

After the Fall:
The Gulf Coast's
Next Innovation Economy

Environmental Scan of the Gulf Coast

Summer 2013

GULF COAST
COMMUNITY FOUNDATION

After the Fall

The Gulf Coast Region is still reeling from the Great Recession. Even today, years after the fall, Sarasota County's economy must still create more than 18,000 jobs just to return to where we were in 2007. But what businesses will create those jobs, and where will we find the skilled workers to fill them? Most importantly, how can we transform our region not just for recovery, but for future economic growth?

Embedded in the hardships of the recession are also lessons. We are now at a pivotal point in our recovery, where we can pause and consider—just what is the future of the Gulf Coast? Will we remain dependent on the volatile tourism, real estate, and service economy of yesterday? Or will we put people back to work in jobs that provide opportunities to advance, to earn a living wage, and to accumulate wealth for future generations?

In 2013, Gulf Coast Community Foundation initiated an environmental scanning process to help answer these questions. This is our third formal environmental scanning process since 2009. After conversations with more than two dozen regional leaders, after engaging our Board of Directors, and after taking a hard look at socioeconomic trends and indicators, it is clear that we face many challenges on many fronts. To successfully meet those challenges depends on our ability to work together, confront real needs, measure progress, and move toward an innovation economy.

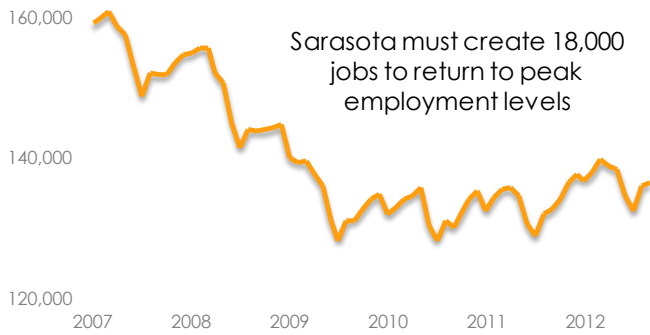
Innovation means creating new solutions to meet new challenges. Innovation is doing something different, not just doing the same thing better. Innovation is positive change and transformation. And in today's rapidly advancing, increasingly global economy innovation is the catalyst for growth and progress. The foundation of the innovation economy is knowledge workers, technological change, entrepreneurs, connectivity, civic institutions, and creative places. Together, these forces drive economic growth, spur positive change, and create opportunity for all.

Regional leaders envision the Gulf Coast as a region that is welcoming, creative, thriving, collaborative, caring, and transformative. But to realize this future, we must pursue strategies and implement initiatives that provide opportunity for all residents that enhance our region's unique places, that build a competitive workforce, and that move us toward the innovation economy.

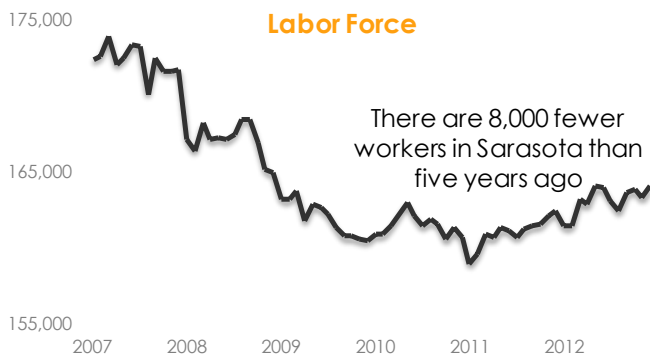
Gulf Coast Community Foundation continually seeks to innovate in all that we do. We work to transform our region through bold ideas, creative projects, and proactive philanthropy. We invest in innovative programs such as STEMsmart and CareerEdge, which are completely rethinking how we enable student learning and deliver workforce services. We remain focused on innovative community grantmaking and strategic initiatives, and we invite partners to join us in building a better future for the Gulf Coast.

Sarasota County After the Fall

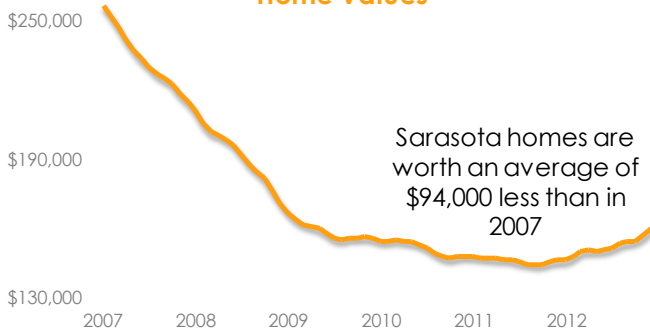
Jobs



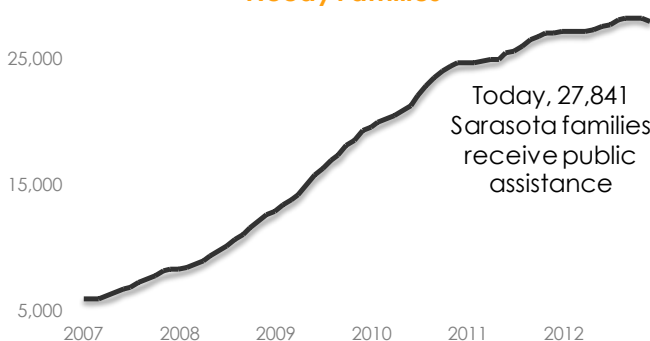
Labor Force



Home Values



Needy Families



U.S. Bureau of Labor Statistics | Florida Dept. of Economic Opportunity | Zillow Median Price Index | Florida Dept. of Children and Families

Where Do We Go from Here?

The economic downturn cost the region dearly. As job losses mounted, many residents also lost their health, homes, families, or savings. Gulf Coast, and the entire region, pulled together to stanch the bleeding and provide a helping hand.

Today, job opportunities are beginning to multiply, residents are returning, and the housing market is rebounding. However, the long-term impacts of the economic slump will be felt for years more. The numbers of families in need, schoolchildren who are hungry, residents without homes, and people still looking for work have all jumped dramatically since 2007 and continue to rise.

Now, regional leaders remain cautiously optimistic that a recovery is underway and are again turning their sights toward the future. With the worst behind us, now is the time to pause and consider the future of the Gulf Coast region in the coming decades.

Do we want to become a region that attracts new residents from all walks of life and visitors from around the globe? Do we want to be a region of vibrant town centers and neighborhoods with unique character? Do we want to provide cycling and walking connections to encourage healthy living? Do we want to provide opportunity for all our residents and a chance to succeed for all our students? Do we want to produce talented workers and launch new business ventures? Do we want to encourage creation, nurture invention, and embrace innovation?

Or, do we want to fall back to the economy of yesterday, bring back just those jobs we've lost? Our leaders are clearly looking to transform the Gulf Coast region into a competitive force in the new global economy.

