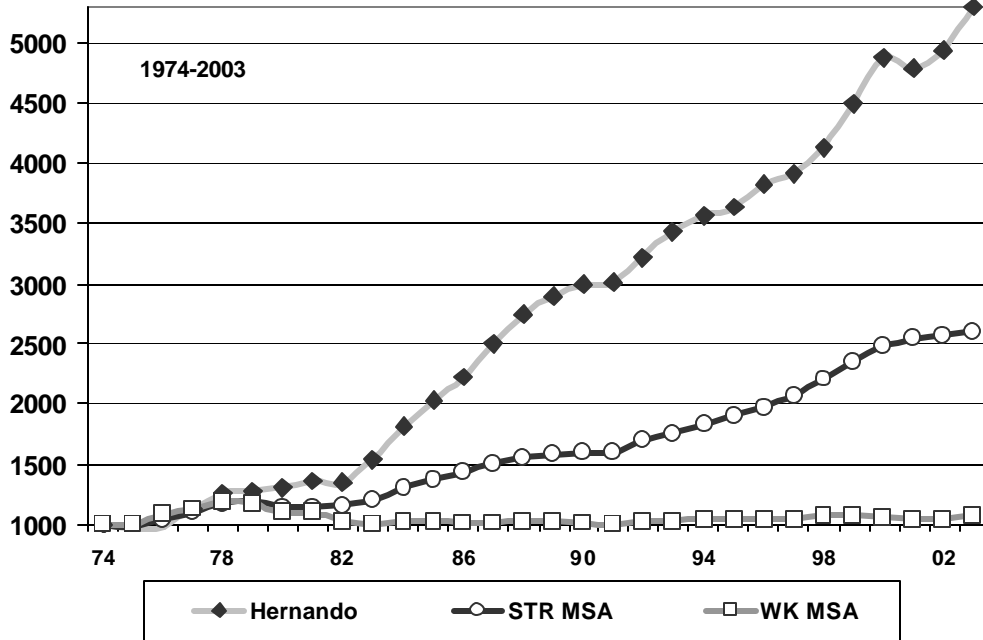
Since local costs of living affect the actual earnings per worker throughout the nation, a direct comparison of the Earnings and Wages to other local economies is not statistically sound. Wages paid for the same job in New York City are significantly less than what is paid in Albuquerque, New Mexico.

To visually compare the growth of the Earnings or Wages to other local economies, the data is **“factored.”** This simply means the data for all the areas is statistically brought to a common denominator for direct comparison. The CPI Factored Earnings is created to compare areas.

The mathematics is rather simple. First, the earnings for all areas are adjusted for inflation. Second, the annual percentage increase from the previous year is calculated for each year of the study term. Third, the annual percentage increase is multiplied by the same number or factor for each area. It does not matter what number it is, as long as it is the same number for all areas. POLICOM chooses 1000 as the factor beginning.

The year 1974 serves as the basis year. All areas begin at 1000 at this point. Where they wind up is determined by their respective percentage increase. This process is similar to the start of a track race. Every runner begins at the same spot. Where the line ends at the “finish line,” 2003, is the measure of improvement. By factoring the data, direct, visual comparisons can be made among all economies. Earnings are adjusted to the value of the 2003 dollar and factored to visually compare the growth in the size of the economy.

CPI Earnings Factored



The county had little growth from 1974 to 1982 by this measure. However, beginning in 1983, it exploded. The growth rate in size was much greater than the ten strongest areas.

Growth in the “Quality” of the Economy

Local economies grow in both “quality” and “size.”

The “quality” of an economy is essentially a measure of the “standard of living” of the people who live and work in the area.

One of the best means to measure the “quality” of a local economy is to examine the growth in the Annual Earnings per Worker (Wages). The annual earnings by people in an area, and respective growth, establish the level of their standard of living or economic “quality of life.” How much money they earn each year determines the quality of their housing, the food they eat, the amount of taxes they can pay, and the size of their savings or retirement account.

The growth in Wages will be examined two ways: 1) the percentage the actual Wage is of the state and nation, and 2) how the growth pattern compares to the strongest and weakest economies in the nation.

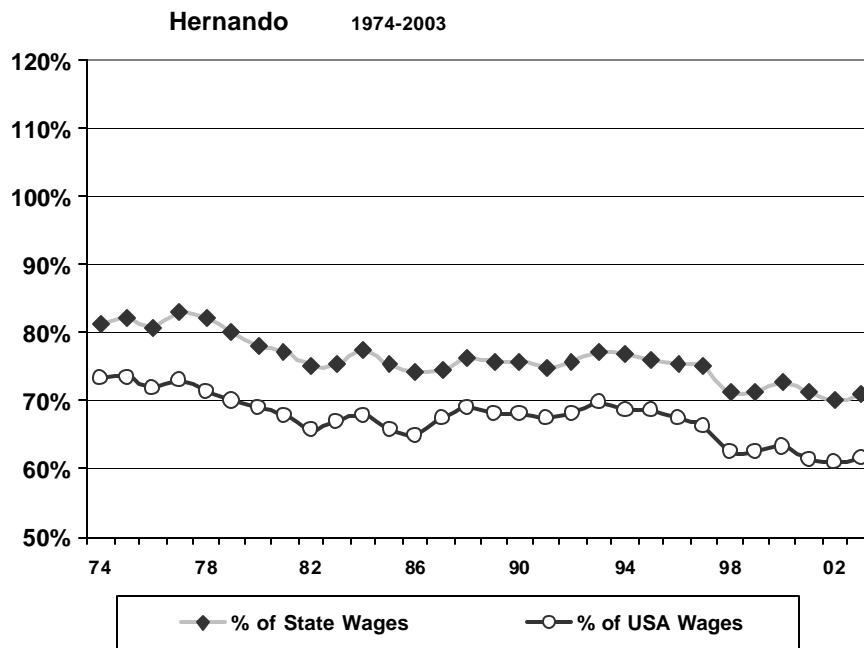
Percentage of USA and Florida

The first means to measure the history of the growth in the quality of the economy is to examine Wages as a percentage of the state of Florida and the nation.

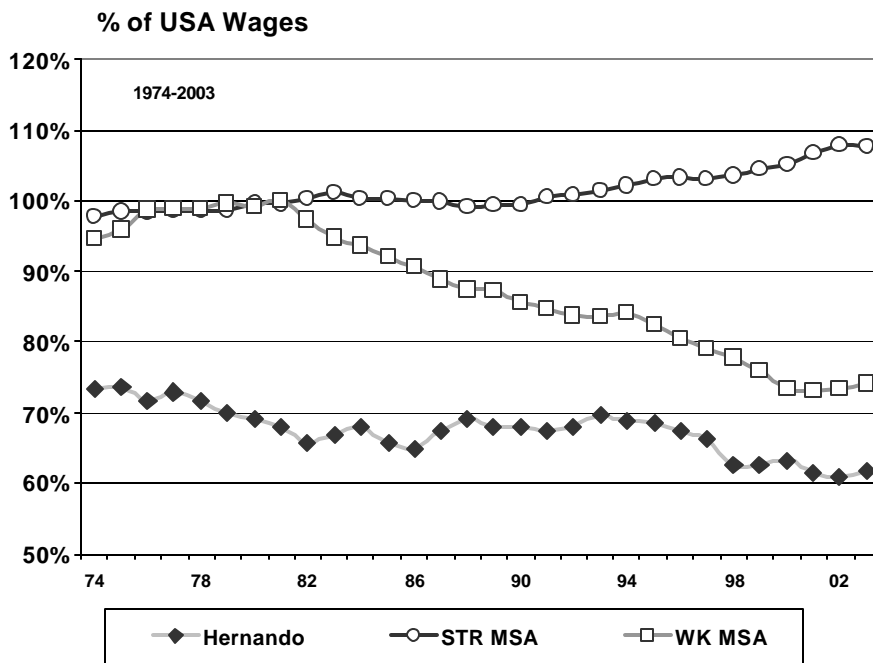
As an example, if the area's Wages are \$20,000 and the Wages for the nation are \$21,000, then the area's Wages are 95% of the nation. Since the cost of living varies throughout the nation, it is not important for the area's Wages to be as high as or greater than the national average.

What is important is maintaining or increasing the percentage over time. If the line goes up, Hernando County improved in quality relative to the state or nation. If the line goes down, it declined in quality.

The graph shows the percentage the Hernando County average wage has been of the national average wage and Florida from 1974 to 2003. In 1974, the Hernando average wage was 73% of the national average wage. However, by 2003, it fell to 62% of the national average.



Similarly, in 1977, the Hernando wage was 83% of the Florida average wage. But by 2003, it fell to 70%.



The graph above compares Hernando County’s percentage of the USA wage to the ten strongest and weakest areas. Note how the strongest areas have consistently gained over the last 25 years relative to the national wage. More importantly, the weakest areas have been in volatile decline, going from 100% of the national average wage in 1981 to 73% in 2003. The rate of decline for Hernando, during the last ten years, has been comparable than the ten weakest areas.

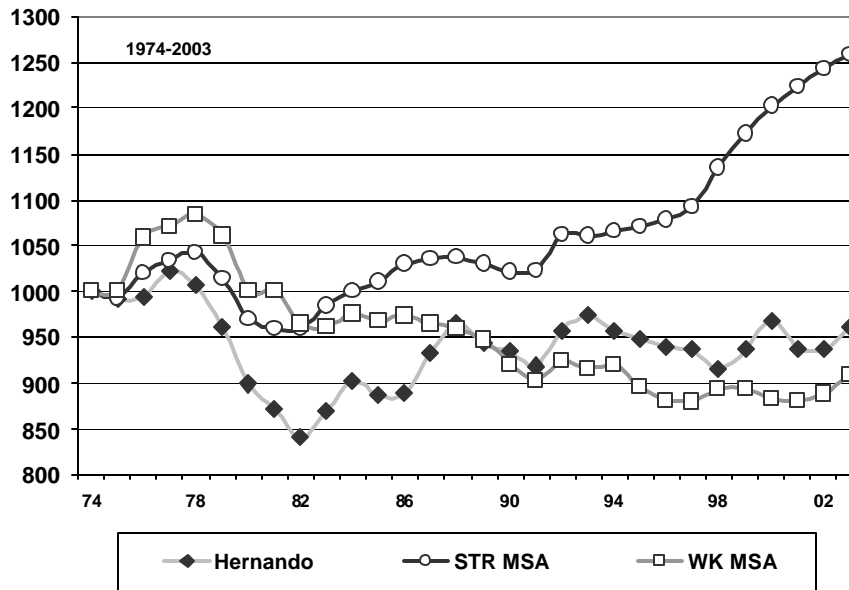
By this measure the “quality” of the Hernando County economy has declined for more than 30 years.

