

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2021-2023  
**32**  
1st quintile

2021-2026  
**26**  
1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING  
**105%**

BUSINESS  
**93%**

U.S.=100%

VITALITY

RELATIVE  
**0.50**  
Rank: 64

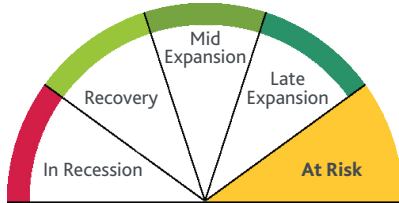
Best=1, Worst=403

QUALITY

OF LIFE  
**104**

Best=1, Worst=378

BUSINESS CYCLE STATUS



ANALYSIS

**Recent Performance.** Jacksonville is an outperformer in an outperforming state. Job growth has edged above Florida's rapid pace in recent months, placing JAC among the top 5% of metro areas nationally. With nearly every major industry adding to payrolls, the unemployment rate is below its prerecession level and trending lower, even as labor force growth has accelerated. The single-family housing market is the lone weak spot. Permitting activity has fallen sharply since early 2022, and prices have declined slightly since autumn. The slowdown is also being felt in construction and real estate employment.

**Logistics.** JAC's key transportation and warehousing industry will be slower to expand after two years of strong growth. Still, the metro area's multimodal transportation infrastructure and central location in a rapidly growing state will drive long-term growth. As the industry has expanded, vacant warehousing and distribution real estate have fallen to a decade-plus low even as more space has come on line. Despite this, average rent remains relatively low, maintaining JAC's competitiveness.

JAXPORT will remain a major asset to the metro area thanks to investments, including the recently completed harbor deepening and upcoming power line raising, which will accommodate post-Panamax vessels. As supply chains have begun to normalize following the pandemic, container volume has fallen from fiscal 2021's record high. Although job growth will slow as the industry adapts to more normal conditions, the metro area's six freight rail lines, international airport, rapidly expanding port, and proximity to the intersection of two cross-country interstate highways will secure JAC's future as a major distribution hub.

**Population.** A rapidly growing population will drive demand in consumer-facing

industries and fuel labor force growth. While 2022's midyear population estimates are not yet available at the metro-area level, Florida's growth was the fastest in the country, and JAC has exceeded the state's pace in recent years. Net migration has remained strong as JAC's low housing costs relative to Florida's other large metro areas have attracted residents. With net migration tilted toward young working-age residents, JAC will have the labor force needed to support job growth in various industries. Furthermore, the share of bachelor's degree holders has been rising rapidly in the metro area, surpassing the U.S. average for the first time on record in 2021.

**Services.** The healthcare industry particularly stands to benefit from the metro area's growing population of skilled workers. The Mayo Clinic Comprehensive Cancer Center recently began construction on a new oncology building, which will serve local and out-of-state residents. Meanwhile, UF Health is expanding with new outpatient facilities. Near-term prospects for the finance industry are dimmer, as rapidly rising interest rates have reduced demand for loans and contributed to a bear market. Even facing weaker conditions, firms will be slow to lay off workers, anticipating hiring difficulties once the economy improves.

**Strong population growth and the recent investment in Jacksonville's logistics industry will keep the metro area's expansion a step ahead of the state and national averages in the near term, even as the finance industry contributes less to growth. Longer term, low costs and strong demographics, including a skilled workforce, will help the metro area outshine the region and the nation.**

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December 2022 helpeconomy@moodys.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » Low-cost center for financial services.
- » Robust distribution industry supported by port.
- » Military base that provides large-scale employment opportunities.

WEAKNESSES

- » Reliance on federal defense spending that is pressured by fiscal shortfalls.
- » Elevated susceptibility to downturns in the business cycle.

FORECAST RISKS

SHORT TERM ↓

LONG TERM ↑

RISK EXPOSURE 2022-2027 **113** 2nd quintile Most=1 Least=403

UPSIDE

- » Faster commercial and residential real estate development boosts construction.
- » Improved infrastructure, including port deepening, boosts shipping long term.

DOWNSIDE

- » More frequent and destructive tropical storms damage businesses and infrastructure.
- » Rising wages, rents erase comparative advantage with other finance hubs.

