Sarasota County

Economic Profile

June, 2007

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For the Economic Development Corporation of Sarasota County

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Executive Summary

Sarasota County's economy is one based on a tradition of tourism and retirement. While this continues to be a critical aspect of the job base, the past five years has indicated a growing number of other industries that are providing more diversified employment. This report highlights the growth trends in the economy and provides an update on specific industry clusters that are the focus of the current economic plan.

While adding more than 10,000 jobs from 2001 to 2005, and outpacing the nation and state in job growth and recovery from the recession, Sarasota County's economy experienced a slight decline in employment and wages during the first three quarters of 2006. Monthly employment trends since December 2005 indicate a slowing of both goods-producing jobs (manufacturing and construction) as well as many services (retail, food services, and financial services).

Wages are still well below other regions and the nation, yet slowly continue to gain ground on state and national averages. In 2002, the average county wage was 78% of the US average, and in 2005 the average wage was 86% of the US average. Given high housing costs and a low unemployment rate, wage pressures can be a challenge to the region that is trying to attract quality jobs and traded sector industries.

While employment was flat in recent months, the number of new firms increased. Firm growth and the increase in sole proprietors indicate a steady business climate for entrepreneurial development. In fact, in many targeted industries such as professional services, creative services, and biosciences, growth in the number of establishments exceeded the county average for all industries.

Targeted industry clusters continue their growth of the past few years, although some at slowing speeds. All clusters gained employment since 2002, however, financial services and creative services lost some employment during the past 12-month reporting period (third quarter 2005 to third quarter 2006). Bio and life sciences, professional services, and specialty manufacturing all showed gains in the past 12 months.

Compared to the nation in general, the county and metropolitan region appears to be shifting its concentration of employments to different industries—both service and goods-producing. Shifts in service industries are away from administrative and employment services and toward a broader array of sectors. Professional and technical services, insurance, publishing, and waste management services have all gained employment to such an extent that the concentration of employment went from below the US average in 2002 to above the US average in 2005. Other industries like management of companies, printing, and broadcasting remain below the US average yet are increasing their concentration of employment at very high rates. Finally, industries such as membership organizations and performing arts continue to grow their already higher-than-average concentration of employment.

These shifts beg the question about what Sarasota County has to offer that is attracting new industries and growing those already established in the region. Take for example, management of companies, membership organizations, and professional services—even though the goods or services produced by these industries may be different, their business development needs may be similar.

The county's labor force continues to show strengths and weaknesses. The education level of the population is above the US average, and the per capita income exceeds most regions of the country. Sarasota County's older average population and low participation rate in the labor force can be a challenge for some industries that need a large number of local workers, and less so for industries that are smaller or recruit most of their workforce into an area. While housing prices have declined, the housing prices compared to wages are still much higher than most other regions and will continue to be a barrier for recruiting new businesses and workers.

In summary, the economy of Sarasota County is becoming more diversified. Manufacturing is holding steady while many parts of the nation are losing their goods-producing base. Service sector jobs tend to be more diversified in terms of industries. The number of firms continues to grow at a pace greater than jobs, indicating a shift to more and smaller employers. Growth is appearing in industries like management of companies or technical services, where quality of life is more important than cheap land and labor, thus changing assumptions about what attracts and grows businesses.

An Economic Update of Sarasota County

Overview

An Economic Update of Sarasota County highlights recent industry and employment data including information on targeted industry clusters and comparison with competitive metropolitan regions. The purpose of this report is to highlight changes and trends in the economy which may be useful for the retention, expansion, and recruitment of new business and jobs, as well as identifying key elements of the labor force and business climate that support economic development efforts.

The report is divided into three sections:

Part I: Overall economic and industry measures including employment, wage, and establishment figures by major and specific industry segments. In addition, it contains comparison of economic data with competitor regions.

Part II: Industry cluster information with updates on the concentration of employment for various industries; the latest employment and firm data on targeted industry clusters including specialty manufacturing, professional services, creative services, financial services, and bio and life sciences; and a comparison of traded sector industries by metro region.

Part III: Demographic and business climate information that supports the growth of the overall economy and targeted industry clusters including data on the labor force, population, and housing-wage ratios.

Data and Methodology

Most employment, wage, and demographic data contained in this report came from federal and state government sources including the Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, Office of Federal Housing Enterprise Oversight, and the Florida Agency for Workforce Innovation.