Inflation Factored Wages

Another means to examine the growth in quality is to measure wages after adjusting for inflation. To visually see the change in growth, as with earnings, the results have been factored.

Inflation Factored Wages is a measure of how the area improved against itself. The “level” or basis of the economy begins in 1974.

CPI Factored Wages



As you can see, the quality dropped rapidly from 1975 to 1982 as many areas did during this inflationary period. However, from 1983 to 1993, the area gained significantly in quality. As stated previously, the county had the 47th fastest growth rate in wages from 1983 to 1994. During this time, the area gained about 1,500 new construction jobs as a result of rapid population growth. At that time, construction employment paid a wage higher than the area average, boosting the quality of the economy.

Beginning in 1994 and for the following seven years, the economy declined in quality. Between 1998 and 2000 there was an upward spike in quality. This was the result of the entrance of the Wal-Mart Distribution Center which is a high wage employer. However the positive benefits of this facility were soon diluted.

Overall, the quality of the Hernando County economy has been on decline for the last fifteen to twenty years.

Workforce Composition

The wage scale of the jobs primary-contributory industries determines the economic health of an area. Primary industries are those business enterprises, which, through their activity, sell their goods or services outside the geographic area of the local economy. The wages paid to those employed then enter the local economy where the money is mixed and churned and is eventually consumed, leaving the economy.

The quality of a local economy will seek the level of the wages paid by the primary-contributory industries in an area. If a preponderance of the jobs in the primary industries pays a high wage, then the overall quality of the economy will seek that wage level. The reactive or consumptive industry jobs, such as services and retail, will create themselves and will almost always pay less than the primary industry jobs.

However, the number or growth of low paying primary jobs in an economy can significantly influence the economic quality of life for the area residents. The composition of the workforce needs to lean as much as possible toward the higher paying positions, as the growth of low paying jobs disproportionate to the higher paying jobs can actually cause the economy to decline in quality. The axiom “any new job will help the economy” does not hold true.

As an example, suppose an economy is composed of 1,000 primary industry workers and has average earnings per worker of \$30,000. In this economy, 300 workers earn \$40,000 per year and 700 workers earn \$25,714, causing the average to be \$30,000 for the primary industries. The workforce composition is 30% high-wage earners and 70% low-wage earners.

If 100 new low-wage primary jobs are created during the course of a year, and no new high-wage jobs are generated, the average earnings per worker for the area will fall to \$29,610. The percentage of high-wage jobs in the workforce drops to 27% and the percentage of low-wage jobs grows to 73%. If this economy does not increase the percentage of high-wage jobs, then the overall economic quality of life for the residents in the area will gradually erode, as the remainder of the jobs will **seek the level** of the primary industries.

The process of adding a greater percentage of low-wage jobs than high-wage jobs to an economy causes “dilution” in the economy. Over the last 25 years, virtually every economy in the country suffered dilution as a result of the rapid creation of low paying service and retail jobs. The local areas, which were best in creating new high paying jobs relative to the increase in low paying jobs over this period of time, today have the strongest economies.

Among the twenty-five strongest economies, about 33% of the new jobs created over the last ten years paid a wage higher than their area average wage. In the weakest twenty-five economies, there was a net loss of jobs which paid a wage higher than the area average.

In general, the composition of the workforce determines the quality of an economy. The following chart compares the Hernando’s workforce to the USA average by percentage for each industry. Also shown is the average wage for each.

	<i>Workforce Composition</i>	Hernando		USA	
		2003	2003	2003	2003
There are several significant differences in the composition of the Hernando’s workforce to the national norm.	All Workers		26,222		42,553
The first obvious feature of the Hernando workforce is the dominance by low wage industries. Retail trade accounts for 16% of the workforce (2 nd highest percentage among the 361 metropolitan areas) while nationally it is only 11%. “Other Services,” typically personal services, make up 7.3% of the workforce which is the 6 th highest percentage in the nation.	Farm	1.3%	7,108	1.8%	15,028
	Forestry, Fishing, Agricultural Services	0.6%	12,204	0.6%	25,065
	Mining	0.9%	45,402	0.4%	78,616
	Utilities	0.4%	61,652	0.4%	125,615
	Construction	8.8%	24,198	5.8%	44,373
	Manufacturing	2.6%	41,940	9.0%	63,129
	Wholesale Trade	2.0%	37,942	3.7%	59,828
	Retail Trade	16.0%	19,877	11.0%	26,190
	Transportation and Warehousing	5.7%	36,331	3.2%	43,723
	Information	0.8%	27,462	2.1%	78,059
	Finance and Insurance	3.9%	31,243	4.8%	66,173
	Real Estate, Rental and Leasing	5.0%	8,716	3.5%	30,191
	Professional and Technical Services	3.9%	30,215	6.3%	61,177
	Management of Companies	0.1%	11,319	1.1%	80,599
	Administrative and Waste Services	6.3%	15,737	5.8%	26,240
	Educational Services	0.7%	11,268	2.0%	28,218
	Health Care and Social Assistance	12.7%	37,198	9.9%	40,608
	Arts, Entertainment, and Recreation	2.1%	11,314	2.0%	22,841
	Accommodation and Food Services	7.0%	12,343	6.7%	17,543
	Other Services	7.3%	16,809	5.7%	22,334
Federal, civilian	0.7%	65,552	1.6%	79,569	
Military	0.6%	32,076	1.3%	50,118	
State Government	1.3%	40,309	3.0%	45,785	
Local Government	9.2%	41,650	8.2%	44,183	

Construction comprises 8.8% of the workforce which is not surprising given the population growth rate in the county. However, note the average wage paid in construction is only 92% of the county average. Nationally construction pays about 104% of the national average wage. This is the direct result of downward wage pressure caused by the dominance of low wage industries.

Conversely, the average wage paid in health care (12.7% of the workforce) is 141% of the county average. Nationally it is 95%. Since many individuals who work in the health care field require technical training and can work in other areas, employers in this industry must compete for their labor with other areas. As a result, they pay a “regional” market wage.

The most glaring issue relative to the workforce composition is the absence of workers in what are typically high wage primary industries. In most economies, these workers are in the manufacturing, wholesale trade, transportation, information, professional services, management of companies (corporate headquarters) and the finance and insurance industries. When combined for Hernando County, these industries account for only 19% of the workforce. Nationally, they comprise 29% of the workforce. As a result of the absence of high wage employers, overall wages have been kept extremely low.

Summary:

Over the last 20 years, the Hernando County economy has grown in size at rate much faster than a vast majority of the economies in the nation. This is the result of rapid population growth driven by the relocation of mostly retirement age individuals. As a result, there has been a large number of new jobs created in the economy. However, most of the new jobs created have been in the low wage service and retail sectors.

While the area has grown in size, the quality of the economy or standard of living for people who live and work in the area has actually declined. The size of the economy has gotten bigger, but the area has actually grown poorer.

The Possible Future – Economic Projections

To determine what the economic future of the Hernando County area might be, POLICOM has created economic Projections through the year 2025. The Projections are created to examine what might occur in the economy.

The future cannot be assured, but based on historical trends for the nation, state, and the local area; the quality and size of the local economy can be forecast. To create the Projections, POLICOM utilizes the principal promulgated by Sir Isaac Newton:

“A body in motion has a tendency to stay in motion,
unless acted upon by an outside force.”

The following was considered in making the projections:

- Economic growth patterns for the last ten years for the Hernando County area.
- Composition of the existing Hernando County industries.
- Growth patterns for Florida and the United States.
- Growth patterns for similar economies in the United States.

The Projections are based upon the premise the growth of the economy is left to chance; that there will be no affirmative or direct action by the community to alter or change what might occur.

To create the Projections, both SIC based and NAICS based Regional Economic Information System (REIS) data was used. Additionally, NAICS based ES-202 data was utilized to convert some previous SIC data to NAICS based data.

The projections show the following:

- Growth in the size of the economy will slow between 2005 and 2006 as a result of a market adjustment in real estate values.

-
- Beginning in 2007 and for the ensuing five years, the county will grow in size at a very brisk rate, comparable to the five years between 1995 and 2000. The growth will be the result of retirement age individuals moving to the area. The quality of the economy will decline modestly.
 - From 2011 to 2015 the area will continue to grow in size but the rate of growth will be slower than the previous five years. The growth will be the result of retirement age individuals moving to the area. The quality of the economy will decline modestly.
 - From 2016 to 2020 the overall growth will slow to a rate which will be less than the national average. This will be the result of fewer retirement age individuals available or willing to locate to the county. The quality of the economy will continue to decline.
 - From 2021 to 2025 the economy will likely have a decline in overall employment and little growth in overall earnings. This will be the result of a significantly fewer number of retirement age individuals moving to the area. Additionally, existing residential stock will be available to individuals moving to the area as a result of a “generational change.” Many individuals who presently occupy housing in the county will not be living in the area fifteen years from now. As a result of fewer people moving to the area and an inventory of existing homes, the number of construction and the real estate industry jobs will decline. The quality of the economy will also dip significantly during this five year period.

The following charts show the historic and projected growth rates for each industrial sector for employment, total earnings, and earnings per worker for the Hernando County area.

The column headed by “1996-2005” represents the average percentage increase over this ten-year period. Under “Project,” the average annual increase is projected for two time periods: 2006-2015 and 2016-2025.

While projections have been created for each industrial sector, the actual “projections” are the annual growth rates for each time period for **All Workers**.