MOODY'S RATING

**Aa3**

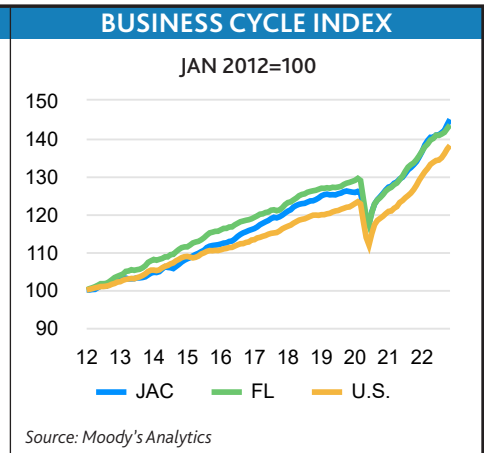
CITY AS OF MAY 11, 2022

2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
68.1	71.0	74.0	75.0	74.7	80.6	Gross metro product (C12\$ bil)	83.0	84.5	87.2	90.7	94.3	97.9
4.4	4.3	4.1	1.4	-0.4	7.9	% change	3.0	1.8	3.2	4.0	4.0	3.8
668.3	688.9	709.0	724.1	705.1	733.6	Total employment (ths)	768.2	788.6	799.8	811.2	819.2	827.5
3.5	3.1	2.9	2.1	-2.6	4.0	% change	4.7	2.7	1.4	1.4	1.0	1.0
4.7	4.1	3.6	3.2	6.8	4.1	Unemployment rate (%)	2.8	3.3	3.6	3.4	3.6	3.6
4.6	7.6	5.5	7.0	7.4	9.5	Personal income growth (%)	2.5	6.5	5.6	5.3	5.6	5.4
56.3	58.6	61.6	63.9	65.5	68.4	Median household income (\$ ths)	70.5	73.1	75.6	78.2	81.0	83.9
1,476.0	1,505.0	1,532.7	1,559.5	1,571.8	1,585.4	Population (ths)	1,601.6	1,618.6	1,633.8	1,648.0	1,662.4	1,677.6
2.2	2.0	1.8	1.8	0.8	0.9	% change	1.0	1.1	0.9	0.9	0.9	0.9
25.2	23.5	23.1	22.3	9.0	12.2	Net migration (ths)	14.1	13.3	11.5	10.8	11.3	12.4
8,597	9,833	10,755	11,583	13,210	16,536	Single-family permits (#)	14,540	10,375	10,948	12,401	12,962	12,877
3,171	3,126	4,695	3,104	4,036	6,202	Multifamily permits (#)	8,886	4,536	3,980	3,584	3,196	2,851
220.4	237.7	257.1	272.2	288.5	339.3	FHFA house price (1995Q1=100)	422.2	437.1	421.6	411.8	414.0	420.8

ECONOMIC HEALTH CHECK						
3-MO MA	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22
Employment, change, ths	1.4	2.4	3.0	3.3	4.7	4.3
Unemployment rate, %	2.8	2.7	2.8	2.6	2.6	2.5
Labor force participation rate, %	65.8	65.8	65.9	65.9	66.2	66.3
Average weekly hours, #	35.1	35.0	34.8	34.6	34.7	34.6
Industrial production, 2012=100	98.8	98.5	98.2	98.2	98.1	98.1
Residential permits, single-family, #	14,428	13,333	12,843	12,571	13,680	12,755
Residential permits, multifamily, #	9,964	10,019	7,127	6,719	8,707	8,643
Dec/Dec	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21
Employment, change, ths	22.0	21.5	17.9	14.8	-12.4	30.2

Better than prior 3-mo MA
Unchanged from prior 3-mo MA
Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics



### CURRENT EMPLOYMENT TRENDS

#### % CHANGE YR AGO

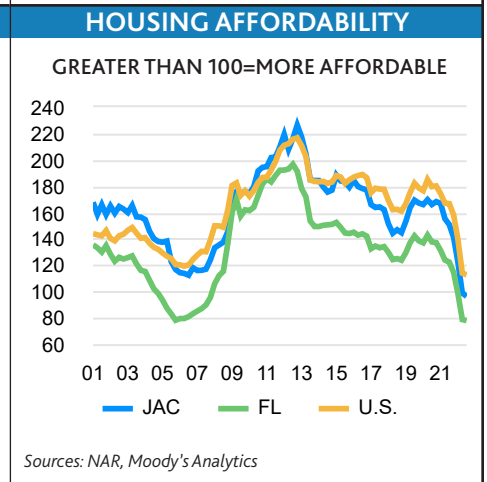
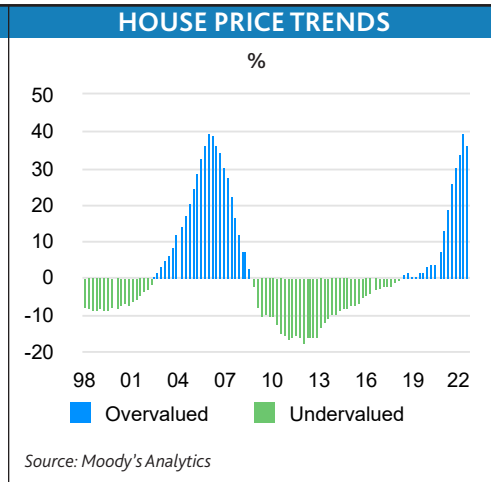
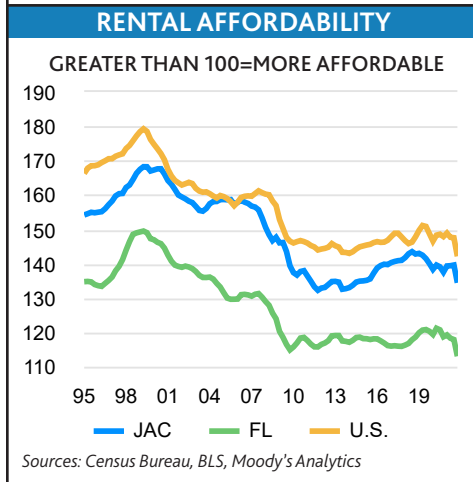
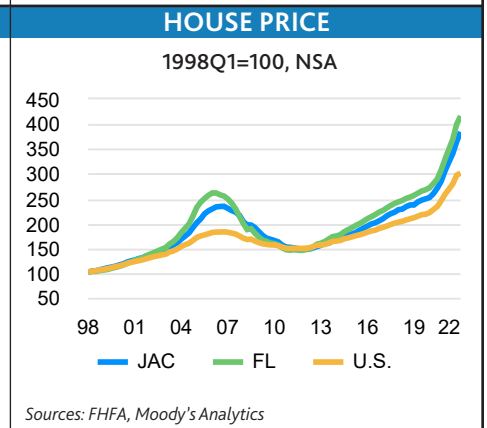
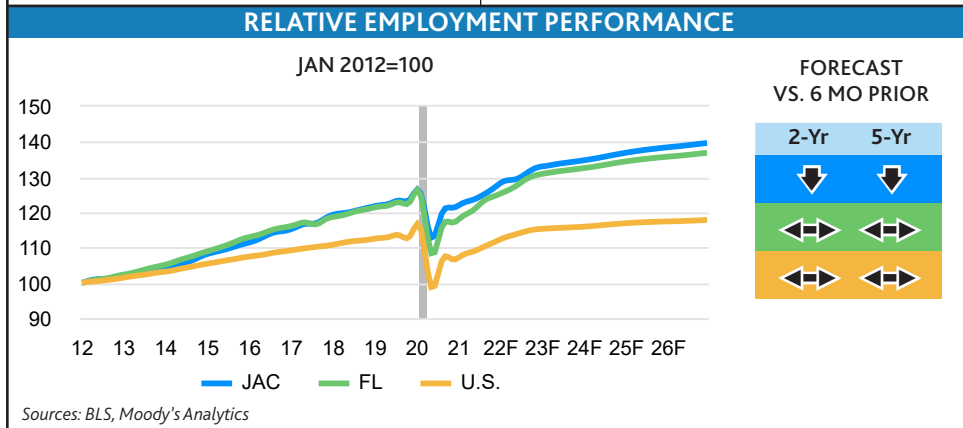
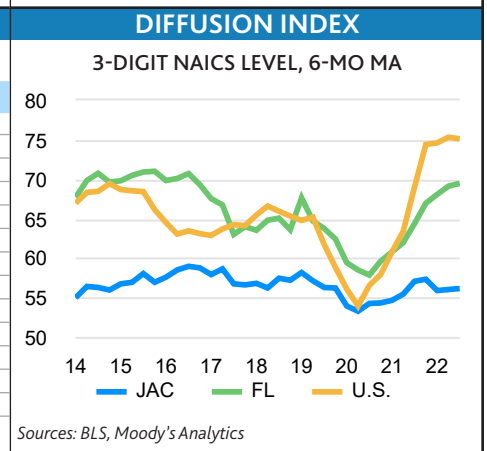
17 18 19 20 21 22