Six metropolitan statistical areas (MSAs) were used as comparisons to the Sarasota-Bradenton region. These regions compete for manufacturing jobs as well as for professional and technical services firms. The regions were chosen by the Economic Development Corporation and include Atlanta, GA; Austin, TX; West Palm Beach, FL; Raleigh, NC; Santa Barbara, CA; and Tucson, AZ.

For industry clusters and comparative data, the report uses the baseline year of the most current economic plan, 2002, as a starting point for calculating growth rates and other time series. For other data, a five-year trend line was used with the base year being either 2000 or 2001, depending on the latest available data for a particular measurement.

Industry analysis used the average yearly employment levels for 2002 through 2005. Annual data is not yet available for 2006, so third quarter data was used to indicate the most recent employment levels. The use of quarterly data, especially when compared to annual data, is meant to indicate likely changes or trends, but is not as accurate as using average annual data for all calculations. Since a lot can change in an economy during a one year period, the author felt it was better to report the most recent information, then limit calculations to a 2005 job levels that are currently 18 months old.

Part I: The Overall Economy

Employment Overview

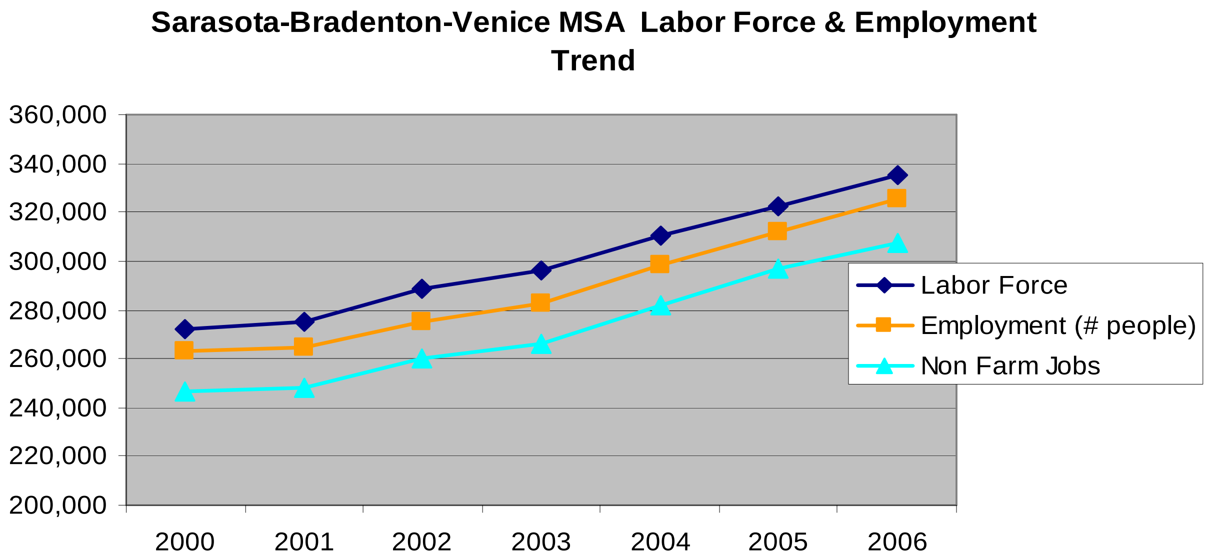
- **From 2002-2005, Sarasota County and the metro region gained jobs at a rate higher than the US average. For the first three quarters of 2006, the job growth in Sarasota County remained relatively flat and did not outperform the state or nation in job growth.**
- **From 2002-2005, the vast majority of job growth came from construction, followed by growth in professional and technical services, health care and social assistance, and accommodation and food service. Administrative services and utilities were the only sectors reporting a decline of jobs since 2002.**
- **Manufacturing gained over 500 jobs since 2002. In 2005, however, professional and technical services employed more workers than manufacturing. Finance and insurance sectors grew at a modest rate, while jobs in wholesale trade grew faster than average. In the third quarter of 2006, many sectors began to show a decline in employment over 2005 job levels, indicating a slow down in the economy.**
- **The average third-quarter 2006 wage for Sarasota County was $35,108, representing a slight decline from the 2005 annual average of $35,328. However, from 2002 to the third quarter of 2006, the growth rate of wages outpaced the state and nation, growing at an annual rate of over 5% compared to 3.5% for Florida and 2.6% for the US.**
- **In the third quarter of 2006, Sarasota County had 14,793 firms up from 12,303 firms in 2002. Construction, real estate, professional and technical services, and financial services added the greatest number of new firms.**
- **Over 34,000 county residents are self-employed. These sole proprietors have receipts (earnings) of over $57,000 per year, or 20% higher than the average US sole proprietor.**
- **The gross metropolitan product or economic value produced by Sarasota-Bradenton businesses continues to increase at a rate faster than most other metro regions—now ranking in the top ten among 361 metro areas in terms of annual GMP growth during the period 1995-2005.**

Regional Employment Overview

In 2006, the average non-farm employment for the **Sarasota-Bradenton MSA** was approximately 307,100[1] jobs, with 312,600 jobs reported in December.