Employment Growth

Earnings Growth

Annual Increase	Project			Project		
	1996 2005	2006 2015	2016 2025	1996 2005	2006 2015	2016 2025
All Workers	4.8%	2.8%	1.2%	7.5%	5.1%	3.4%
Farm	2.7%	0.7%	0.5%	1.9%	3.3%	3.0%
Forestry, Fishing, Agricultural	5.2%	1.6%	0.9%	5.9%	4.3%	4.0%
Mining	2.6%	1.5%	1.0%	8.0%	4.6%	3.7%
Utilities	-1.4%	1.7%	1.2%	2.3%	3.5%	3.7%
Construction	9.5%	2.2%	-2.0%	13.5%	5.7%	0.8%
Manufacturing	-1.5%	0.0%	0.3%	1.1%	1.0%	1.6%
Wholesale Trade	6.2%	3.7%	1.8%	10.6%	6.3%	3.7%
Retail Trade	3.5%	2.7%	1.9%	7.8%	5.6%	4.5%
Transportation and Warehousing	15.2%	2.4%	1.3%	15.0%	4.3%	2.9%
Information	5.5%	1.6%	1.0%	8.5%	5.2%	2.6%
Finance and Insurance	2.3%	2.2%	1.6%	6.6%	3.9%	3.6%
Real Estate, Rental and Leasing	2.7%	3.1%	-1.2%	8.0%	7.3%	2.2%
Professional and Technical Services	0.5%	1.4%	1.3%	na	4.5%	4.0%
Management of Companies	na	1.5%	1.3%	na	6.6%	7.0%
Administrative and Waste Services	6.7%	3.6%	1.8%	11.3%	6.5%	4.6%
Educational Services	8.7%	3.7%	2.1%	12.2%	6.1%	3.8%
Health Care and Social Assistance	3.3%	3.4%	2.2%	6.6%	5.8%	4.1%
Arts, Entertainment, and Recreation	2.6%	2.7%	2.5%	5.1%	3.8%	3.7%
Accommodation and Food Services	5.7%	4.5%	1.6%	9.6%	7.3%	5.1%
Other Services	4.7%	3.3%	1.4%	7.9%	5.9%	3.2%
Federal, civilian	2.1%	1.0%	1.0%	5.9%	3.2%	3.0%
Military	1.3%	0.8%	0.5%	19.7%	1.4%	-1.6%
State Government	1.2%	1.4%	1.2%	4.5%	3.6%	2.9%
Local Government	1.6%	2.2%	1.6%	5.2%	3.7%	3.2%

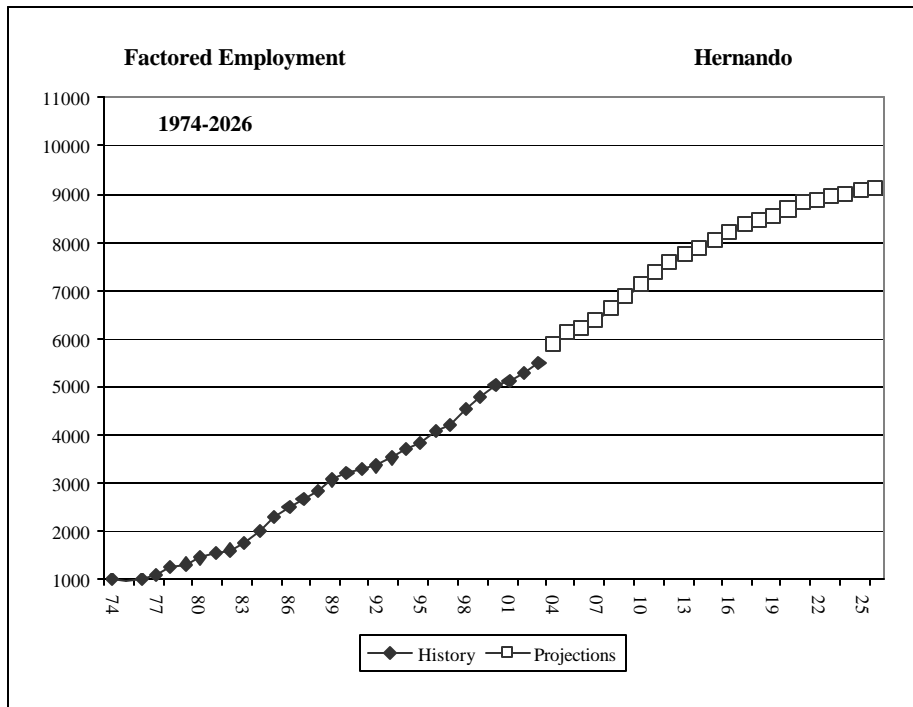
* Farm data lacks reliability.

Wages

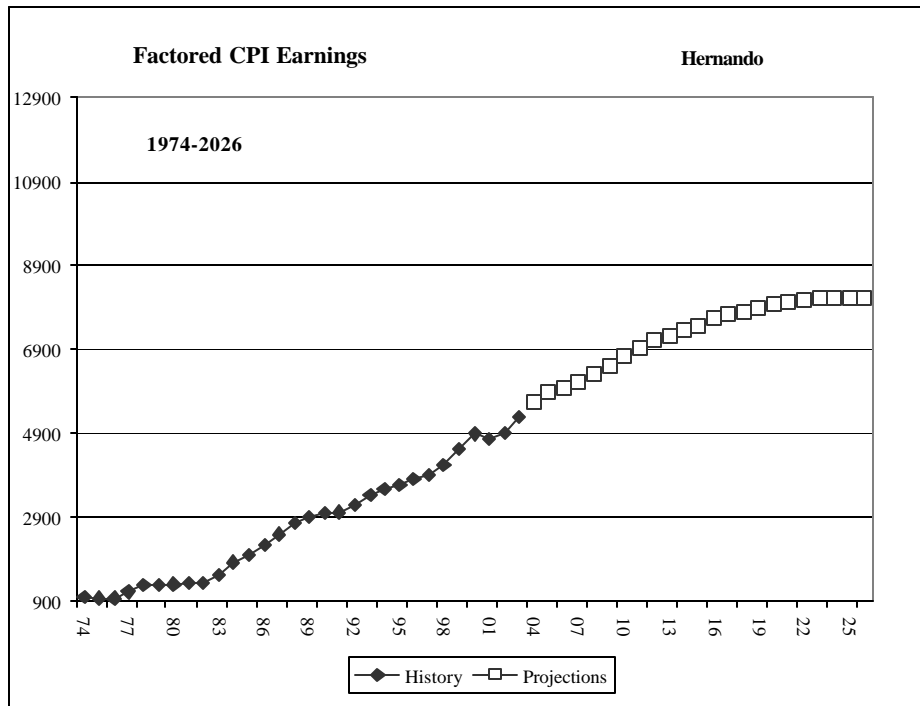
Annual Increase	Project		
	1996 2005	2006 2015	2016 2025
All Workers	2.6%	2.2%	2.2%
Farm	-0.5%	2.6%	2.5%
Forestry, Fishing, Agricultural	1.7%	2.7%	3.1%
Mining	5.3%	3.0%	2.6%
Utilities	na	1.8%	2.4%
Construction	3.6%	3.4%	2.8%
Manufacturing	2.9%	1.0%	1.3%
Wholesale Trade	na	2.5%	1.8%
Retail Trade	4.1%	2.8%	2.5%
Transportation and Warehousing	0.8%	1.9%	1.6%
Information	3.7%	3.5%	1.6%
Finance and Insurance	4.2%	1.7%	2.0%
Real Estate, Rental and Leasing	5.3%	4.1%	3.5%
Professional and Technical Services	na	3.1%	2.7%
Management of Companies	na	5.0%	5.7%
Administrative and Waste Services	4.4%	2.8%	2.8%
Educational Services	3.3%	2.3%	1.7%
Health Care and Social Assistance	3.2%	2.2%	1.9%
Arts, Entertainment, and Recreation	2.4%	1.1%	1.1%
Accommodation and Food Services	3.8%	2.6%	3.4%
Other Services	2.8%	2.6%	1.9%
Federal, civilian	4.0%	2.1%	2.0%
Military	18.0%	0.5%	-2.1%
State Government	3.3%	2.2%	1.7%

* Farm data lacks reliability.

Having created the Projections, it is important to review their impact upon the size and quality of the Hernando County economy. The following graphs show the Factored Employment and Inflation Factored Earnings.



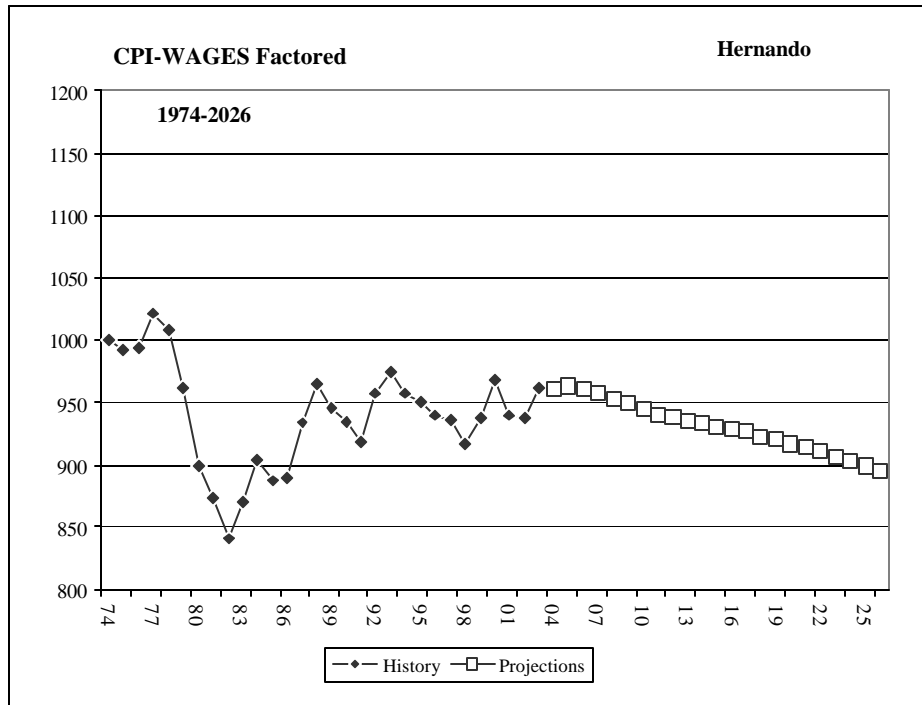
The graph above shows employment is projected to grow at a rapid rate until about 2015 when it will begin to slow. During the last five years of the projections, there will be little if any job growth. There could be an overall decline in employment.



A similar situation will occur with inflation factored earnings. The graph shows the growth in the size of the economy, by this measure, will actually be slower the last ten years than the projections for employment. During the last five years, the economy will “flat line.”

Unfortunately, since most of the job growth is being driven by population growth, not internal industrial growth, the quality of the economy will decline for virtually every year.

The following graph shows the projections for the Inflation adjusted wages. Once again, all wages are adjusted toward the value of the 2003 dollar using a future value based upon a 2.5% inflation rate.



