

PALM BAY

MELBOURNE-TITUSVILLE, FLORIDA MSA

The **Palm Bay, Florida, MSA** continues its ascent up the Best-Performing Cities rankings, propelled to second by strong one-year wage (third) and job growth (eighth). The Space Coast improved on last year's breakout performance, transforming one-year gains into long-term jobs (13th) and wage growth (16th). This continued success is largely due to a diversified, high-tech industrial base, including a significant part of the national aerospace and defense industries.

In 2018, Brevard County, where Palm Bay is located, accounted for over a tenth of total direct defense spending in the Sunshine state.²⁰ Palm Bay thus boasts 11 industries with location quotients above one (12th), including defense subindustries like semiconductor manufacturing (LQ of 10.6), magnetic and optical media manufacturing (LQ of 6.5), and navigational, measuring, and control instruments manufacturing (LQ of 4.3).

The aerospace and defense industries have also largely stabilized the metro, despite COVID-19 shuttering tourism in the region. In 2018, cruises from the region's port, Cape Canaveral, generated \$1.3 billion in tourism expenditures in Central Florida.²¹ However, cruise operations have been suspended since mid-March and are not expected to resume until at least 2021. They are unlikely to return to full operations for some time.²² The port has since reduced its staff by 40 percent, including 68 permanent layoffs, and is anticipating a \$36.6 million loss in 2020-21.²³

Despite this, employment has only fallen 1.5 percent in the short-term (13th), and recovery is a matter of time and combatting the virus. The Space Coast could stand to improve its housing affordability, however. While 70 percent of all households spent less than 30 percent of their income on housing in 2019 (87th overall), rents and median home sales have increased in recent years, highlighting a need to build low-income, affordable housing today.²⁴

Additionally, continued investment in attracting and growing an educated workforce would also ensure greater economic opportunity for residents and supply of talent for industry partners. In 2019, only 30.4 percent of the population aged 25 or older had a bachelor's degree, about 3 percentage points less than the national average.²⁵



Gained 8 ranks

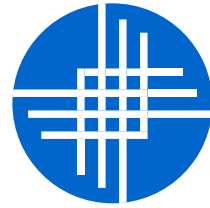
	Indicator Rank	
Job growth (2014-19)	17.6%	13th
Job growth (2018-19)	3.2%	8th
Wage growth (2014-19)	37%	16th
Wage growth (2018-19)	8.7%	3rd
Short-term job growth (10/2019-10/2020)	-1.5%	13th
High-tech GDP growth (2014-19)	48.6%	21st
High-tech GDP growth (2018-19)	6.8%	56th
High-tech GDP concentration (2019)	LQ: 1.84	10th
Number of high-tech industries (2019)	11	12th
Households with broadband access (2019)	89.9%	49th
Households with affordable housing costs (2014-18)	72%	87th
Households with affordable housing costs (2019)	70%	87th

Assets

- » The defense and aerospace industries have stabilized the Space Coast in an unprecedented year.
- » A diversified industrial base provides strong wages.

Liabilities

- » The pandemic currently hampers service and tourism industries.
- » While housing is generally affordable, greater investments may be necessary to ensure affordability across all income levels.



MILKEN
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Best-Performing Cities 2021

Foundations for
Growth and Recovery

Executive Summary

View the full report at [BEST-CITIES.ORG](https://www.best-cities.org)

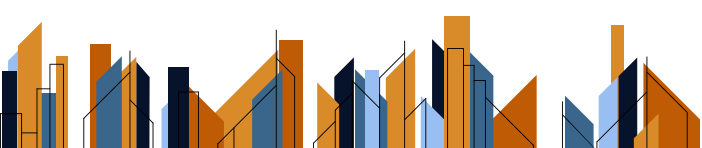


Cities drive economic growth nationwide. They are the primary locations where businesses create new jobs and workers earn higher wages, keeping the United States competitive in the global economy. However, metro areas are also incredibly diverse. Each has unique characteristics generated through a combination of investment and policy choices that influence the community's economic outcomes. The Milken Institute's Best-Performing Cities Index (BPC) provides a means for comparing metro areas' recent performance.