Toward the Innovation Economy

The “innovation economy” isn’t a buzzword; it is our current reality. The engines of change and growth in today’s economy are talent, technology, invention, trade, creativity, quality places, and...geography. Communities such as Austin, TX; Boulder, CO; Asheville, NC; and Charleston, SC are recognized as innovation leaders with vibrant arts and cultural scenes, quality places and living options, and thriving business climates.

Rapid innovations in technology, communication, and transportation have thrown the old models of economic development out the window. Now, Gulf Coast leaders recognize that supporting homegrown businesses is a key strategy for building an innovation economy. Now, individual cities no longer matter, but integrated, high-performing regions do. Now, it is no longer enough to compete on the basis of taxes or beaches; instead a region must offer talented workers, unique places, lifestyle amenities, business accelerators, and other innovation-economy assets.

To embrace these new realities and move toward the innovation economy, the Gulf Coast region must focus on building capacity and leveraging strengths in four key areas: Opportunity, Community, Talent, and Innovation. These are the building blocks of the innovation economy and the drivers of future growth which will require Progress measures.

OPPORTUNITY	<p><i>How do we provide opportunity for all residents?</i></p> <p>Address root causes and implement solutions</p> <p>Lift people out of poverty</p>
COMMUNITY	<p><i>How do we enhance our region’s unique places?</i></p> <p>Expand recreational access</p> <p>Welcome a diverse population</p>
TALENT	<p><i>How do we build a competitive workforce?</i></p> <p>Close school achievement gaps</p> <p>Prepare the workforce of tomorrow</p>
INNOVATION	<p><i>How do we move toward the innovation economy?</i></p> <p>Develop regional economic clusters</p> <p>Grow an entrepreneurial ecosystem</p>
PROGRESS	<p><i>How do we measure progress?</i></p> <p>Initiate a regional indicators project</p>

The priorities identified here emerged from this 2013 environmental scanning process and reflect the insights and opinions of a sample of regional leaders. Gulf Coast staff and Board members helped further refine and focus on opportunities where regional action and partnerships can clearly make a difference in positioning our region for the innovation economy.

How Do We Provide Opportunity for All Residents?

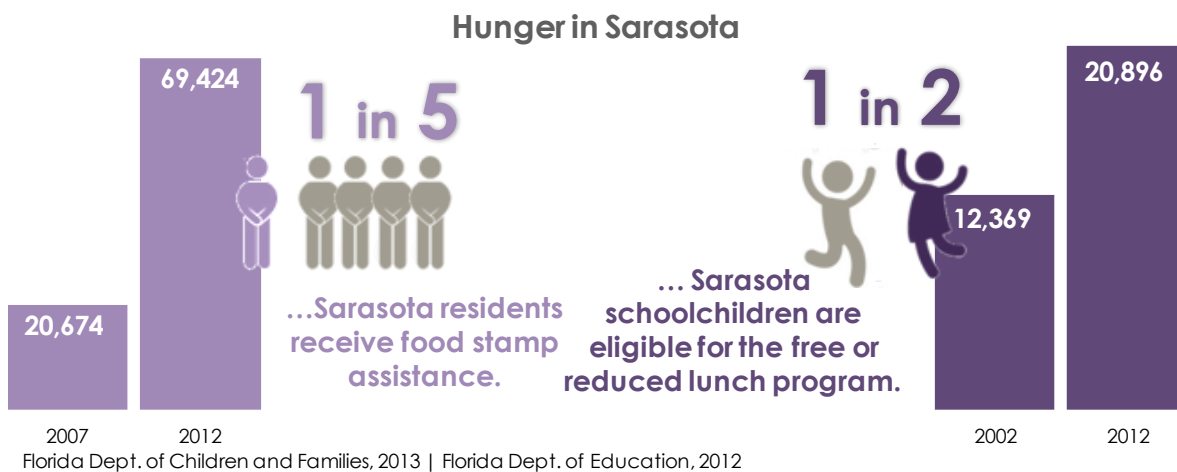
One critical measure of our region is how well we care for our own. Gulf Coast is a region of plenty and of frugality, but it should also be a region of opportunity. Yet the impacts of the Great Recession are still reverberating through our communities. Many families are still living on the edge, unable to make ends meet or struggling to put food on the table. Other residents are coping with substance abuse or violence. And many other people are still at risk of losing their homes or are not earning enough to save and build financial assets for the future. The extent of need in our region is surprising.

We can't progress toward the innovation economy while leaving so many behind. The economic cost of social issues and the amount of resources dedicated to health and human services in our region is substantial. But by investing in people and pursuing lasting solutions, we can help mitigate poverty, reduce hunger and homelessness, support financial-asset building, and provide future opportunities for many. *Gulf Coast welcomes opportunities to partner with regional organizations to implement smart systemic solutions to regional issues—solutions that address the root causes of our most pressing problems and help lift more people out of poverty.*

Regional Priorities

Address root causes and implement solutions

Sarasota County is home to over 500 health or human service related nonprofits, with assets of over \$1 billion dollars. According to Sarasota County's adopted 2013 budget, the County alone spends over \$20 million annually on health and human service programs. And the majority of household donations are directed to social service causes. Yet, the number of people in need of support continues to climb and the costs of providing those services along with it.



Hunger is an unfortunate fact of life for a growing number of families and children in our region. Prescription drug abuse is also a rising public health concern with long-term consequences. In Sarasota, the drug overdose death rate among 20-24-year-olds is two and a half times the state average, and more than two-thirds of all cases resulting in the removal of children from homes are linked to prescription drug use.

People whose lives are impacted by substance abuse or students who are so hungry that they cannot concentrate while at school are more likely to require assistance and services far into the future. For example, the National Institutes of Health estimates the total economic loss of prescription painkiller abuse in the U.S. at more than \$50 billion annually. This includes the costs of direct treatment, medical complications, productivity losses, and criminal justice expenses, but doesn't begin to factor in the long-term harmful effects on children and families.

Hunger and substance abuse in Sarasota are just two examples where we need to execute data-driven, long-term, systemic solutions, rather than funding disconnected programs and organizations without a unified strategy and metrics to measure success.

Regional leaders consistently mentioned the need for the region to work together, reduce duplication among service providers, and phase out ineffective programs. They also agree on the need to identify effective programs—through research or performance management—in order to better target the vast amount of resources directed at human service issues in the region. Gulf Coast is interested in hearing from partners about research needs and about effective community-based preventive approaches to address the root causes of hunger, abuse, obesity, violence, and other serious social issues in our region.

Lifting people out of poverty

Over the past several years, Gulf Coast residents have seen their wealth diminish and earnings stagnate. Combined with persistent unemployment, the housing crisis, and the continually rising cost of living, many more residents are living in poverty or even ending up homeless. Lifting barriers to reveal opportunities for all residents is critical.



U.S. Census Bureau, American Community Survey, 2011

Adjusted for inflation, average annual earnings for Sarasota workers declined between 2007 and 2011, to \$43,660. This is less than 200 percent of the federal poverty level for a family of four—the threshold often considered necessary for a family to be self-sufficient and financially stable. Since 2007, an additional 12,000 Sarasota residents now live below federal poverty levels, and many more only just scrape by.