The Projections provide for the inflation adjusted wages to decline each year through 2026. This is the result of the formation of low wage service and retail jobs and the absence of the creation of high wage primary industry jobs.

As we learned earlier, the composition of the workforce and the related wages determines the growth of the quality of the economy. The following chart shows the workforce composition in 2005 (estimated), 2015, and 2025 as a result of the projected growth along with the estimated annual earnings per worker.

<i>Workforce Composition</i>	2005		Project 2015		Project 2025	
	%	Wages	%	Wages	%	Wages
	All Workers		27,599		34,357	
Farm	1.3%	6,637	1.1%	8,541	1.0%	10,920
Forestry, Fishing, Agricultural Services	0.5%	13,330	0.4%	17,325	0.4%	23,535
Mining	0.9%	47,237	0.8%	63,745	0.7%	82,280
Utilities	0.4%	55,700	0.3%	66,106	0.3%	83,940
Construction	11.4%	26,933	10.7%	37,740	7.8%	49,912
Manufacturing	2.3%	40,095	1.7%	44,210	1.6%	50,307
Wholesale Trade	2.0%	39,626	2.2%	50,566	2.3%	60,715
Retail Trade	15.3%	21,016	15.2%	27,634	16.3%	35,501
Transportation and Warehousing	5.4%	37,914	5.2%	45,689	5.2%	53,414
Information	0.7%	34,181	0.7%	48,210	0.6%	56,402
Finance and Insurance	3.5%	31,842	3.3%	37,528	3.4%	45,940
Real Estate, Rental and Leasing	5.1%	10,064	5.2%	14,983	4.1%	21,120
Professional and Technical Services	3.6%	29,957	3.1%	40,633	3.1%	53,192
Management of Companies	0.1%	11,211	0.1%	18,234	0.1%	31,679
Administrative and Waste Services	6.3%	18,800	6.8%	24,889	7.2%	32,757
Educational Services	0.9%	12,531	1.0%	15,740	1.0%	18,618
Health Care and Social Assistance	12.4%	39,111	13.2%	48,764	14.6%	58,795
Arts, Entertainment, and Recreation	1.9%	11,952	1.9%	13,294	2.2%	14,862
Accommodation and Food Services	8.0%	13,510	9.4%	17,530	9.8%	24,561
Other Services	7.4%	17,806	7.8%	22,994	7.9%	27,653
Federal, civilian	0.6%	72,280	0.5%	89,235	0.5%	108,566
Military	0.6%	57,688	0.5%	56,521	0.5%	45,722
State Government	1.2%	41,768	1.1%	51,974	1.1%	61,725
Local Government	8.3%	45,670	7.9%	52,507	8.2%	61,270

* Farm data lacks reliability.

The workforce composition will be very similar in 2025 as it is in 2005 with some minor changes.

Many of the lowest wage industries will gain as a percentage of the workforce. Retail trade will gain 1% with health care going from 12.4% in 2005 to 14.6% in 2025. Health care will remain an above average wage industry in Hernando County. Construction will decline as a percentage of the workforce as the actual number of people employed in construction will be reduced the last five years of the projections.

Overall, if things are left to chance by the community, the Hernando County area economy will be a larger economy in the future but will stop growing in about 2020. The quality of the economy will decline.

Reaching the Goal

“If you do not know where you want to go,
it does not matter what road you take.”

The leaders in the Hernando County area know where they want to go. They have decided they want the area to have a stronger economy in the future providing for a better standard of living for the people who live and work in the area. The following will be the road necessary to travel to reach this destination.

Some communities in the United States have grown rapidly in size, but have degenerated in quality. For these communities, the Goal should concentrate on creating high-wage jobs only. Few areas have maintained quality and not grown in size.

The Hernando County area has had very rapid growth in size but has declined in quality. As a result, POLICOM has determined the county should focus on improving the quality of the economy as much as possible. Additionally, since the economy is projected to decline in size during the 2020's, diversifying the primary industries should prevent this from happening.

POLICOM has calculated the employment, earnings, and annual earnings per worker for each industrial classification for each year through 2026, which will be necessary to achieve in order to improve the quality of the economy and keep it from declining in the future as much as reasonably possible.

The estimates for the Goal are based upon what can be reasonably accomplished through a diligent effort by the community through aggressive economic development and community planning programs.

The Goal is achieved through creating new, high-wage primary jobs, which will import more money to the economy. In order to create the Goal, POLICOM Corporation “poured money” into the economy via new contributory jobs, adjusting the number and wage level of each until the negative effects of the Projections were overcome.

To determine what is “reasonable and achievable,” POLICOM took into consideration the following:

- The general condition and capacity of transportation, communications, and educational resources.
- The availability of improved, approved industrial real estate.
- The skill level of the existing labor force.
- The scope of the existing economic development program.

All of the above items will have to be improved if the county is to reach the Goal.

The last item on the above list is very important. Reaching the Goal will not come about by accident. It will require an aggressive effort by the community as there is national and even world wide competition for the primary businesses which will be needed to locate in the Hernando County area to achieve the Goal.

As a result of these considerations, POLICOM created what it believes to be achievable for the Hernando County area over the next 20 years.

The following charts represent the average annual percentage increase for each industry for the Goal along with the Projections and the ten-year period from 1995-2004 for comparison.

The “Goal” is the annual growth rates for employment, earnings, and wages for each time period for **All Workers**.

Employment Growth**Earnings Growth**

Annual Increase	Project					Goal				
	1996	2006	2016	2006	2016	1996	2006	2016	2006	2016
	2005	2015	2025	2015	2025	2005	2015	2025	2015	2025
All Workers	4.8%	2.8%	1.2%	3.1%	1.9%	7.5%	5.1%	3.4%	6.1%	5.3%
Farm	2.7%	0.7%	0.5%	0.7%	0.5%	1.9%	3.3%	3.0%	3.3%	3.0%
Forestry, Fishing, Agricultural	5.2%	1.6%	0.9%	1.6%	0.9%	5.9%	4.3%	4.0%	4.3%	4.0%
Mining	2.6%	1.5%	1.0%	1.5%	1.0%	8.0%	4.6%	3.7%	4.6%	3.7%
Utilities	-1.4%	1.7%	1.2%	1.8%	1.4%	2.3%	3.5%	3.7%	3.8%	4.3%
Construction	9.5%	2.2%	-2.0%	2.2%	-2.0%	13.5%	5.7%	0.8%	5.8%	1.3%
Manufacturing	-1.5%	0.0%	0.3%	4.1%	5.9%	1.1%	1.0%	1.6%	8.9%	10.1%
Wholesale Trade	6.2%	3.7%	1.8%	4.5%	4.0%	10.6%	6.3%	3.7%	8.0%	6.7%
Retail Trade	3.5%	2.7%	1.9%	2.5%	1.5%	7.8%	5.6%	4.5%	6.3%	5.7%
Transportation and Warehousing	15.2%	2.4%	1.3%	5.0%	6.2%	15.0%	4.3%	2.9%	8.6%	8.2%
Information	5.5%	1.6%	1.0%	4.6%	6.2%	8.5%	5.2%	2.6%	9.8%	11.1%
Finance and Insurance	2.3%	2.2%	1.6%	2.3%	2.4%	6.6%	3.9%	3.6%	4.4%	5.4%
Real Estate, Rental and Leasing	2.7%	3.1%	-1.2%	3.1%	-1.2%	8.0%	7.3%	2.2%	7.7%	3.5%
Professional and Technical Services	0.5%	1.4%	1.3%	2.9%	3.9%	na	4.5%	4.0%	6.4%	9.0%
Management of Companies	na	1.5%	1.3%	7.5%	7.0%	na	6.6%	7.0%	24.4%	12.3%
Administrative and Waste Services	6.7%	3.6%	1.8%	3.2%	1.3%	11.3%	6.5%	4.6%	7.0%	5.6%
Educational Services	8.7%	3.7%	2.1%	4.7%	3.6%	12.2%	6.1%	3.8%	7.2%	6.4%
Health Care and Social Assistance	3.3%	3.4%	2.2%	3.4%	2.2%	6.6%	5.8%	4.1%	6.0%	4.4%
Arts, Entertainment, and Recreation	2.6%	2.7%	2.5%	3.4%	3.3%	5.1%	3.8%	3.7%	5.0%	4.2%
Accommodation and Food Services	5.7%	4.5%	1.6%	4.5%	1.6%	9.6%	7.3%	5.1%	7.6%	5.6%
Other Services	4.7%	3.3%	1.4%	3.1%	1.0%	7.9%	5.9%	3.2%	6.4%	3.6%
Federal, civilian	2.1%	1.0%	1.0%	1.0%	1.0%	5.9%	3.2%	3.0%	3.3%	3.3%
Military	1.3%	0.8%	0.5%	0.8%	0.5%	19.7%	1.4%	-1.6%	1.4%	-1.6%
State Government	1.2%	1.4%	1.2%	1.4%	1.2%	4.5%	3.6%	2.9%	3.7%	3.1%
Local Government	1.6%	2.2%	1.6%	2.2%	1.6%	5.2%	3.7%	3.2%	3.8%	3.4%

* Farm data lacks reliability.