— Government — Goods producing — Private services

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

	Nov 21	May 22	Nov 22
Total	4.6	4.8	4.8
Mining	0.2	-0.3	-0.1
Construction	7.3	7.6	0.6
Manufacturing	1.6	1.0	2.6
Trade	4.4	6.4	4.3
Trans/Utilities	-1.5	-2.1	-2.1
Information	7.7	7.2	0.6
Financial Activities	4.8	2.0	2.9
Prof & Business Svcs.	8.2	12.1	12.0
Edu & Health Svcs.	2.8	2.4	4.6
Leisure & Hospitality	11.0	8.6	9.9
Other Services	6.0	1.8	2.0
Government	-1.0	-0.6	0.7

Sources: BLS, Moody's Analytics



### EMPLOYMENT AND INDUSTRY

#### TOP EMPLOYERS

Naval Air Station Jacksonville	20,000
Baptist Health	10,651
Mayport Naval Station	10,032
Mayo Clinic	6,400
Florida Blue	5,704
St. Vincent's HealthCare	5,379
Fleet Readiness Center Southeast	4,300
UF Health	4,200
Gate Petroleum Co.	3,000
CSX Corp.	2,900
Memorial Hospital	2,366
University of North Florida	2,352
Brooks Rehabilitation	2,245
Vystar Credit Union	2,000
One Call Care Management	1,966
Johnson & Johnson Vision Care	1,800
Optimum Personnel Services	1,800
Fanatics	1,700
The Haskell Co.	1,700
Allied Universal Security	1,700

Sources: Jacksonville Business Journal, Book of Lists, 2020, JAXUSA Partnership, November 2017

#### INDUSTRIAL DIVERSITY

Most Diverse (U.S.)

Least Diverse

#### EMPLOYMENT VOLATILITY

Due to U.S. fluctuations

94%

Relative to U.S.

75

#### PUBLIC

Federal	19,052
State	13,948
Local	44,340

2021

### ENTREPRENEURSHIP

#### BROAD-BASED START-UP RATE

U.S.=100  
2020

Sources: Census Bureau, Moody's Analytics

#### EXPORTS

Product - 2019	\$ mil
Food and kindred products	237.8
Chemicals	276.8
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	207.6
Computer and electronic products	ND
Transportation equipment	627.4
Miscellaneous manufacturing	370.5
Other products	1,255.5
<b>Total</b>	<b>2,975.5</b>

Destination - 2020	\$ mil
Africa	48.7
Asia	867.6
European Union	405.0
Canada & Mexico	438.2
South America	134.5
Rest of world	579.2
<b>Total</b>	<b>2,473.3</b>

% of GDP: 2.7  
Rank among all metro areas: 256

Sources: BEA, International Trade Administration, Moody's Analytics

### COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	JAC	FL	U.S.	JAC	FL	U.S.
Mining	0.0	0.0	0.4	nd	\$27,071	\$140,972
Construction	6.5	6.5	5.1	\$67,678	\$62,849	\$74,543
Manufacturing	4.4	4.4	8.5	\$92,507	\$83,388	\$95,006
Durable	67.8	68.5	62.2	nd	\$88,221	\$98,900
Nondurable	32.2	31.5	37.8	nd	\$73,644	\$88,725
Transportation/Utilities	7.0	4.4	4.5	nd	\$48,120	\$62,962
Wholesale Trade	3.8	4.0	3.9	nd	\$104,275	\$104,126
Retail Trade	11.1	12.3	10.5	\$43,961	\$42,964	\$43,812
Information	1.2	1.6	1.9	\$134,283	\$107,490	\$167,037
Financial Activities	9.7	7.0	6.0	\$61,967	\$42,848	\$65,977
Prof. and Bus. Services	15.7	16.3	14.5	nd	\$66,719	\$86,343
Educ. and Health Services	15.4	15.0	16.2	\$67,805	\$62,863	\$66,256
Leisure and Hosp. Services	10.9	12.6	9.6	\$31,934	\$37,230	\$36,373
Other Services	3.7	3.7	3.7	\$41,052	\$36,183	\$42,808
Government	10.5	12.3	15.1	\$87,504	\$84,722	\$90,556