Those facing the greatest barriers to opportunity and who are most likely to be poverty-stranded are young males or single mothers of racial and ethnic minorities. These are often the same persons who fall behind in our school system at an early age, who live in households impacted by substance abuse or domestic violence, and whose families cannot always afford the costs of workforce training or higher education.

Growing the regional innovation economy in areas that provide high-quality jobs with decent pay and benefits will open doors for many across the region.

Increasingly, community foundations across the country are focusing on how to break the cycle of poverty and increase access to opportunity. While there is clearly no panacea, most poverty-reduction strategies are multifaceted and aimed at increasing financial stability and improving earning power. Common programs include offering financial-literacy education to help stem the continuing flood of foreclosures and personal bankruptcies. Other policies, such as community savings banks or micro-lending efforts are designed to enable families to build financial assets that help generate wealth to pass on to future generations or that can be invested in entrepreneurial ventures.

Gulf Coast is interested in learning about innovative efforts to reach youth early on and targeted programs that address the root causes of poverty among vulnerable populations and that improve life outcomes. Every resident should have the chance to participate in the regional innovation economy.

Current Grantees and Initiatives	Future Actions
<ul style="list-style-type: none"> ✓ Feeding Hungry Families initiative ✓ Homeless students initiative ✓ Almost 50% of Leveraged, Transformative, and donor grants go toward health and human service organizations 	<ul style="list-style-type: none"> ▪ Raise public awareness of issues facing low-income populations through a community indicators project. ▪ Fund effective interventions and best practice anti-poverty programs. ▪ Support coordinated responses from social service providers to deliver services effectively.

Opportunity Indicators

Identifying and lifting barriers to economic opportunity is critical. All residents should have the chance to succeed, to advance, and to contribute to the innovation economy. Common barriers to opportunity include nutrition, housing, insurance, job quality, and financial stability.

Indicator	Data	5-Year Trend	Latest Update	Source
Unemployment. Getting people back to work opens up opportunities, provides career pathways, and enables saving for the future.	6.8% or 10,954 Sarasota residents are out of work. Many more have stopped searching.	WORSE	April 2013	Florida Dept. of Economic Opportunity
Working poor. Some families work two or more jobs and still live in poverty.	47% or 3,889 Sarasota householders living in poverty worked part or full-time jobs.	WORSE	2011	U.S. Census, Bureau, American Community Survey
Food stamps. The number of people qualifying for public assistance has skyrocketed, showcasing the extent of hunger in the region.	69,424 Sarasota residents received food stamp benefits, up more than 200% from 2007.	WORSE	2012	Florida Dept. of Children and Families
School hunger. To qualify for the free and reduced lunch program, students' families must earn less than 185% of federal poverty levels (e.g., \$42,000 for a family of four).	51% or 20,896 Sarasota students are eligible for school lunch benefits.	WORSE	2011/2012	Florida Dept. of Education
Uninsured. Access to health insurance can save families from bankruptcy, promote healthy living, and reduce future healthcare costs.	18% or 65,914 Sarasota residents lack health insurance.	WORSE (from 2008)	2011	U.S. Census, Bureau, American Community Survey
Foreclosures. Despite the housing crisis, a family's home is often its greatest financial asset.	1 in every 478 housing units is in foreclosure in Sarasota.	WORSE	April 2013	RealtyTrac, Inc.
Indebtedness. Households living on the edge tend to use credit to finance daily essentials. Default may impact their ability to borrow for student loans, businesses ventures, or housing.	Per capita credit card debt totaled \$3,182 in Sarasota. 18% of accounts are delinquent by 90 days or more.	WORSE	Q4 2011	Federal Reserve Bank of New York, Household Debt and Credit Report
Homelessness. As visible as transients are, it is the homeless families and schoolchildren <i>not seen</i> who are most in need.	1,229 homeless persons were counted in Sarasota. The Sarasota YMCA estimates 925 students do not have a permanent home.	WORSE	2011	Florida Dept. of Children and Families
Poverty. Many residents live day to day on meager earnings. Poverty is linked to education, disability or health status, and earning power, issues that we can address together as a region.	12% of Sarasota residents live below federal poverty levels, including 6,949 residents over 65 and 11,750 youth under 18.	WORSE	2011	U.S. Census, Bureau, American Community Survey

How Do We Enhance Our Region's Unique Places?

C The Gulf Coast is currently a region of choice for many retirees, visitors, families, and businesses. But how can we maintain our advantages and further build our reputation as a high-performing, innovative region?

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M Community infrastructure is a critical element for success in the new innovation economy. Successful regions compete for entrepreneurs and residents on the basis of quality-of-life amenities, cultural activities, entertainment options, recreational access, and proximity to business clusters and centers. The old model of economic development says that people locate where jobs are. But now, younger and older generations alike are highly mobile and attracted to unique places. In Richard Florida's widely cited research, the creative class of workers—those responsible for most growth in the innovation economy—first choose *where* they want to live, and then create jobs to keep them there. The most successful innovation hubs offer creative, healthy, and vibrant community living.

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I Regional leaders identified a number of infrastructure needs, including trail connectivity, cultural corridors, beautification enhancements, downtown ordinances, transportation, and public safety. *Public and private partners are largely responsible for hard infrastructure improvements, but Gulf Coast supports regional partnerships and efforts to create safe and healthy communities, to expand recreational access, and to welcome residents of all ages and cultures.*

Regional Priorities

Expanding recreational access

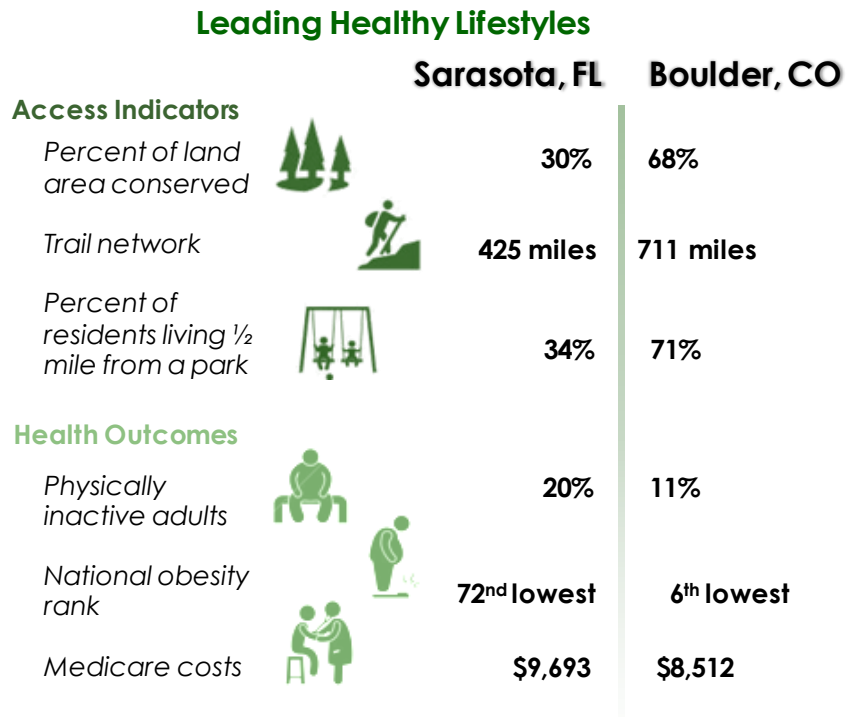
More than 30 percent of Sarasota lands, or over 108,000 acres, are dedicated for conservation and recreational purposes. While area beaches remain the biggest draw for many visitors, eco-tourism continues to grow in significance. In a recent tourism destination snapshot survey, Visit Sarasota County found that more visitors are flocking to the region because of regional birding opportunities than those enjoying golf activities. And with more than 400 miles of walking, biking, kayaking, and educational nature trails in the region, Sarasota residents and visitors are taking to the outdoors more and more.