Wages

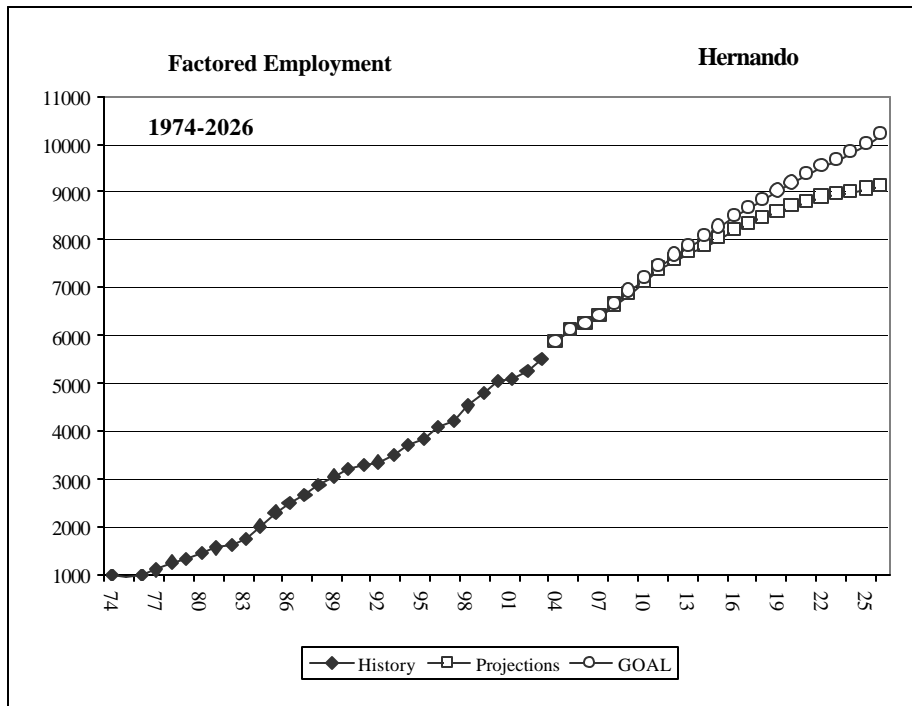
Annual Increase	Project			Goal	
	1996	2006	2016	2006	2016
	2005	2015	2025	2015	2025
All Workers	2.6%	2.2%	2.2%	3.0%	3.3%
Farm	-0.5%	2.6%	2.5%	2.6%	2.5%
Forestry, Fishing, Agricultural	1.7%	2.7%	3.1%	2.7%	3.1%
Mining	5.3%	3.0%	2.6%	3.0%	2.6%
Utilities	na	1.8%	2.4%	2.0%	2.9%
Construction	3.6%	3.4%	2.8%	3.6%	3.3%
Manufacturing	2.9%	1.0%	1.3%	4.5%	3.9%
Wholesale Trade	na	2.5%	1.8%	3.3%	2.6%
Retail Trade	4.1%	2.8%	2.5%	3.7%	4.1%
Transportation and Warehousing	0.8%	1.9%	1.6%	3.5%	1.9%
Information	3.7%	3.5%	1.6%	5.0%	4.6%
Finance and Insurance	4.2%	1.7%	2.0%	2.1%	3.0%
Real Estate, Rental and Leasing	5.3%	4.1%	3.5%	4.4%	4.8%
Professional and Technical Services	na	3.1%	2.7%	3.4%	4.9%
Management of Companies	na	5.0%	5.7%	15.6%	4.9%
Administrative and Waste Services	4.4%	2.8%	2.8%	3.7%	4.3%
Educational Services	3.3%	2.3%	1.7%	2.4%	2.7%
Health Care and Social Assistance	3.2%	2.2%	1.9%	2.5%	2.2%
Arts, Entertainment, and Recreation	2.4%	1.1%	1.1%	1.5%	0.8%
Accommodation and Food Services	3.8%	2.6%	3.4%	2.9%	3.9%
Other Services	2.8%	2.6%	1.9%	3.2%	2.5%
Federal, civilian	4.0%	2.1%	2.0%	2.3%	2.3%
Military	18.0%	0.5%	-2.1%	0.5%	-2.1%
State Government	3.3%	2.2%	1.7%	2.3%	1.9%

* Farm data lacks reliability.

There is a significant difference between what is projected to occur and what can occur for employment, earnings, and wages during the last ten years of the study period.

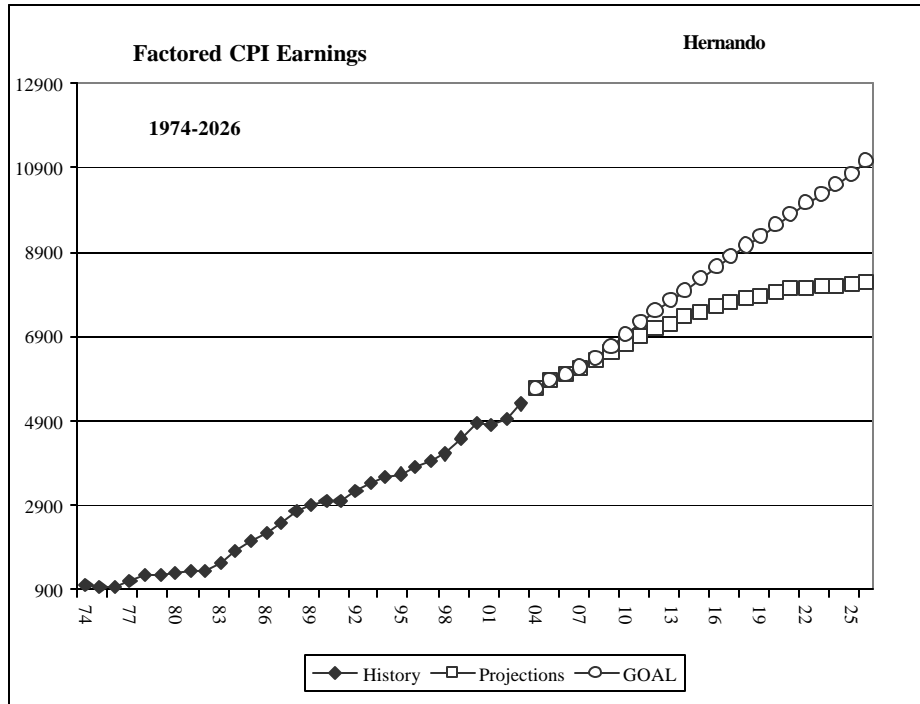
Employment growth will be brisker than what is projected the last ten years of the term. More significant, total earnings will increase at a much faster rate, driving wages upward.

The following graphs show the impact upon employment, inflation factored earnings, and inflation factored wages.

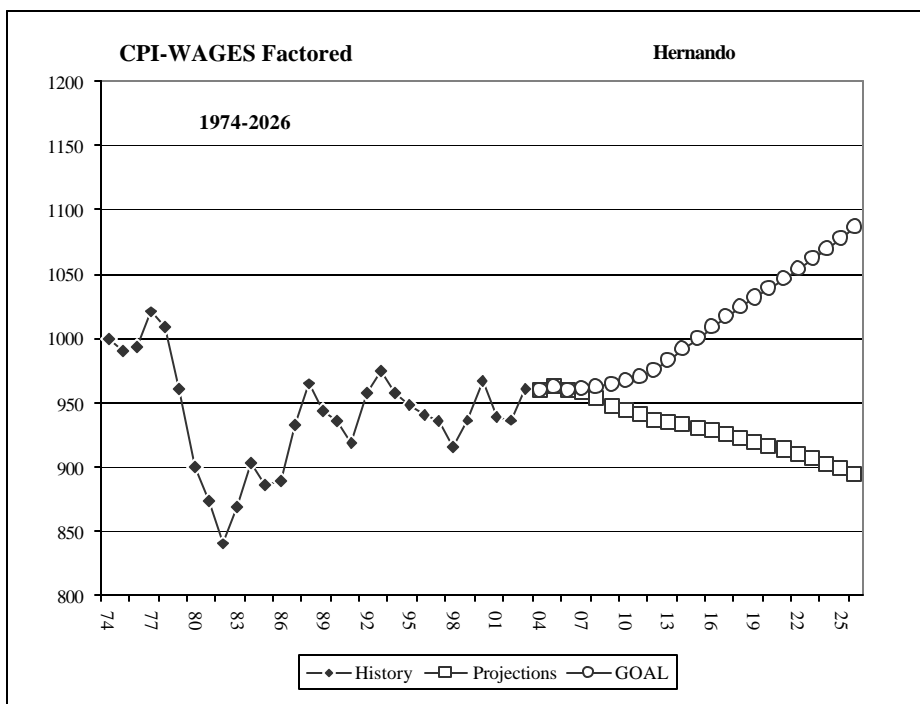


Job growth will be considerably better if the Goal is achieved from 2015 to 2025. While improving slowly at first, it will accelerate during the last ten years. The area is still expected to grow as a result of increased population. However, in addition to the jobs created by population growth, there will be new primary jobs added to the economy, creating a more diversified economy.

The county will also grow in size better than projected the later ten years relative to Inflation Factored Worker Earnings.



The projections provided for a gradual slowing and then a no growth scenario. If the Goal is achieved, the amount of money attributed to worker earnings will continue to increase.



Instead of declining, the overall quality of the economy will improve significantly if the Goal is achieved. While not improving on the short term, beginning circa 2013 there will be an upward climb. It will take several years to counterbalance the influence of the large number of low wage jobs in the area.

The composition of the workforce will also change if the Goal is achieved with manufacturing and transportation having a greater share of the workforce than what is projected. Most importantly, the wages for all industries will be significantly higher if the annual Milestones are attained.

<i>Workforce Composition</i>	Project		Project		Goal		Goal			
	2005 %	2005 Wages	2015 %	2015 Wages	2025 %	2025 Wages	2015 %	2015 Wages	2025 %	2025 Wages
All Workers		27,599		34,357		42,724		36,938		51,278
Farm	1.3%	6,637	1.1%	8,541	1.0%	10,920	1.0%	8,541	0.9%	10,920
Forestry, Fishing, Agricultural Services	0.5%	13,330	0.4%	17,325	0.4%	23,535	0.4%	17,325	0.4%	23,535
Mining	0.9%	47,237	0.8%	63,745	0.7%	82,280	0.7%	63,745	0.7%	82,280
Utilities	0.4%	55,700	0.3%	66,106	0.3%	83,940	0.3%	67,731	0.3%	89,884
Construction	11.4%	26,933	10.7%	37,740	7.8%	49,912	10.4%	38,315	7.1%	53,014
Manufacturing	2.3%	40,095	1.7%	44,210	1.6%	50,307	2.5%	62,334	3.7%	91,699
Wholesale Trade	2.0%	39,626	2.2%	50,566	2.3%	60,715	2.3%	55,074	2.8%	71,129
Retail Trade	15.3%	21,016	15.2%	27,634	16.3%	35,501	14.5%	30,149	13.9%	45,119
Transportation and Warehousing	5.4%	37,914	5.2%	45,689	5.2%	53,414	6.4%	53,256	9.7%	64,033
Information	0.7%	34,181	0.7%	48,210	0.6%	56,402	0.9%	55,380	1.3%	86,542
Finance and Insurance	3.5%	31,842	3.3%	37,528	3.4%	45,940	3.2%	39,013	3.4%	52,375
Real Estate, Rental and Leasing	5.1%	10,064	5.2%	14,983	4.1%	21,120	5.1%	15,494	3.7%	24,662
Professional and Technical Services	3.6%	29,957	3.1%	40,633	3.1%	53,192	3.5%	41,805	4.2%	67,153
Management of Companies	0.1%	11,211	0.1%	18,234	0.1%	31,679	0.2%	47,389	0.3%	76,228
Administrative and Waste Services	6.3%	18,800	6.8%	24,889	7.2%	32,757	6.3%	27,114	5.9%	41,196
Educational Services	0.9%	12,531	1.0%	15,740	1.0%	18,618	1.0%	15,935	1.2%	20,875
Health Care and Social Assistance	12.4%	39,111	13.2%	48,764	14.6%	58,795	12.8%	50,115	13.2%	62,171
Arts, Entertainment, and Recreation	1.9%	11,952	1.9%	13,294	2.2%	14,862	2.0%	13,931	2.3%	15,121
Accommodation and Food Services	8.0%	13,510	9.4%	17,530	9.8%	24,561	9.2%	18,010	8.9%	26,386
Other Services	7.4%	17,806	7.8%	22,994	7.9%	27,653	7.4%	24,450	6.8%	31,433
Federal, civilian	0.6%	72,280	0.5%	89,235	0.5%	108,566	0.5%	90,411	0.4%	113,298
Military	0.6%	57,688	0.5%	56,521	0.5%	45,722	0.5%	56,521	0.4%	45,722
State Government	1.2%	41,768	1.1%	51,974	1.1%	61,725	1.1%	52,275	1.0%	62,903
Local Government	8.3%	45,670	7.9%	52,507	8.2%	61,270	7.7%	53,193	7.4%	63,316

* Farm data lacks reliability.