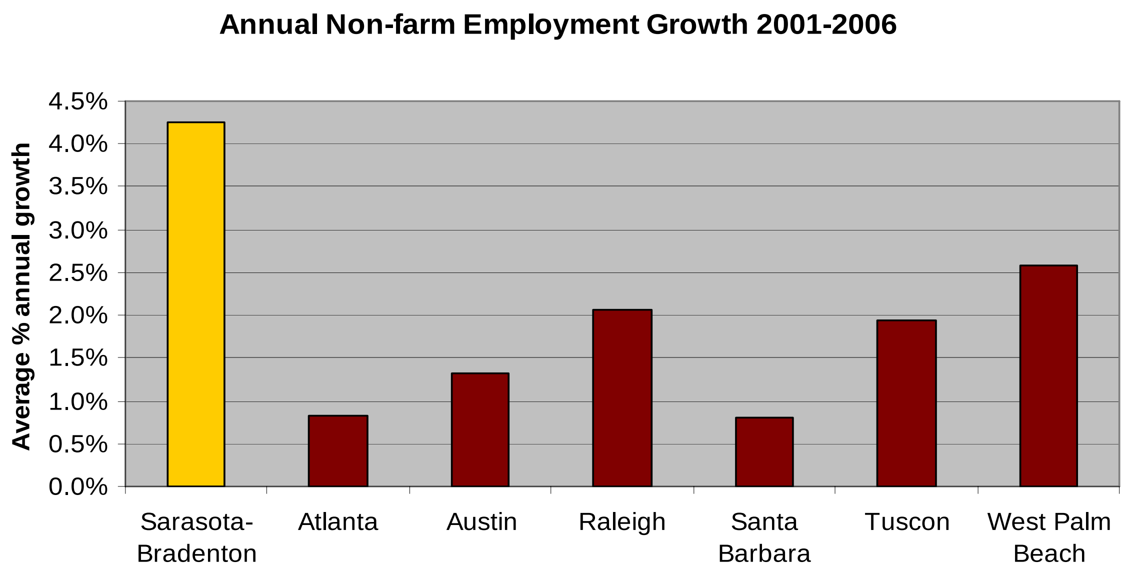
- Over 91% of these jobs (approximately 279,300 jobs) were in the private sector.
- Goods-producing jobs in construction and manufacturing increased from fewer than 46,000 jobs in 2005 to 48,800 jobs in 2006, representing 16 % of all non-farm employment.
- Approximately 258,300 jobs (84%) were in service-producing industries including wholesale and retail trade, financial services, professional and technical services, education, health care, personal services, arts, and tourism.

[1] On March 8, 2006 MSA employment data for Florida was revised to reflect changes in professional employment firms or employment services. These numbers reflect the revised numbers issued by the State of Florida.



Source: Florida Agency for Workforce Innovation

Job growth in the Sarasota-Bradenton metro region has increased sharply in the last several years. In the last five-year period, the Sarasota-Bradenton-Venice MSA grew at an annual rate of 4.3%, well above other competitor regions. The following chart compares employment growth among selected metropolitan areas. Given the recent economic downturn in the region, this five-year growth rate is likely to slow in the near future.



Source: Bureau of Labor Statistics, At a Glance Tables

Sarasota County Employment

In 2005, Sarasota County had approximately 158,000 covered employment jobs,[2] of which 144,000 jobs were in the private sector. This was an increase of over 3,300 jobs from 2004. Preliminary data for the third quarter of 2006 indicates a very modest decline in private sector employment of 400 jobs in Sarasota County, and an increase of over 2,300 jobs in the metropolitan region.