Expanded access to the region's eco-assets remains an important regional priority and creates synergies with other priority issues. For example, a decade ago, there were few kayak outfitters located in Sarasota. Today, the competition among these businesses is fierce. Access to public lands has the potential to spur entrepreneurial ventures and boost business growth. In addition, the availability of parks, trails, and unique natural areas is an important amenity for young professionals and active retirees. And integrating hands-on environmental learning opportunities into school curriculum to promote STEM skills may improve student outcomes and instill conservation values in youth. Business creation, quality of life, and education are important regional priorities that benefit from expanded recreation access. But one of the most critical issues for the future is the health and wellness of our residents.

Improving recreational amenities in the region can enhance the health of residents, provide opportunities for students, and expand economic possibilities for businesses.

Access to biking and walking trails facilitates healthy and active lifestyles. The national obesity epidemic is the second-leading cause of preventable death and a primary driver of rising healthcare costs. Childhood obesity is of particular importance because of long-term impacts on mental and physical development. In 2012, 36 percent of Sarasota 1st, 3rd, and 6th grade schoolchildren were overweight or obese.

The graphic at right compares Sarasota recreational access indicators and health outcomes to one of the most healthy regions in the nation—Boulder, Colorado. While other factors play an important role in community wellness, this comparison illustrates the potential positive impact of expanded recreational access on health outcomes.



Florida Natural Areas Inventory and County of Boulder.gov | Robert Wood Johnson Foundation, National County Health Rankings.

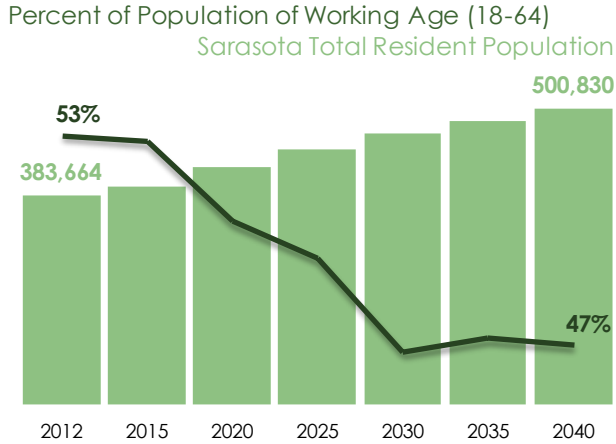
To continue leveraging the region’s natural advantages, Gulf Coast supports public-private partnerships and innovative efforts to conserve additional environmentally sensitive areas, provide and manage recreational access, develop environmental programming, and encourage eco-entrepreneurial ventures.

Welcoming a diverse population

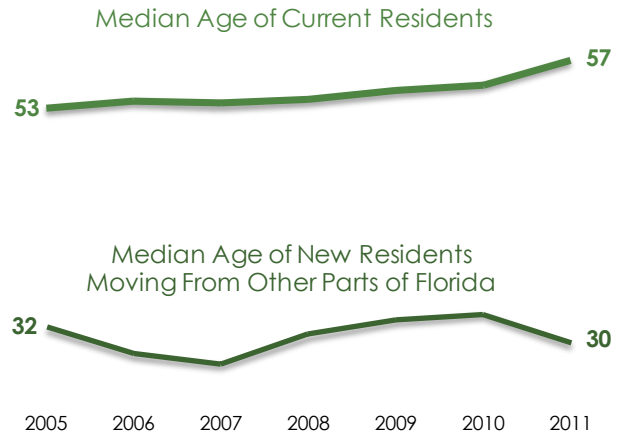
Sarasota will add over 117,000 new residents over the next 30 years. Over that time, we will also begin to witness important demographic shifts. Most importantly, the percentage of the population actively in the workforce will fall below half for the first time in history. Without available workers, we cannot realize the vision of becoming a high-performing region, building a competitive workforce, and joining the innovation economy.

We can improve our schools, ensure affordable housing, provide career opportunities, adapt cultural offerings, and expand recreational access to cater to age and culturally diverse residents.

Sarasota – Home to a Diversity of Ages and Cultures



Florida Bureau of Business and Economic Research. 2013



American Community Survey, Table B07002. 2012

Regional leaders continue to identify retaining educated youth and attracting young professionals to the region as important regional priorities. And the Gulf Coast region *is* drawing younger populations. The median age of new residents moving in from other parts of Florida hovers around 30 years. Organizations such as the Young Professionals Group of the Sarasota and Venice Chambers have seen their membership swell in recent years as more living options become available downtown and more job openings arise. Arts organizations are also recognizing that their future patrons are today’s younger crowds, and they are offering more diverse shows and exhibits. The HuB business incubator is filled with companies started by recent graduates and young professionals.

Sarasota also remains an attractive retirement destination, and we are likely to attract our share of baby boomers. But what if the boomers flock to Arizona or North Carolina instead? In 2012, *American Style* magazine ranked Sarasota arts scene as first among small cities. However, to preserve this core asset, arts organizations must attract new patrons and strengthen coordination. Regional leaders noted that while world-class health, arts, and cultural institutions and desirable quality of life remain strong draws, other community infrastructure could be improved to appeal to future retirees. Bike safety, public transportation, and walkability improvements will also have to be made to accommodate the needs of older and active Floridians.

Our region boasts world-class arts and cultural organizations, thriving downtowns, communities with character, and abundant natural beauty. Gulf Coast supports efforts to enhance our unique places so that the region is positioned to attract the next generation of workers, to lure baby boomers, and to retain educated students.

Current Grantees and Initiatives	Future Actions
<ul style="list-style-type: none"> ✓ Nathan Benderson Rowing Park ✓ Conservation Foundation of the Gulf Coast 	<ul style="list-style-type: none"> ▪ Support public-private partnerships for conservation, recreational pursuits, and performance sports. ▪ Convene environmental and community leaders to identify and prioritize regional health, safety, and conservation needs.