Here are the highlights of the 2021 Best-Performing Cities Index:

- » The 2021 version of the index emphasizes jobs, wages, and high-tech growth while incorporating new measures of housing affordability and household broadband access.

- » For the first time, the index includes the designation of five tiers across the overall rankings. By grouping cities with similar scores, we have provided new benchmarks for city leaders to define objectives that can help them become more competitive over time. Tier 1, containing 13 large and 13 small cities, replaces the top 25 category used in previous years.
- » **Provo-Orem, Utah**, takes the top spot among this year's Best-Performing Large Cities on the strength of job, wage, and high-tech GDP growth.
- » **Tier 1 Large Cities** included metros in the **Intermountain West** and **South** that demonstrated wage and job growth levels far above the national median and concentrated high-tech sectors. They also had relatively affordable housing costs and very high levels of broadband access, indicating inclusive growth based on housing and infrastructure.
- » California's usual standouts, including **No. 24 San Francisco** and **No. 22 San Jose**, dropped to Tier 2 of the index due to the high cost of housing and a strong negative shift in short-term job growth. This may indicate the outsized effect of the coronavirus pandemic on so-called "superstar cities."
- » **Idaho Falls** rises to first in the 2021 Best-Performing Small Cities. The Gem State's second-largest city experienced short-term job growth of 4.7 percent and includes the ninth-best high-tech GDP concentration among all small cities.
- » **Tier 1 Small Cities** also included several cities in the Intermountain West and the South that distinguished themselves through high levels of job and wage growth over one- and five-year periods and generally had some degree of high-tech specialization.

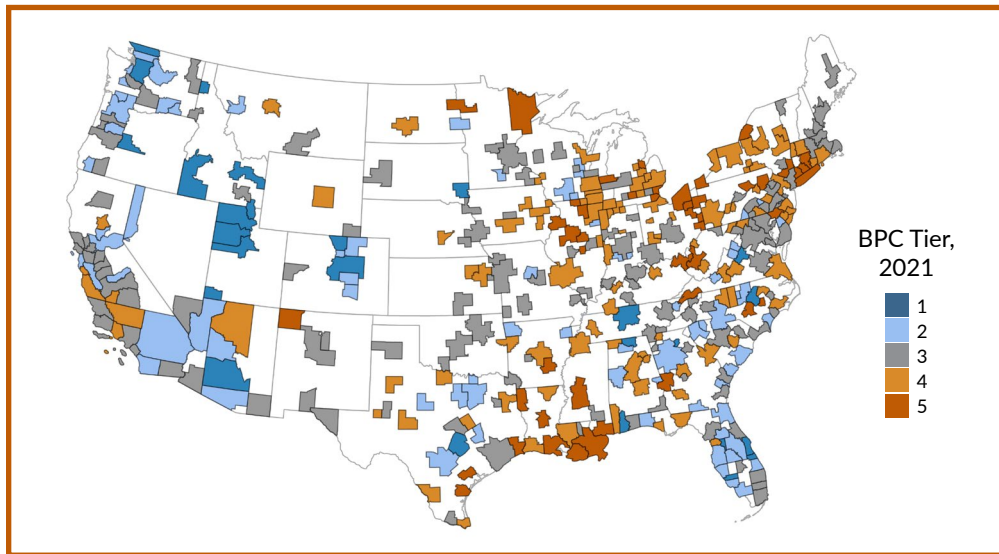


Overall, high-ranking and upwardly mobile large cities performed better than the median on one- and five-year measures of housing affordability and short-term job growth. Notably, the center of gravity of the Best-Performing Large Cities—and many high-tech industries in general—has shifted from its traditionally dominant centers in California and Massachusetts to the Intermountain West and the South (Figure 1).

economic success, and cities with histories of innovation are more resilient to economic shocks. In the context of the COVID-19 pandemic, however, cities' capacity for economic recovery will rely on the alignment between opportunities in high-tech industries and affordable costs of living. Cities that support innovation as well as inclusion are more likely to provide a foundation for broad-based economic growth.