Sources: Percent of total employment — BLS, Moody's Analytics, 2021, Average annual earnings — BEA, Moody's Analytics, 2021

### PRODUCTIVITY

#### REAL OUTPUT PER WORKER, \$

Sources: BEA, Moody's Analytics, 2021

### BUSINESS COSTS

U.S.=100

Source: Moody's Analytics

### HIGH-TECH EMPLOYMENT

	Ths	% of total
JAC	31.3	4.3
U.S.	7,880.5	5.4

### HOUSING-RELATED EMPLOYMENT

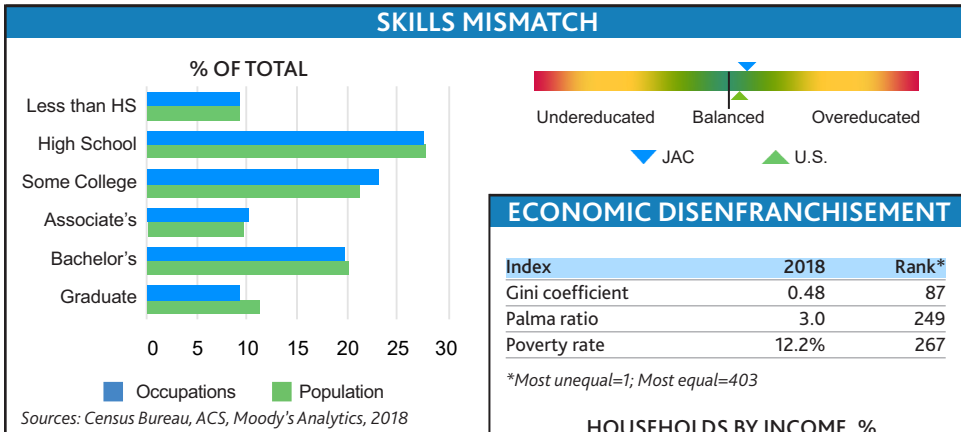
	Ths	% of total
JAC	100.1	13.6
U.S.	14,779.4	10.1

Source: Moody's Analytics, 2021

### LEADING INDUSTRIES BY WAGE TIER

NAICS Industry	Location Quotient	Employees (ths)
6211 Offices of physicians	1.8	24.7
G21 Federal Government	1.3	19.3
5241 Insurance carriers	1.9	15.2
5415 Computer systems design & related srvc.	1.3	14.9
G22 Local Government	0.6	44.6
6221 General medical and surgical hospitals	1.2	29.4
ML Total Military Personnel	2.1	20.1
5221 Depository credit intermediation	2.0	17.0
7225 Restaurants and other eating places	1.1	56.1
5613 Employment services	1.0	19.6
4931 Warehousing and storage	1.9	16.7
4451 Grocery stores	1.1	15.3