Community Indicators

Vibrant communities offer a range of lifestyle amenities, recreational access, housing options, and cultural happenings that appeal to a diversity of age groups, including the creative class, educated youth, and active retirees. Enhancing our communities also positively impacts public health, safety, and wellness outcomes to the benefit of future generations. There are many measures of livability, but we focus here on Sarasota’s strengths—recreation, arts, civic life, housing, and health.

Indicator	Data	5-Year Trend	Latest Update	Source
Park Proximity. Regional and community parks enable healthier lifestyles and are centers of civic life.	34% of Sarasota residents live within ½ mile of a park. Nationally, 36% have easy access to parks.	N/A	2010	Centers for Disease Control and Prevention
Economic Impact of the Arts. Sarasota’s arts and cultural organizations are an important economic driver and contributor to our civic infrastructure. The arts share of all jobs in Sarasota is higher than the national average.	5,052 people are employed in creative industries in Sarasota, down more than a 1,000 jobs since 2007.	WORSE	2012	Americans for the Arts
Civic Engagement. Citizens who volunteer time to local organizations contribute much to the civic life of our communities.	Just 24% of Sarasota’s residents volunteer, ranking 62 among the top 75 midsize cities in America.	WORSE (from 2008)	2011	Corporation for National and Community Service
Affordable Housing. A variety of housing must be available and affordable to attract a diverse set of residents.	37% of all homeowners with a mortgage spend more than 30% of their annual income on housing costs.	WORSE	2011	U.S. Census Bureau, American Community Survey
Childhood Obesity. The fastest-growing epidemic in America is obesity, which is linked to problems learning in school, serious health issues, and productivity losses later in life.	36% of Sarasota 1st, 3rd, and 6th grade schoolchildren were overweight or obese.	WORSE	2011	Florida Dept. of Health
Wellness. Healthy and happy residents reflect quality of life and availability of adequate care in our communities. Sarasota residents’ health and happiness levels are on par with the national average but have trended down with the stress of the recession.	50% of Sarasota adults report being in excellent or very good health, while 92% report being very or pretty happy.	WORSE (from 2006)	2010	Community Health Improvement Partnership
New Residents. To develop a robust innovation-based economy and continue to grow our communities, we must attract age and culturally diverse new residents.	25,000 residents moved to Sarasota from Florida, other states, or abroad in 2011. On average, they were 46 years old , with earnings of \$27,500 , and 25% had a bachelor’s degree or more.	N/A	2011	U.S. Census Bureau, American Community Survey
Future Growth. If we work to enhance our communities, we should expect to see future growth rates trend up.	Sarasota could add 117,000 new residents by 2040, an annual average growth rate of 4%, which is slower than the state.	N/A	2012	Bureau of Economic and Business Research

How Do We Build a Competitive Workforce?

Over the past five years, the Sarasota economy has shed jobs and shuttered businesses. Now, employers are hiring once again, and the economy looks to be on the mend. However, businesses still report difficulties finding qualified job applicants for open positions. And by most signs, the regional economy isn't diversifying into new areas, but returning to business as usual.

Many of the fastest-growing jobs in Sarasota by 2020 are projected to be in the old economy, not necessarily in the innovation economy. The top 10 fastest growing occupations include: Landscaping Workers, Nursing Aides, Retail Salespersons, Waiters and Waitresses, Home Health Aides, Office Clerks, Carpenters, and Receptionists. While these are essential and important positions, they are not always the high-quality, well-paying, and knowledge-based jobs that provide opportunity for residents and drive future economic growth.

Regional leaders consistently cite the real and immediate need to build a competitive workforce that will enable existing businesses to expand, new start-ups to grow, and the innovation economy to flourish. Building the workforce of the future starts early in our schools, with innovative programs that introduce students to science and math, that provide creative and hands-on learning opportunities in partnership with regional organizations, and that make technology in the classroom more than just a purchase order. Public-private workforce intermediaries and innovative partnerships that bring employers and jobseekers together are also critical to equipping workers with the skills businesses demand.

Gulf Coast supports education and workforce initiatives aimed at closing school achievement gaps, enhancing STEM education, and building a competitive future workforce.

Regional Priorities

Closing school achievement gaps

Sarasota schools often perform better than the state average on many performance measures. Yet serious inequities among schools and substantial gender and racial achievement gaps exist. Closing gaps and opening doors is critical to the future success of all students in the innovation economy.

The reading skills of 3rd grade students may be one of the most important predictors of high school graduation and future life outcomes, according to Campaign for Grade-Level Reading. However, 41 percent of Sarasota students in the free or reduced lunch program and 61 percent of male African American students can't read at the 3rd grade level. Later in school, gaps between white and minority students are even more apparent. By 10th grade, 71 percent of African American students can't read at grade level—compared with 33 percent of white students. Education is the foundation for future success, and these gaps can manifest themselves throughout a student's lifetime and seriously impact future education and job opportunities.

Closing the Achievement Gap

	Can't read at a 3rd grade level	Can't read at a 10th grade level	Do not graduate high school	Do not achieve a college degree	Median job earnings	Live in poverty
Black	60%	71%	40%	84%	\$21,897	23%
Hispanic	44%	51%	27%	78%	\$21,814	21%
White	23%	33%	19%	60%	\$28,006	10%

Florida Dept. of Education, FCAT 2011 | Florida Dept. of Education, 2011 | U.S. Census Bureau, American Community Survey, 2011

The link between education and earning power later in life is well documented. Racial and ethnic minorities disproportionately do not pursue higher education and tend not to work in jobs that provide living wages and a path out of poverty.

The Sarasota County School District has initiatives in place to close achievement gaps. But regional leaders believe that more could be done to help students succeed—by identifying which student groups and communities struggle the most and by implementing the recommendations from MGT of America’s recent study of the district. *Gulf Coast supports smart systemic initiatives to close achievement gaps and to prepare students for lifelong success and jobs in the innovation economy.*

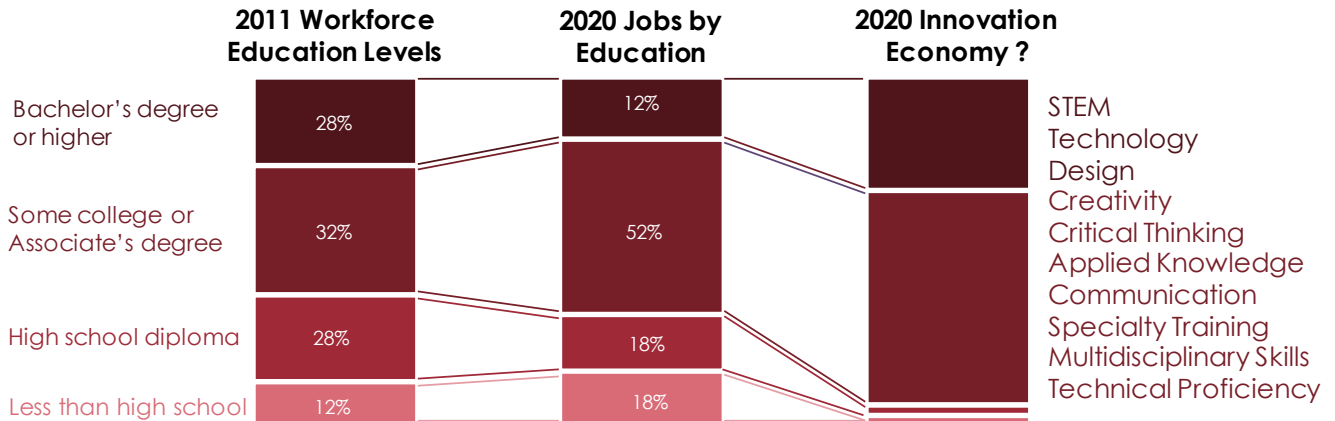
Preparing the workforce of tomorrow

In 2012, 40 percent of workers employed in Sarasota County had no formal training beyond high school. Regional businesses report serious challenges finding qualified workers to fill jobs, and other regional leaders foresee future workforce shortages in critical areas such as nursing, teaching, technology, advanced manufacturing, and other knowledge-based industries.