The Goal caused the formation of new, high-wage primary industry jobs in the economy. Most of these jobs were placed in manufacturing, wholesale trade, transportation, information, professional services, management of companies (corporate headquarters) and the finance and insurance industries. **They could have been placed in any industry.** However, to track the influence the new jobs have on the other industries; they were included in these sectors. It is also quite likely most of the new primary jobs will indeed be formed in these industries.

Achieving the Goal

The purpose of this study is to establish annual employment levels with associated earnings, which will improve the overall economy of the Hernando County area. The principal driving force behind any local economy is the number and type of primary industry jobs.

Once again, a primary industry job derives its payroll from the sale of goods or services outside the local economy, importing money to the local area. (In the case of tourism, the money is brought with the tourist to the local area.)

The growth in the number of primary jobs determines the size of the economy. The wage level paid for the primary jobs establishes the level or quality of the local economy. Average wage levels of dependent, consumptive industries approach but usually cannot exceed that of the primary industries.

The employment and earnings levels established by POLICOM for the Goal were created by estimating the number and type of primary jobs and the typical industries in which they are created. Growth in the dependent, consumptive industries will occur naturally in direct proportion to the number of and wage level paid in the primary industries.

Wage levels in the consumptive industries “seek the level” paid in the primary industries.

Typically, primary industry jobs are created in the manufacturing, wholesale, and transportation sectors. This brings us to a very important issue regarding the Goal.

It does not matter in which industry the jobs are created
as long as they meet two criteria:

- 1) The job is in a “primary” industry. This simply means the source of the payroll must come from the sale of goods or services outside the Hernando County economy. This imports the money to the area, which then pushes the growth and consolidation of the reactive industries. As an example, a state headquarters for a civil engineering company would be classified in “Professional Services.” But since its fees are generated from work throughout the state, it is a contributory company and

meets the first qualification. Companies, which serve a “primary or contributory” function, can be classified in any of the industries.

- 2) The earnings per worker paid by the company must meet or exceed the annual milestone, in order to prevent dilution and to elevate the level of the economy.

The actual types of businesses might vary in the future than what are generally described in the Goal. The researcher scattered the quality job growth in several sectors. Entirely new industries are being created during this period of technical change and invention. Future employers in the area will likely include these new technology companies, while some traditional industries might very well pass into the night.

As a result, to achieve the Goal of improving the overall economy for the Hernando County area, the number and wage level of the new jobs is of most concern. The type of industry in which they are classified is not that important.

The chart shows the number of net, new, primary industry jobs and the earnings per worker (wages) necessary each year to achieve the Goal. Also shown are the estimated Wages for the area for each year and the percentage the wage for the new job is of the average for the county for the respective year.

<u>Year</u>	<u>New Primary Jobs</u>	<u>New Job Wage</u>	<u>Area Avg. Wage</u>	<u>% OF Area Avg.</u>
2006	71	38,344	28,476	135%
2007	132	38,363	29,224	137%
2008	224	39,637	30,028	132%
2009	234	41,334	30,867	134%
2010	245	43,123	31,742	136%
2011	257	45,013	32,654	138%
2012	277	47,023	33,676	140%
2013	299	49,152	34,816	141%
2014	314	51,390	36,006	143%
2015	331	53,771	37,248	144%
2016	348	56,309	38,546	146%
2017	372	58,645	39,854	147%
2018	398	60,623	41,161	147%
2019	419	62,569	42,515	147%
2020	442	64,581	43,918	147%
2021	466	66,661	45,373	147%
2022	501	68,602	46,877	146%
2023	540	70,447	48,431	145%
2024	571	72,407	50,040	145%
2025	603	74,424	51,708	144%

New Primary Jobs: The net gain of primary industry jobs.

New Job Wage: The wage or salary paid, excluding benefits.

Area Avg. Wage: The estimated average wage for the Hernando County area for each year, excluding benefits.

% of Area Avg.: The percentage the wage for the new primary jobs is of the estimated average wage for the area.

These are annual milestones. One year the area will create more, the next, perhaps fewer. However, the area needs to stay as close to the job creation Goal as possible to maintain stability in the economy.

The jobs are “wage and salaried jobs” and do not include sole proprietors. Additionally, the Wage is based upon straight wages and salaries and does not include employer’s share of retirement benefits or fringe benefits.

If the community is successful in creating the above number of net, new contributory jobs which pay an average annual wage as noted, the quality and the size of the Hernando County economy will grow as set forth in the Goal.

The following charts show the Wages, Employment, and Earnings for the various industries for both the Projections and the Goal from 2006-2025.

Projections - Wages

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	28,239	28,882	29,475	30,089	30,725	31,381	32,080	32,820	33,578	34,357
Farm	6,670	6,794	7,013	7,239	7,473	7,714	7,934	8,131	8,334	8,541
Forestry, Fishing, Agricultural Services	13,396	13,659	14,130	14,617	15,121	15,643	16,105	16,502	16,908	17,325
Mining	48,627	50,060	51,540	53,063	54,632	56,247	57,980	59,842	61,762	63,745
Utilities	52,987	52,491	54,094	55,746	57,449	59,203	60,924	62,605	64,332	66,106
Construction	28,011	29,041	30,018	31,028	32,072	33,152	34,254	35,379	36,540	37,740
Manufacturing	39,206	39,094	39,716	40,349	40,991	41,644	42,286	42,918	43,559	44,210
Wholesale Trade	40,769	41,922	43,084	44,279	45,506	46,768	47,852	48,740	49,645	50,566
Retail Trade	21,328	21,859	22,617	23,402	24,214	25,054	25,782	26,385	27,002	27,634
Transportation and Warehousing	38,735	39,531	40,302	41,088	41,889	42,706	43,479	44,203	44,940	45,689
Information	38,144	40,833	41,839	42,869	43,925	45,007	45,928	46,677	47,437	48,210
Finance and Insurance	32,151	32,574	33,112	33,660	34,216	34,781	35,408	36,101	36,808	37,528
Real Estate, Rental and Leasing	10,261	10,607	11,107	11,631	12,179	12,754	13,313	13,848	14,404	14,983
Professional and Technical Services	29,829	30,413	31,732	33,107	34,543	36,040	37,337	38,405	39,503	40,633
Management of Companies	11,431	11,852	12,494	13,171	13,885	14,637	15,450	16,327	17,254	18,234
Administrative and Waste Services	19,337	19,837	20,294	20,762	21,241	21,730	22,372	23,182	24,020	24,889
Educational Services	12,770	13,045	13,358	13,679	14,008	14,345	14,685	15,028	15,380	15,740
Health Care and Social Assistance	39,978	40,882	41,824	42,787	43,772	44,781	45,774	46,750	47,746	48,764
Arts, Entertainment, and Recreation	12,147	12,305	12,424	12,545	12,667	12,790	12,914	13,039	13,166	13,294
Accommodation and Food Services	13,765	14,065	14,413	14,770	15,136	15,511	15,950	16,460	16,987	17,530
Other Services	18,727	19,391	19,763	20,144	20,531	20,926	21,383	21,907	22,444	22,994
Federal, civilian	74,434	76,280	77,790	79,331	80,902	82,504	84,138	85,804	87,503	89,235
Military	77,404	88,665	83,813	79,226	74,890	70,792	66,918	63,256	59,794	56,521
State Government	42,516	43,399	44,425	45,476	46,551	47,652	48,732	49,790	50,870	51,974
Local Government	46,910	47,769	48,233	48,701	49,174	49,651	50,257	50,996	51,746	52,507

Goal - Wages

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	28,239	28,981	29,778	30,610	31,478	32,382	33,395	34,526	35,706	36,938
Farm	6,670	6,794	7,013	7,239	7,473	7,714	7,934	8,131	8,334	8,541
Forestry, Fishing, Agricultural Services	13,396	13,659	14,130	14,617	15,121	15,643	16,105	16,502	16,908	17,325
Mining	48,627	50,060	51,540	53,063	54,632	56,247	57,980	59,842	61,762	63,745
Utilities	52,987	52,569	54,328	56,146	58,025	59,967	61,886	63,776	65,724	67,731
Construction	28,011	29,041	30,018	31,028	32,072	33,152	34,327	35,608	36,936	38,315
Manufacturing	39,206	39,754	41,647	43,631	45,708	47,885	50,728	54,335	58,197	62,334
Wholesale Trade	40,769	42,134	43,739	45,406	47,135	48,931	50,570	52,029	53,529	55,074
Retail Trade	21,328	21,934	22,849	23,802	24,794	25,828	26,872	27,923	29,015	30,149
Transportation and Warehousing	38,735	39,989	41,703	43,490	45,354	47,298	48,979	50,365	51,791	53,256
Information	38,144	41,063	42,628	44,252	45,937	47,687	49,504	51,390	53,348	55,380
Finance and Insurance	32,151	32,638	33,304	33,984	34,677	35,385	36,194	37,110	38,050	39,013
Real Estate, Rental and Leasing	10,261	10,607	11,107	11,631	12,179	12,754	13,375	14,047	14,753	15,494
Professional and Technical Services	29,829	30,350	31,526	32,748	34,018	35,336	36,790	38,391	40,062	41,805
Management of Companies	11,431	12,737	15,332	18,455	22,214	26,739	31,422	36,034	41,323	47,389
Administrative and Waste Services	19,337	19,940	20,614	21,312	22,032	22,777	23,686	24,778	25,919	27,114
Educational Services	12,770	13,049	13,372	13,704	14,043	14,391	14,756	15,139	15,532	15,935
Health Care and Social Assistance	39,978	40,940	42,001	43,090	44,206	45,352	46,510	47,682	48,884	50,115
Arts, Entertainment, and Recreation	12,147	12,363	12,601	12,843	13,090	13,342	13,535	13,666	13,798	13,931
Accommodation and Food Services	13,765	14,085	14,474	14,873	15,284	15,706	16,204	16,785	17,387	18,010
Other Services	18,727	19,463	19,988	20,528	21,081	21,650	22,282	22,982	23,705	24,450
Federal, civilian	74,434	76,354	78,017	79,716	81,453	83,227	84,998	86,766	88,570	90,411
Military	77,404	88,665	83,813	79,226	74,890	70,792	66,918	63,256	59,794	56,521
State Government	42,516	43,410	44,458	45,531	46,630	47,755	48,873	49,982	51,116	52,275
Local Government	46,910	47,815	48,372	48,936	49,506	50,082	50,767	51,563	52,372	53,193