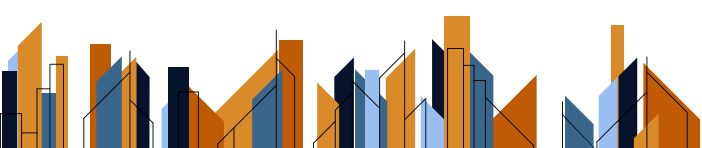
This is not to say that legacies of innovation are irrelevant. A dynamic, concentrated high-tech sector is still very indicative of

Figure 1. Tier 1 Large and Small Metros Concentrated in Several Regions
Metropolitan Statistical Areas (MSAs) and Metropolitan Divisions by 2021 Rank



Note: MSAs in Hawaii and Alaska, not shown here, scored in Tiers 4 and 5.

Source: Milken Institute analysis (2021)



Best-Performing Large City

PROVO-OREM, UTAH

Provo-Orem, Utah, which ranked second in 2020, reclaims the top spot among this year's Best-Performing Large Cities. Provo ranked first in both one- and five-year job growth while also ranking highly in high-tech GDP concentration and the number of high-tech industries. Provo-Orem is a recipient of the tech sector's out-migration from the expensive West Coast. It is a relatively new innovation center but offers a high quality of life and amenities in the mountain region. With significantly lower costs than Silicon Valley, Provo-Orem has attracted such tech giants as Qualtrics, Vivint, and SmartCitizen.



Best-Performing Small City

IDAHO FALLS, IDAHO

Idaho Falls, Idaho, gained six ranks to claim the title of Best-Performing Small City. It experienced significant short-term job growth from October 2019 to October 2020 and performed well on the one- and five-year job growth indicators (ranking sixth and fifth, respectively). High-tech industries play an important role in the city's dynamism, including scientific research and development services. High-profile regional employers include the Idaho National Laboratory and Battelle Energy Alliance, LLC.

Table 1. Tier 1 Large Cities

Metropolitan Statistical Area	2021 Rank	2020 Rank	Change	2020 Tier
Provo-Orem, UT	1	2	1	1
Palm Bay-Melbourne-Titusville, FL	2	10	8	1
Austin-Round Rock-Georgetown, TX	3	3	-	1
Salt Lake City, UT	4	25	21	1
Raleigh-Cary, NC	5	11	6	1
Boise, ID	6	7	1	1
Phoenix-Mesa-Chandler, AZ	7	12	5	1
Nashville-Davidson-Murfreesboro-Franklin, TN	8	14	6	1
Ogden-Clearfield, UT	9	22	13	1
Huntsville, AL	10	49	39	2
Denver-Aurora-Lakewood, CO	11	18	7	1
Fort Collins, CO	12	21	9	1
Seattle-Bellevue-Kent, WA Metro Division	13	8	-5	1

Source: Milken Institute analysis (2021)

Table 2. Tier 1 Small Cities

Metropolitan Statistical Area	2021 Rank	2020 Rank	Change	2020 Tier
Idaho Falls, ID	1	7	6	1
Logan, UT-ID	2	3	1	1
The Villages, FL	3	5	2	1
St. George, UT	4	4	-	1
Daphne-Fairhope-Foley, AL	5	14	9	2
Coeur d'Alene, ID	6	5	-1	1
Sioux Falls, SD	7	24	17	2
Sebastian-Vero Beach, FL	8	9	1	1
Gainesville, GA	9	8	-1	1
Charlottesville, VA	10	11	1	1
Punta Gorda, FL	11	39	28	2
Bellingham, WA	12	10	-2	1
Bend, OR	13	1	-12	1

Source: Milken Institute analysis (2021)