Advanced skills training, whether a bachelor’s degree or specialized occupational training and certification, offers significant improvements in earning potential. In Sarasota, a worker with a four-year degree earns nearly twice as much as a worker with only some college training. For workers with only a high school diploma, median earning power is \$25,256, which is only slightly greater than the federal poverty level for a family of four. Boosting the skill level of workers provides the potential to lift future generations out of poverty and into opportunity. Employers also depend on the availability of skilled workers to fuel productivity and growth.

While the Sarasota economy is recovering, the current path we are on will simply replace those jobs that were lost during the recession. The innovation economy we aspire to create will require more workers with greater skills levels. Those skills include technology, design, creativity, critical thinking, and the ability to apply knowledge in new and innovative ways. A skilled workforce is absolutely critical to support new industries and put the region on the path toward the innovation economy.

The Innovation Economy Requires New Skills



U.S. Census Bureau, Quarterly Workforce Indicators, 2011 | Florida Dept. of Economic Opportunity, 2012

Traditional educational pathways and degrees may not meet the needs of the innovation economy. Instead, we can provide innovative and flexible workforce training solutions that equip people for the future innovation workplace.

That future is business-oriented, customized training in STEM, technology, design, programming, manufacturing, and the sciences that produces workers with essential critical thinking, creativity, and applied knowledge skills. Regional leaders applaud public-private partnerships, such as CareerEdge, as valuable tools to work outside of the limits of the current workforce system to improve worker skills. Gulf Coast continues to support innovation in our education and workforce system through such programs as STEMsmart, CareerEdge, and future efforts to enhance the skills of the region's workers.

Current Grantees and Initiatives	Future Actions
<ul style="list-style-type: none"> ✓ Pre-K - 20 Business and Education Council ✓ STEMsmart ✓ CareerEdge 	<ul style="list-style-type: none"> ▪ Implement findings of Citizens for Academic Success and Excellence/ MGT report. ▪ Design smart strategies that close achievement gaps and promote new innovation economy skills. ▪ Expand innovative and targeted workforce training efforts, such as CareerEdge.

Talent Indicators

One in five jobs nationwide requires a high level of knowledge in one or more core STEM fields, and the innovation economy thrives on workers and entrepreneurs with creativity and critical thinking skills, who can apply knowledge, and who are technically and technologically proficient. Today's education system may not prepare our students well for the future, so we must continue to seek improvement and innovation.

Indicator	Data	5-Year Trend	Latest Update	Source
Kindergarten Readiness. Children's cognitive development begins at an early age and youth benefit from pre-K programs and home schooling so they enter school ready to learn.	73% of Sarasota students enter school ready to learn and demonstrating progress in basic literacy, math, science, and social skills.	BETTER	2011 / 2012	Florida Dept. of Education
Reading. The ability to read by 3rd grade is a key predictor of high school graduation and future life outcomes.	31% of Sarasota 3rd graders cannot read at grade level. By 8th grade, 33% are not at grade level.	WORSE	2012	Florida Dept. of Education
Math. Math is the language of technology, programming, analytics, manufacturing, and the jobs of the future economy.	29% of Sarasota 3rd graders are not proficient at math. By 8th grade, 33% are not proficient.	WORSE	2012	Florida Dept. of Education
Science. The U.S. is losing its edge as a global leader in the sciences—a critical element in the innovation economy.	35% of Sarasota 5th graders are not proficient at science. By 8th grade, 40% are not proficient. This gap has closed some since 2007.	BETTER	2011	Florida Dept. of Education
Achievement Gaps. Education leads to greater opportunity later in life. But racial minorities are too often disadvantaged right from the start.	In 3rd grade, 23% of white students cannot read at grade level, while 44% of Hispanics and 60% of Blacks are not at grade level.	WORSE	2012	Florida Dept. of Education
HS Graduation. Finishing high school is a critical step for many students on the path to future opportunities.	81% of Sarasota's white students graduate high school, but only 60% of blacks and 73% of Hispanics. Graduation rates for all students are improving.	BETTER	2012	Florida Dept. of Education
College Continuation. Jobs in the innovation economy require further education, whether a traditional four-year degree or more specialized training.	77% of Sarasota's high school seniors plan to continue education—mostly at Florida schools. In 2007, just 61% of students continued.	BETTER	2012	Florida Dept. of Education
STEM Degrees. Currently, one in five jobs requires STEM skills. These jobs pay above average and are anticipated to grow in the future.	12% of Sarasota residents have earned a college degree in a STEM field—slightly less than the nation.	N/A	2011	U.S. Census Bureau, American Community Survey
Tech Degrees. Equipping future workers with tech skills is critical to developing an innovation-based economy.	7% of bachelor's degrees awarded by the region's four major colleges were in technology-related fields.	N/A	2011 / 2012	National Center for Education Statistics

How Do We Move Toward the Innovation Economy?

Like Florida, the region's economy has flourished on the three pillars of tourism, real estate, and consumer services. But these industries can't always weather economic downturns, don't necessarily provide jobs that lift people out of poverty, and aren't leading the transformation to an innovation economy.

And the Gulf Coast region must continue to transform. Diversifying the economy is seen by regional leaders as key to opening shuttered storefronts, providing living wages for the working poor, supplying career opportunities for students, attracting diverse new residents, and making the region a better place to live, learn, work, and play.