Projections - Wages

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	35,155	35,955	36,754	37,570	38,402	39,251	40,102	40,957	41,830	42,724
Farm	8,754	8,971	9,194	9,423	9,658	9,898	10,144	10,396	10,655	10,920
Forestry, Fishing, Agricultural Services	17,751	18,256	18,845	19,453	20,080	20,728	21,397	22,087	22,800	23,535
Mining	65,791	67,661	69,336	71,052	72,811	74,613	76,460	78,353	80,292	82,280
Utilities	67,930	69,722	71,478	73,278	75,124	77,016	78,805	80,481	82,192	83,940
Construction	38,980	40,217	41,448	42,717	44,024	45,372	46,593	47,674	48,780	49,912
Manufacturing	44,871	45,564	46,291	47,029	47,779	48,541	49,122	49,514	49,909	50,307
Wholesale Trade	51,504	52,487	53,516	54,565	55,635	56,726	57,758	58,728	59,713	60,715
Retail Trade	28,280	28,984	29,749	30,534	31,340	32,167	32,990	33,807	34,643	35,501
Transportation and Warehousing	46,450	47,228	48,021	48,828	49,648	50,482	51,256	51,965	52,685	53,414
Information	48,996	49,794	50,606	51,431	52,269	53,121	53,950	54,755	55,572	56,402
Finance and Insurance	38,262	39,041	39,866	40,708	41,569	42,447	43,316	44,173	45,048	45,940
Real Estate, Rental and Leasing	15,586	16,156	16,687	17,237	17,804	18,390	19,019	19,695	20,395	21,120
Professional and Technical Services	41,795	42,949	44,094	45,269	46,476	47,715	49,011	50,367	51,760	53,192
Management of Companies	19,269	20,364	21,520	22,742	24,034	25,399	26,841	28,366	29,976	31,679
Administrative and Waste Services	25,789	26,584	27,262	27,957	28,669	29,400	30,181	31,017	31,875	32,757
Educational Services	16,108	16,447	16,753	17,065	17,383	17,707	17,976	18,187	18,402	18,618
Health Care and Social Assistance	49,804	50,773	51,665	52,573	53,497	54,438	55,452	56,545	57,659	58,795
Arts, Entertainment, and Recreation	13,423	13,573	13,745	13,919	14,095	14,273	14,434	14,575	14,718	14,862
Accommodation and Food Services	18,091	18,700	19,364	20,050	20,762	21,498	22,241	22,989	23,762	24,561
Other Services	23,558	24,084	24,569	25,064	25,569	26,084	26,529	26,898	27,273	27,653
Federal, civilian	91,002	92,804	94,642	96,516	98,428	100,377	102,364	104,391	106,458	108,566
Military	53,428	51,568	50,798	50,040	49,293	48,557	47,832	47,119	46,415	45,722
State Government	53,101	54,150	55,113	56,093	57,091	58,106	59,054	59,931	60,822	61,725
Local Government	53,279	54,050	54,820	55,602	56,394	57,198	58,114	59,147	60,199	61,270

Goal - Wages

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	38,225	39,522	40,818	42,161	43,553	44,995	46,487	48,028	49,624	51,278
Farm	8,754	8,971	9,194	9,423	9,658	9,898	10,144	10,396	10,655	10,920
Forestry, Fishing, Agricultural Services	17,751	18,256	18,845	19,453	20,080	20,728	21,397	22,087	22,800	23,535
Mining	65,791	67,661	69,336	71,052	72,811	74,613	76,460	78,353	80,292	82,280
Utilities	69,800	71,898	74,025	76,215	78,470	80,792	83,064	85,278	87,551	89,884
Construction	39,744	41,146	42,510	43,920	45,377	46,882	48,384	49,881	51,423	53,014
Manufacturing	66,766	70,396	73,053	75,809	78,670	81,639	84,334	86,721	89,176	91,699
Wholesale Trade	56,662	58,188	59,642	61,133	62,662	64,228	65,865	67,575	69,329	71,129
Retail Trade	31,328	32,555	33,831	35,158	36,537	37,970	39,563	41,335	43,186	45,119
Transportation and Warehousing	54,764	56,055	57,113	58,190	59,288	60,407	61,402	62,267	63,144	64,033
Information	57,490	59,942	62,769	65,730	68,830	72,077	75,461	78,987	82,678	86,542
Finance and Insurance	40,000	41,112	42,357	43,639	44,960	46,321	47,748	49,243	50,784	52,375
Real Estate, Rental and Leasing	16,272	17,073	17,894	18,755	19,657	20,602	21,568	22,554	23,584	24,662
Professional and Technical Services	43,625	45,645	47,886	50,236	52,702	55,289	58,025	60,921	63,961	67,153
Management of Companies	54,345	59,126	60,783	62,488	64,240	66,041	68,211	70,785	73,456	76,228
Administrative and Waste Services	28,363	29,688	31,095	32,569	34,112	35,728	37,194	38,483	39,816	41,196
Educational Services	16,349	16,790	17,260	17,744	18,241	18,752	19,268	19,790	20,325	20,875
Health Care and Social Assistance	51,378	52,552	53,630	54,730	55,852	56,998	58,213	59,504	60,823	62,171
Arts, Entertainment, and Recreation	14,066	14,181	14,277	14,374	14,471	14,569	14,689	14,831	14,975	15,121
Accommodation and Food Services	18,656	19,358	20,121	20,914	21,738	22,595	23,487	24,416	25,382	26,386
Other Services	25,218	25,989	26,759	27,552	28,369	29,210	29,891	30,396	30,910	31,433
Federal, civilian	92,291	94,301	96,449	98,645	100,892	103,189	105,590	108,099	110,668	113,298
Military	53,428	51,568	50,798	50,040	49,293	48,557	47,832	47,119	46,415	45,722
State Government	53,461	54,569	55,593	56,637	57,701	58,784	59,830	60,838	61,862	62,903
Local Government	54,028	54,863	55,699	56,547	57,409	58,283	59,360	60,650	61,969	63,316

Projections - Employment (000)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	55.5	57.0	59.0	61.1	63.4	65.7	67.5	68.9	70.2	71.7
Farm	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Forestry, Fishing, Agricultural Services	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Utilities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction	6.2	6.3	6.6	6.9	7.1	7.4	7.6	7.6	7.7	7.7
Manufacturing	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Wholesale Trade	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.6
Retail Trade	8.4	8.6	8.9	9.2	9.5	9.8	10.1	10.3	10.6	10.9
Transportation and Warehousing	3.0	3.1	3.2	3.2	3.3	3.4	3.5	3.6	3.6	3.7
Information	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Finance and Insurance	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3
Real Estate, Rental and Leasing	2.8	2.9	3.1	3.3	3.5	3.7	3.8	3.8	3.8	3.8
Professional and Technical Services	1.9	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2
Management of Companies	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Administrative and Waste Services	3.6	3.7	3.9	4.0	4.2	4.4	4.5	4.6	4.7	4.8
Educational Services	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Health Care and Social Assistance	6.9	7.0	7.3	7.7	8.0	8.3	8.6	8.9	9.2	9.5
Arts, Entertainment, and Recreation	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4
Accommodation and Food Services	4.6	4.9	5.1	5.4	5.6	5.9	6.1	6.3	6.5	6.8
Other Services	4.2	4.4	4.5	4.7	4.9	5.1	5.2	5.4	5.5	5.6
Federal, civilian	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Military	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
State Government	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Local Government	4.6	4.6	4.8	4.9	5.1	5.2	5.3	5.4	5.6	5.7

Goal - Employment (000)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	55.5	57.1	59.3	61.5	63.9	66.4	68.5	70.2	71.9	73.7
Farm	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Forestry, Fishing, Agricultural Services	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Utilities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction	6.2	6.3	6.6	6.9	7.1	7.4	7.6	7.6	7.7	7.7
Manufacturing	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.6	1.7	1.8
Wholesale Trade	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.6	1.7
Retail Trade	8.4	8.6	8.9	9.1	9.4	9.7	10.0	10.2	10.4	10.7
Transportation and Warehousing	3.0	3.1	3.3	3.4	3.6	3.8	4.0	4.2	4.5	4.7
Information	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Finance and Insurance	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4
Real Estate, Rental and Leasing	2.8	2.9	3.1	3.3	3.5	3.7	3.8	3.8	3.8	3.8
Professional and Technical Services	1.9	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.6
Management of Companies	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Administrative and Waste Services	3.6	3.7	3.9	4.0	4.1	4.3	4.4	4.5	4.6	4.7
Educational Services	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8
Health Care and Social Assistance	6.9	7.0	7.3	7.7	8.0	8.3	8.6	8.9	9.2	9.5
Arts, Entertainment, and Recreation	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4	1.5
Accommodation and Food Services	4.6	4.9	5.1	5.4	5.6	5.9	6.1	6.3	6.5	6.8
Other Services	4.2	4.4	4.5	4.7	4.9	5.1	5.2	5.3	5.4	5.5
Federal, civilian	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Military	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
State Government	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Local Government	4.6	4.6	4.8	4.9	5.1	5.2	5.3	5.4	5.6	5.7