Source: Moody's Analytics, 2021



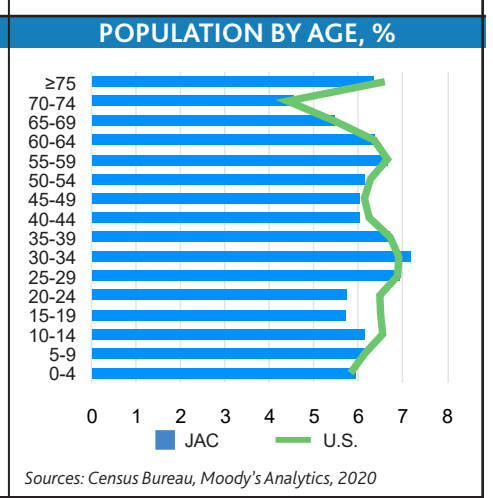
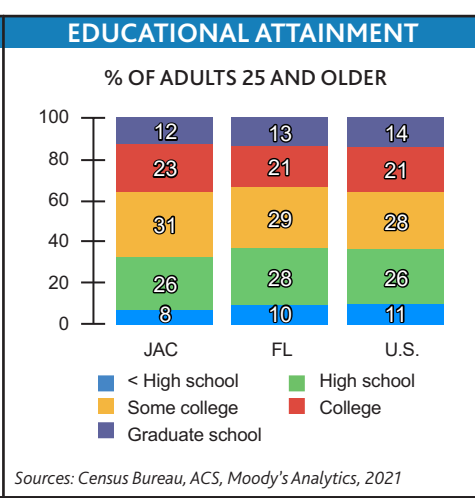
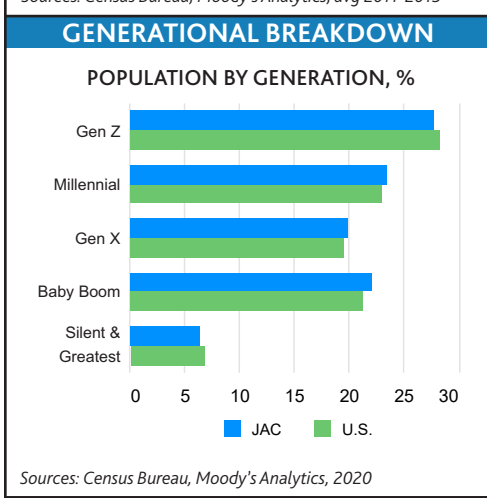
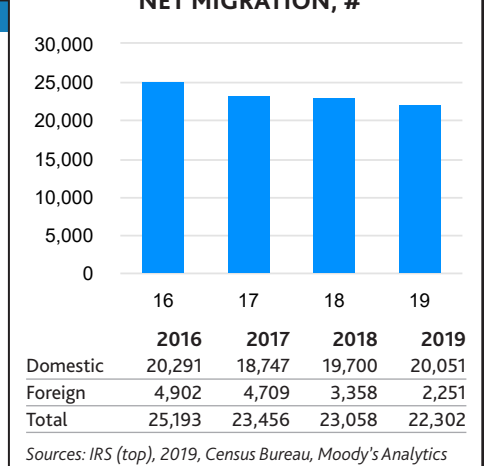
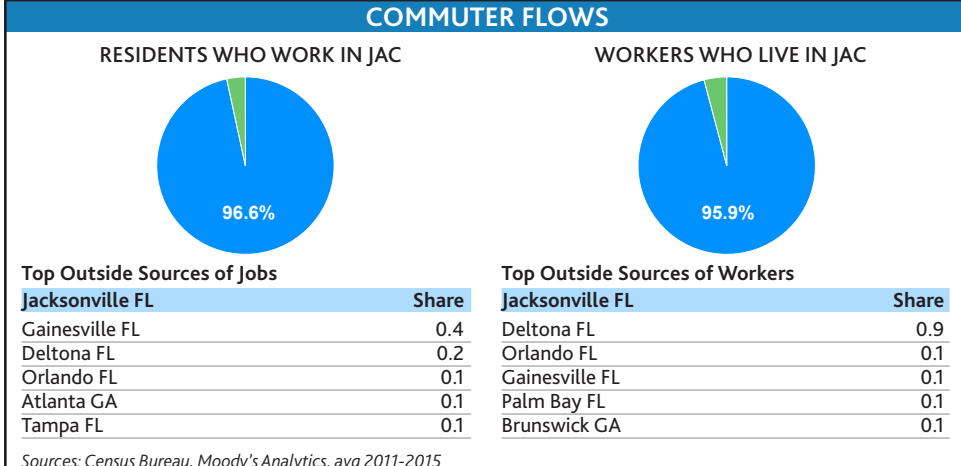
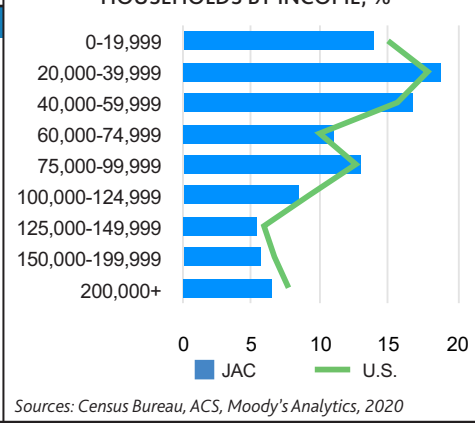
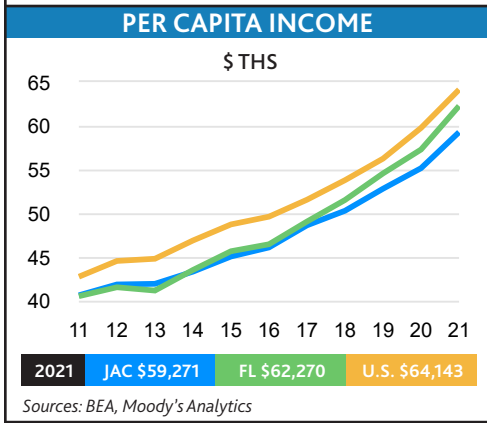
### MIGRATION FLOWS