In 2012, *Fast Company* ranked Sarasota among the top 10 underrated innovation hotbeds in America. But to become one of the most highly rated innovation hubs, the region must continue to diversify the economy in new directions and foster new business ventures. *Gulf Coast has long supported efforts to catalyze economic growth. We will continue to partner on initiatives to leverage the region's strengths for economic impact and to enable entrepreneurs to make a start in Sarasota.*

Regional Priorities

Developing regional economic clusters

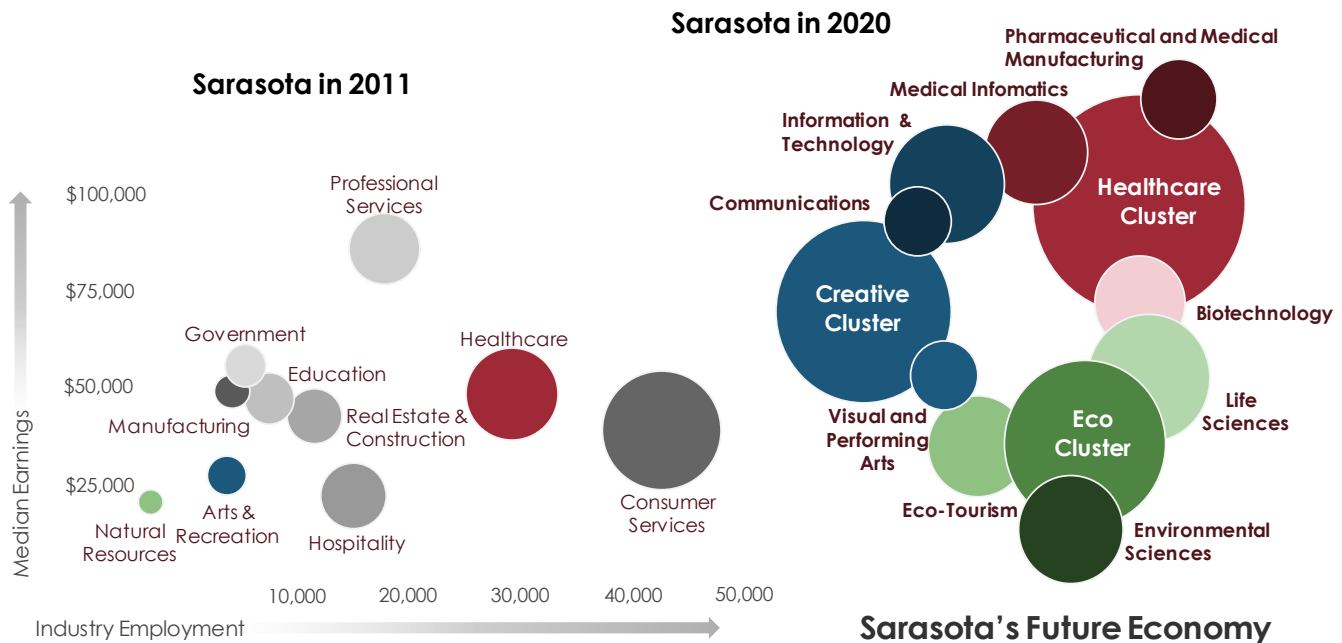
A recurring priority for regional leaders is leveraging the region's strengths and assets to diversify the economy. Regional leaders share a common economic vision for the future. And past strategic planning efforts have looked at the potential of pursuing a regional, cluster-based economic development strategy. But the absence of a unified vision and lack of sustained commitment has blocked progress.

The Gulf Coast region boasts serious strengths in art and design, healthcare and aging, performance sports, eco-tourism and environmental sciences. But too few concerted efforts have been undertaken to pursue these opportunities. The regional economy remains concentrated in healthcare, consumer services, and hospitality industries. Encouraging growth in key economic clusters like design, performance sports, and information technology could fuel our future innovation economy.

Sarasota's hospitals and healthcare facilities are highly ranked and an important part of the region's economy. But the most dynamic growth in the healthcare industry will be in fields of informatics, personalized medicine, pharmaceutical research and development, and medical technology. There are initiatives in progress to advance this cluster, such as the Institute for the Ages, and several success stories of local start-up and spin-off businesses. Health is emerging as a cluster but could be more actively marketed and targeted by regional leaders.

Sarasota is home to significant oceanographic and biomedical research institutions, notable biotechnology firms, a small, but competitive cluster of environmental consulting firms, and a growing number of recreation-related businesses. But of the more than 133,000 workers in the county, fewer than 600 are employed in the environmental sciences cluster. Mote Marine conducts research in promising areas and holds patents to valuable technologies, but those advancements are not currently transferred to firms in the region.

Sarasota’s concentration of artists, cultural organizations, performing arts venues along with top-ranked Ringling College of Art and Design is unrivaled in the state. But much of the region’s talent is imported, and more could be done to support independent artists and encourage artistic creation within the region. Ringling College attracts students from across the globe and produces sought-after graduates with skills in programming, design, technology, and creative arts. Without jobs available in the region, most recent graduates leave—though that is beginning to change. Voalte, a five-year-old startup medical technology firm, is one of the leading employers of Ringling College grads and a fast-growing presence in the region.



U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2011

Voalte is a very real example of the success the Gulf Coast region could foster in the future innovation economy. An entrepreneurial start-up that leverages the region’s higher education institutions, provides quality jobs for young professionals, connects regional clusters in technology, creativity, and medicine, and creates opportunity through business growth.

These clusters may be nascent now but all have significant future growth potential. Entrepreneurial ventures, technology transfer and commercialization, and targeted business development efforts could create employment opportunities in the environmental sciences, technological arts, and healthcare fields. Leveraging the region’s strengths for economic potential remains a top priority within the region and supports other critical regional priorities in moving us toward the innovation economy.

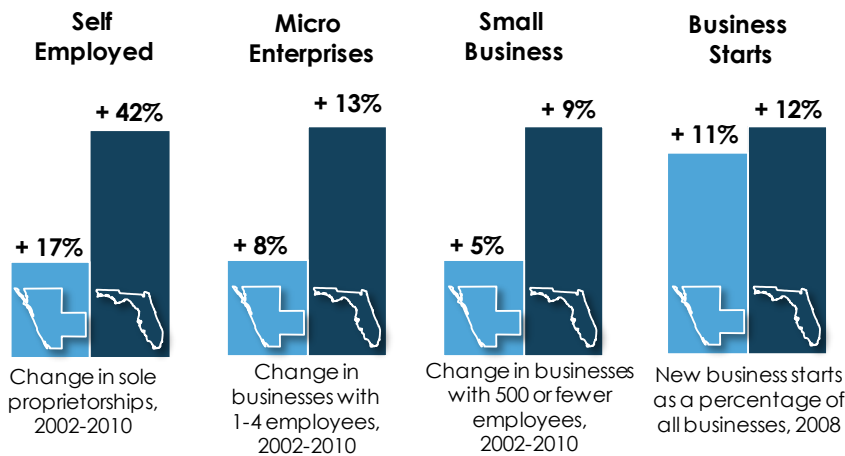
Growing an entrepreneurial ecosystem

Small, fast-growing, and young firms are responsible for the majority of job growth in the U.S. economy. And even if only a fraction of new business starts is ultimately successful, entrepreneurs fuel innovation by constantly re-imagining and re-envisioning the world around us.

The success of the HuB business incubator in downtown Sarasota suggests that there is significant entrepreneurial potential in the region and substantial demand for start-up support networks.