Projections - Employment (000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	73.1	74.3	75.3	76.3	77.3	78.4	79.1	79.6	80.2	80.7
Farm	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Forestry, Fishing, Agricultural Services	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Utilities	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Construction	7.7	7.7	7.5	7.4	7.2	7.1	6.9	6.7	6.5	6.3
Manufacturing	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Wholesale Trade	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9
Retail Trade	11.2	11.4	11.7	12.0	12.3	12.5	12.7	12.9	13.0	13.1
Transportation and Warehousing	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.2
Information	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Finance and Insurance	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.7	2.7
Real Estate, Rental and Leasing	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.4	3.4	3.3
Professional and Technical Services	2.2	2.3	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.5
Management of Companies	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Administrative and Waste Services	5.0	5.1	5.2	5.3	5.4	5.5	5.6	5.6	5.7	5.8
Educational Services	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Health Care and Social Assistance	9.8	10.0	10.3	10.5	10.8	11.0	11.3	11.4	11.6	11.8
Arts, Entertainment, and Recreation	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.8
Accommodation and Food Services	7.0	7.1	7.2	7.3	7.5	7.6	7.7	7.8	7.8	7.9
Other Services	5.7	5.8	5.9	6.0	6.1	6.2	6.3	6.3	6.3	6.4
Federal, civilian	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Military	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State Government	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9
Local Government	5.8	5.9	6.0	6.1	6.2	6.3	6.4	6.5	6.6	6.6

Goal - Employment (000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	75.6	77.2	78.7	80.2	81.8	83.4	84.9	86.3	87.7	89.2
Farm	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Forestry, Fishing, Agricultural Services	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Utilities	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Construction	7.7	7.7	7.5	7.4	7.2	7.1	6.9	6.7	6.5	6.3
Manufacturing	1.9	2.0	2.2	2.3	2.4	2.6	2.7	2.9	3.1	3.3
Wholesale Trade	1.8	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.4	2.5
Retail Trade	10.9	11.1	11.4	11.6	11.8	12.1	12.2	12.3	12.3	12.4
Transportation and Warehousing	5.0	5.3	5.7	6.0	6.3	6.7	7.2	7.6	8.1	8.6
Information	0.7	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.1	1.2
Finance and Insurance	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.9	2.9	3.0
Real Estate, Rental and Leasing	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.4	3.4	3.3
Professional and Technical Services	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.5	3.6	3.8
Management of Companies	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Administrative and Waste Services	4.8	4.8	4.9	5.0	5.0	5.1	5.1	5.2	5.3	5.3
Educational Services	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1
Health Care and Social Assistance	9.8	10.0	10.3	10.5	10.8	11.0	11.3	11.4	11.6	11.8
Arts, Entertainment, and Recreation	1.5	1.6	1.6	1.7	1.8	1.8	1.9	1.9	2.0	2.0
Accommodation and Food Services	7.0	7.1	7.2	7.3	7.5	7.6	7.7	7.8	7.8	7.9
Other Services	5.6	5.7	5.7	5.8	5.9	5.9	6.0	6.0	6.0	6.1
Federal, civilian	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Military	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State Government	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9
Local Government	5.8	5.9	6.0	6.1	6.2	6.3	6.4	6.5	6.6	6.6

Projections - Earnings (000,000)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	1,566	1,646	1,740	1,840	1,947	2,060	2,166	2,260	2,359	2,462
Farm	5	5	5	5	6	6	6	6	6	7
Forestry, Fishing, Agricultural Services	3	4	4	4	4	4	5	5	5	5
Mining	23	24	25	27	28	29	30	32	33	35
Utilities	11	11	11	12	13	13	14	14	15	16
Construction	174	184	198	213	229	246	260	270	280	291
Manufacturing	47	47	48	49	50	51	52	53	54	55
Wholesale Trade	46	49	53	57	61	66	70	73	76	79
Retail Trade	179	188	201	215	230	245	260	273	287	301
Transportation and Warehousing	116	121	127	133	139	146	152	157	163	169
Information	16	17	18	19	19	20	21	21	22	23
Finance and Insurance	61	62	65	68	71	74	78	81	84	88
Real Estate, Rental and Leasing	29	31	35	38	43	47	51	53	54	56
Professional and Technical Services	58	60	63	67	71	75	79	83	86	90
Management of Companies	1	1	1	1	1	1	1	1	2	2
Administrative and Waste Services	69	74	79	84	90	95	101	107	114	121
Educational Services	6	7	7	8	8	9	9	10	10	11
Health Care and Social Assistance	274	288	307	327	349	372	394	416	438	462
Arts, Entertainment, and Recreation	13	13	14	15	15	16	16	17	18	18
Accommodation and Food Services	63	68	73	79	85	92	98	104	111	118
Other Services	79	84	90	95	101	107	112	117	123	128
Federal, civilian	24	25	26	27	27	28	29	30	31	32
Military	25	29	28	27	25	24	23	22	21	20
State Government	29	30	31	32	34	35	36	38	39	40
Local Government	214	221	230	239	249	259	268	278	287	297

Goal - Earnings (000,000)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All Workers	1,566	1,654	1,765	1,884	2,012	2,151	2,288	2,423	2,568	2,723
Farm	5	5	5	5	6	6	6	6	6	7
Forestry, Fishing, Agricultural Services	3	4	4	4	4	4	5	5	5	5
Mining	23	24	25	27	28	29	30	32	33	35
Utilities	11	11	12	12	13	13	14	15	15	16
Construction	174	184	198	213	229	246	260	271	283	295
Manufacturing	47	49	53	59	65	71	79	89	101	114
Wholesale Trade	46	50	54	59	65	70	76	81	87	93
Retail Trade	179	188	202	217	233	251	268	285	303	322
Transportation and Warehousing	116	124	136	149	163	179	195	213	232	253
Information	16	18	19	21	23	25	27	30	32	35
Finance and Insurance	61	62	65	69	72	76	80	84	88	93
Real Estate, Rental and Leasing	29	31	35	38	43	47	51	53	56	58
Professional and Technical Services	58	60	65	69	74	80	86	92	100	108
Management of Companies	1	1	1	2	2	3	4	5	6	7
Administrative and Waste Services	69	74	79	85	91	97	104	111	118	126
Educational Services	6	7	7	8	9	9	10	11	11	12
Health Care and Social Assistance	274	289	309	330	353	377	401	424	449	475
Arts, Entertainment, and Recreation	13	14	14	15	16	17	18	19	20	21
Accommodation and Food Services	63	68	74	80	86	93	100	106	114	122
Other Services	79	85	90	96	103	109	116	121	128	134
Federal, civilian	24	25	26	27	28	28	29	30	31	32
Military	25	29	28	27	25	24	23	22	21	20
State Government	29	30	31	32	34	35	36	38	39	41
Local Government	214	221	231	240	250	261	271	281	291	301

Projections - Earnings (000,000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	2,571	2,673	2,768	2,866	2,969	3,075	3,173	3,262	3,353	3,448
Farm	7	7	7	7	8	8	8	8	9	9
Forestry, Fishing, Agricultural Services	5	6	6	6	6	6	7	7	7	8
Mining	36	38	39	40	42	43	45	46	48	49
Utilities	16	17	17	18	19	20	20	21	22	22
Construction	302	309	312	315	318	321	322	319	317	315
Manufacturing	56	57	58	59	60	61	62	63	64	64
Wholesale Trade	83	86	90	93	97	101	104	108	111	114
Retail Trade	316	332	348	366	384	403	420	435	450	466
Transportation and Warehousing	175	181	186	192	197	203	208	214	219	225
Information	23	24	25	25	26	27	28	28	29	29
Finance and Insurance	92	95	99	103	107	111	115	118	122	126
Real Estate, Rental and Leasing	58	60	61	62	64	65	66	67	69	70
Professional and Technical Services	94	98	102	106	110	114	119	124	128	134
Management of Companies	2	2	2	2	2	2	3	3	3	3
Administrative and Waste Services	128	135	141	147	154	161	168	175	182	189
Educational Services	11	12	12	13	13	14	14	15	15	16
Health Care and Social Assistance	487	510	532	554	577	601	625	647	669	693
Arts, Entertainment, and Recreation	19	20	21	21	22	23	24	25	26	26
Accommodation and Food Services	126	133	140	147	155	163	171	178	186	195
Other Services	134	139	145	150	156	162	166	170	173	176
Federal, civilian	33	34	35	36	37	38	39	40	41	43
Military	19	18	18	18	17	17	17	17	17	17
State Government	42	43	44	46	47	49	50	51	52	54
Local Government	308	318	328	339	350	361	372	383	395	407

Goal - Earnings (000,000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Workers	2,889	3,053	3,212	3,382	3,562	3,754	3,948	4,143	4,351	4,572
Farm	7	7	7	7	8	8	8	8	9	9
Forestry, Fishing, Agricultural Services	5	6	6	6	6	6	7	7	7	8
Mining	36	38	39	40	42	43	45	46	48	49
Utilities	17	17	18	19	20	21	22	22	23	24
Construction	308	316	320	324	328	332	334	334	334	334
Manufacturing	129	144	158	174	192	211	231	252	274	299
Wholesale Trade	100	106	113	121	129	137	146	156	167	178
Retail Trade	342	363	385	408	432	458	483	507	533	560
Transportation and Warehousing	275	299	323	349	376	407	439	474	512	553
Information	38	42	47	52	58	64	71	80	89	100
Finance and Insurance	98	103	109	115	121	128	135	142	150	158
Real Estate, Rental and Leasing	61	63	66	68	70	73	75	77	80	82
Professional and Technical Services	116	126	137	150	163	178	194	212	232	254
Management of Companies	9	11	12	13	15	16	18	19	21	24
Administrative and Waste Services	135	143	152	162	171	182	191	200	209	219
Educational Services	13	14	15	15	16	18	19	20	21	22
Health Care and Social Assistance	502	528	552	577	603	630	656	680	706	732
Arts, Entertainment, and Recreation	21	22	23	24	25	26	27	29	30	31
Accommodation and Food Services	130	138	146	154	162	171	180	189	199	209
Other Services	141	147	153	160	166	173	179	183	187	191
Federal, civilian	33	34	35	36	38	39	40	42	43	44
Military	19	18	18	18	17	17	17	17	17	17
State Government	42	44	45	46	48	49	51	52	53	55
Local Government	312	323	334	345	356	368	380	393	406	420