#### INTO JACKSONVILLE FL

City	Number of Migrants
Orlando FL	2,489
Tampa FL	1,946
Atlanta GA	1,847
Deltona FL	1,844
Virginia Beach VA	1,720
Fort Lauderdale FL	1,658
Miami FL	1,570
New York NY	1,519
San Diego CA	1,268
Gainesville FL	1,160
<b>Total in-migration</b>	<b>71,524</b>

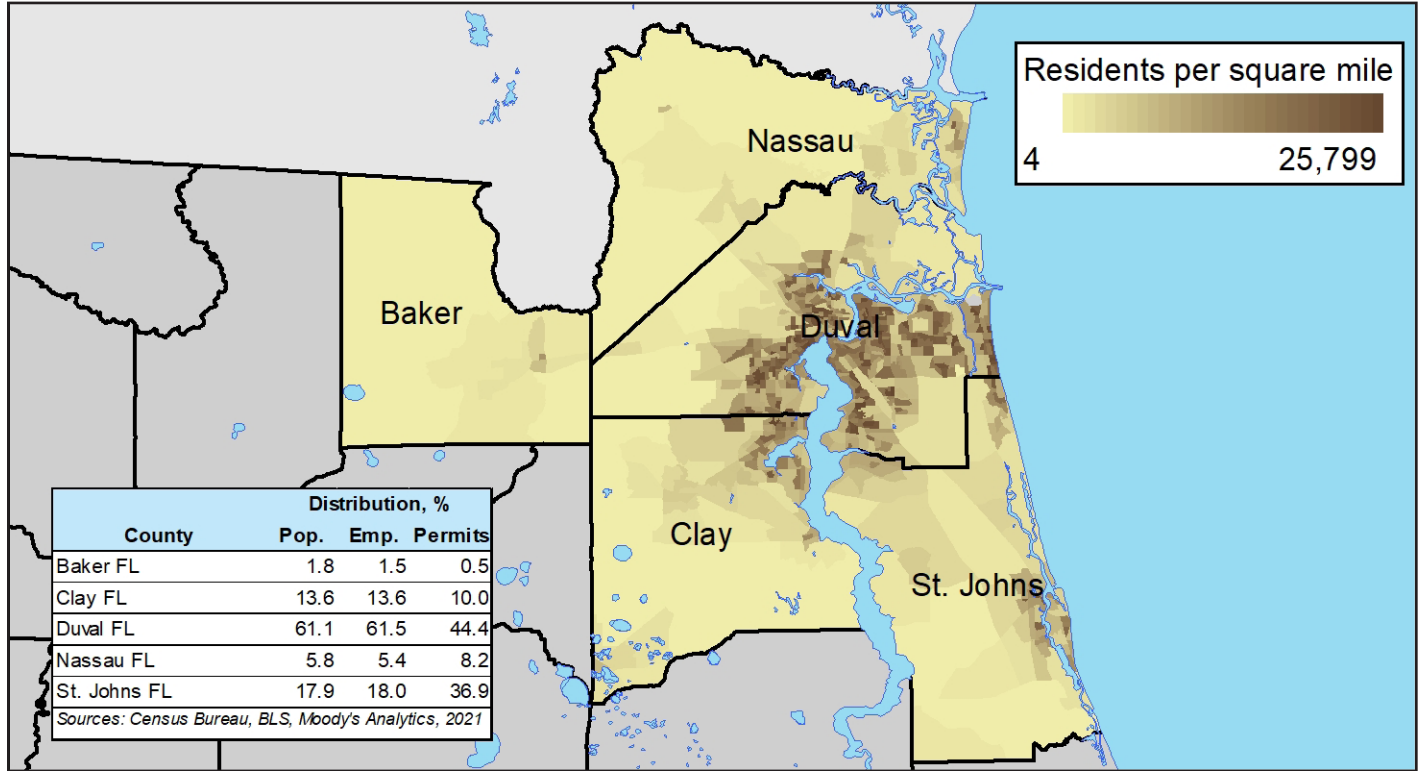
#### FROM JACKSONVILLE FL

City	Number of Migrants
Orlando FL	2,330
Tampa FL	1,967
Deltona FL	1,772
Atlanta GA	1,577
Virginia Beach VA	1,085
San Diego CA	850
Fort Lauderdale FL	840
Gainesville FL	812
Miami FL	770
West Palm Beach FL	629
<b>Total out-migration</b>	<b>54,190</b>
<b>Net migration</b>	<b>17,334</b>

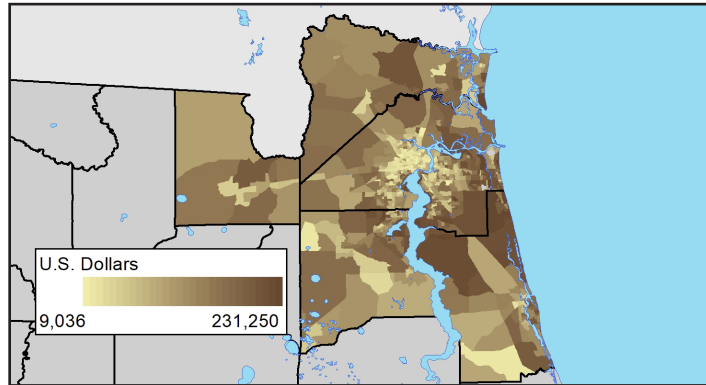


GEOGRAPHIC PROFILE

POPULATION DENSITY



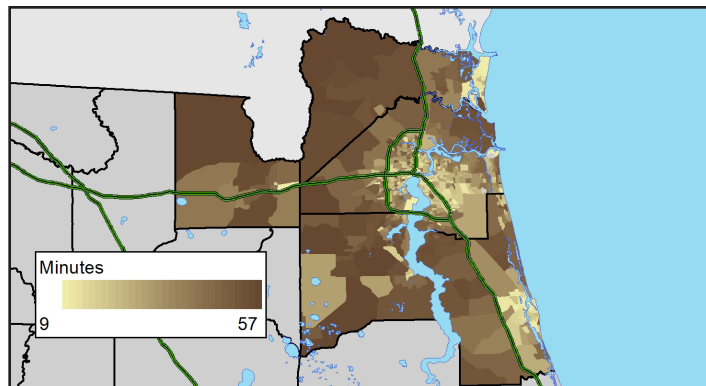
MEDIAN HOUSEHOLD INCOME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	3,698.4	82
Total water area	sq mi	496.4	43
Total land area	sq mi	3,201.1	90
Land area - developable	sq mi	2,547.5	34
Land area - undevelopable	sq mi	654.5	176
Population density	pop. to developable land	511.6	67
Total population	ths	1,637.7	47

MEDIAN COMMUTE TIME



Median age		39.5	175
Total housing units	ths	709.6	47
Owner occupied	% of total	60.3	189
Renter occupied	% of total	30.5	174
Vacant	% of total	9.1	188
1-unit; detached	% of total	63.5	261
1-unit; attached	% of total	5.6	139
Multifamily	% of total	24.6	128
Median year built		1991	

\* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2021 except land area 2010

Sources: ACS, Moody's Analytics