To embrace the future innovation economy, we must develop quality places, enable student success, provide talented workers, and support entrepreneurs. Regional leaders envision a future where the region is as attractive to entrepreneurs as it is to retirees. Sarasota has many essential elements to nurture entrepreneurs—talented people; investor networks; business mentors; and, art, design, ecological, and healthcare hubs.

Sarasota’s Entrepreneurial Ecosystem



U.S. Census Bureau, Non Employer Statistics, 2011 | U.S. Census Bureau, County Business Patterns, 2011 | U.S. Small Business Administration, 2010

However, translating these regional assets into business opportunities remains a challenge. Sarasota trails the state and the nation in terms of the rate of growth in self-employer firms, microenterprises, small businesses, and overall new business starts. The region’s performance on these key business-creation measures suggests that more must be done to support entrepreneurs.

Sarasota has the critical ingredients to accelerate business creation—colleges and universities, knowledge workers, creative industries, and experienced retirees and benefactors. And there are a small number of existing angel investor groups, venture capital firms, and notable successful start-up companies based in the region. It is the network to connect these resources and to support start-ups that is missing.

Sarasota has the critical ingredients to accelerate business creation—colleges and universities,

Current Grantees and Initiatives	Future Actions
<ul style="list-style-type: none"> ✓ Center for Applied Creativity and Innovation ✓ Gulf Coast Leadership Institute 	<ul style="list-style-type: none"> ▪ Create and fund entrepreneurial support networks and business accelerator programs. ▪ Support coordinated business development, marketing efforts, and catalytic investments within strategic clusters.

Innovation Indicators

Measuring innovation and entrepreneurship at the regional and community level is challenging, as public data is not always available or up-to-date. Many regions are gathering their own data on business start-ups, venture capital, and entrepreneurs through community indicator projects instead. We do know that the innovation economy requires patented technology, access to capital, and entrepreneurial energy. Those elements create jobs in growing fields such as STEM and tend to pay higher wages than average.

Indicator	Data	5-Year Trend	Latest Update	Source
Patents. Invention patents lead to business opportunities and tech transfer and commercialization of research by private firms.	53 patents went to Sarasota firms in 2011. Sarasota ranked 294 out of 3,000 counties in the U.S. in patents since 2000.	BETTER	2011	U.S. Patent and Trademark Office
Tech Start-Ups. Technology firms lead the innovation economy and often founded by young entrepreneurs.	Sarasota has launched 7 tech start-ups since 2000. 3 received venture funding, and 2 were later acquired.	N/A	2013	Crunchbase.com
Self-Employed. For low-income and other residents, self-employment is an important path to building assets and finding work.	35,430 Sarasota residents own their own business and work for themselves with no other employees.	BETTER	2010	U.S. Census Bureau, Non-Employer Statistics
Micro Enterprises. Very small businesses are often those that struggle to grow and that benefit from support networks. Very small businesses represent 65% of all firms.	8,036 Sarasota firms have fewer than 5 employees, but are an important part of the economy. There are now 700 fewer of these firms compared to 2005.	WORSE	2010	U.S. Census Bureau, Non-Employer Statistics
Small Businesses. Small businesses employ 99% of all workers and are responsible for the majority of job creation.	12,377 Sarasota firms have fewer than 500 employees. This is over 1,000 fewer than five years earlier.	WORSE	2010	U.S. Census Bureau, Non-Employer Statistics
Business Growth. New business growth is the principal way to measure entrepreneurial energy. New business formation is critical in the innovation economy.	Sarasota's net business growth is negative, with 600 fewer employers since 2007. The county is now home to 14,459 businesses .	WORSE	2012 Q3	U.S. Bureau of Labor Statistics
Job Creation. Employment numbers ebb and flow as workers leave jobs and enter new ones, but the creation of new jobs is the only path to growth.	7,345 new jobs were created in the last quarter of 2011, well below the quarterly rate of 10,000 in 2007.	WORSE	Q4 2011	U.S. Census Bureau, Quarterly Workforce Indicators
STEM Jobs. As we move toward the innovation economy, we can create more and more jobs in STEM fields.	1,752 STEM jobs were advertised in Sarasota and Manatee counties.	BETTER	April 2013	Florida Dept. of Economic Opportunity
Average Earnings. The best measure of success in the innovation economy is whether the jobs we are creating offer living wages, benefits, and advancement opportunities.	Sarasota workers earn on average \$40,852 . Adjusted for inflation, this is 3% less than five years ago and below the U.S. average of \$48,301. Sarasota's cost of living is on par with the U.S. and rising rapidly.	WORSE	2011	U.S. Bureau of Economic Analysis

projects from around the country for best practices. Some of the significant lessons learned include:

- Present a limited number of critical data points in an organized framework that collectively help identify issues and gauge progress.
- Focus on key indicators to assess impact, but understand that there are always larger macroeconomic forces at work.
- Communicate and make statistics meaningful through visualization approaches.
- Rely on consistent publicly available data for benchmarking and trends, but draw on unique regional data for real-time information.
- Make data available for public use and collaborate with other organizations to include other sources of information.
- Use region-level data for strategic planning and neighborhood-level data to target investments or design programs.
- Regularly update information and maintain websites to provide fresh views and sustain community conversations.
- Reinforce data with community leadership, commitment, and sustained action.

Gulf Coast is dedicated to advancing bold ideas and proactive initiatives to move our region toward the innovation economy. And we are committed to measuring and demonstrating progress along the way. With your help, we can start building a better future for the Gulf Coast.

About This Study

Environmental scanning processes assist decision making by seeking objective information on the external environment of an organization—in this case, Gulf Coast Community Foundation. This scan, similar to prior efforts, relies on qualitative and quantitative data to assess the region.

Qualitative information on community perceptions was collected through interviews with regional leaders. Findings from interviews are considered confidential and presented here in summary form. Quotations are paraphrased and are not intended to be associated with any particular individual. Quantitative indicators are collected from publicly available sources for Sarasota County. These indicators may inform future efforts by providing the basic framework to build out a regional scorecard or regional indicators report. Data presented here is not perfect, but is the most current and targeted available. There is a clear need for greater research into regional needs, public awareness efforts, and investigation into issues at the community level.

In March 2013, a consultant team held conversations primarily in and around Sarasota County with key individuals suggested by Gulf Coast Community Foundation staff. These discussions were structured to consistently identify regional issues and trends, strengths and challenges, opportunities for action, visions of the future, and the role of Gulf Coast within the region. This 2013 scan differs from the effort undertaken in 2011, which was focused on updating the regional priorities first identified in 2009. Instead, this most recent scan was purposefully broad and intended to solicit a wide range of insights on current issues and future opportunities in the region.

**Gulf Coast appreciates the participation and insights of the following individuals.
Thank you for your ongoing commitment to the region.**

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Jim Kuhlman

Jonathan Lewis

Cheryl Loeffler

Gwen MacKenzie

Nancy Markle

Jeff Maultsby

Dennis McGillicuddy

Jay McHargue

Joe McKenna

Alex Moseley

Nora Patterson

Scott Pinkerton

Steve Queior

Randall Reid

Nicole Rissler

Shelley Robertson

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