Sarasota County Employment Levels

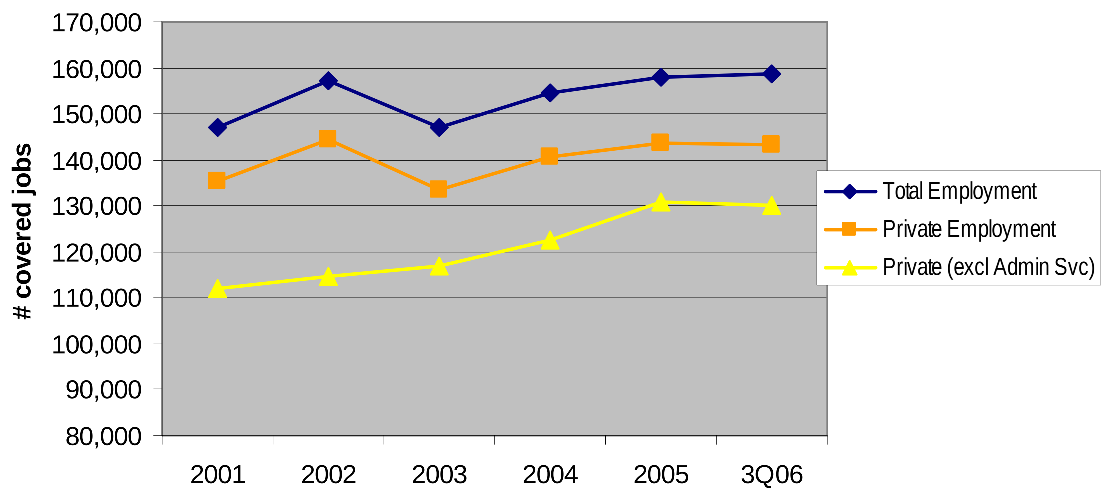


Table A: Private Sector Covered Employment

	2000	2001	2002	2003	2004	2005	Sept 06 (p)
Sarasota Co	127,817	135,242	144,527*	133,649	140,738	143,794	143,364
Manatee Co	108,471	106,858	94,642*	101,852	107,449	110,569	114,116
Sarasota-Bradenton	236,288	242,100	239,169	235,501	248,187	254,363	257,470

Source: Bureau of Labor Statistics
** Changes were made in employment services (PEO) reporting that affected total employment numbers.*

Job Growth by Industry Segment

Comparing 2002 data (the base year for the most current economic plan) with the latest reported employment figures, Sarasota County experienced an increase of over 15,000 jobs (not including jobs reported under administrative services[3]).

2 Covered employment consists of workers covered by State unemployment insurance (UI) laws. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers.

3 Note that in 2002, jobs in the industry code classified as A3 Covered employment consists of workers covered by State unemployment insurance (UI) laws. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers. Administrative Support & Waste Management had a sharp increase due to reporting changes between Sarasota and Manatee counties. As Table A above indicates, this was a one-year anomaly. To correct for this reporting variation, employment was calculated without this industry code.

Largest Industries

- The five industry sectors with the largest number of jobs (in order) are health care and social services, retail trade, construction, accommodation and food services, and administrative and waste management services. Nationally, manufacturing replaced construction as the third largest industry in terms of jobs.

Growth Industries. *While overall growth rate since 2002 is positive, employment levels in the first few quarters of 2006 is down from the employment levels in 2005.*

- From 2002 to 3Q 2006, construction added the most jobs with an increase of 6,200 jobs, professional and technical services increased by 1,868 jobs, and health care and social services added 1,380 jobs.
- While the nation and most regions lost manufacturing jobs from 2002 to 2006, Sarasota County gained 6% or just over 500 jobs.
- Management of Companies experienced the greatest rate of growth, increasing the number of jobs from 266 to 673 jobs or an increase of over 150%.
- Real Estate increased employment by a rate of 27% (744 jobs), while wholesale trade added 532 jobs for an increase of 14%.

Table B: Employment and Employment Growth by Major Industry

Industry Title	Covered Employment 2002	2005	3Q06 (p)	Job Growth 2002-3Q06	% increase
Total, All Industries	157,126	158,108	157,123	-3	0
All Industries except Admin Services	128,141	144,844	143,393	15,252	11.9%
Agriculture, Forestry, Fishing and Hunting	N/D	320	296	N/A	N/A
Mining	N/D	65	89	N/A	N/A
Utilities	601	559	554	-47	-7.8%
Construction	11,904	17,463	18,095	6,191	52.0%
Manufacturing	8,462	8,745	8,972	510	6.0%
Wholesale Trade	3,833	4,523	4,365	532	13.9%
Retail Trade	21,511	22,335	21,646	135	0.6%
Transportation and Warehousing	2,340	2,615	2,360	20	0.9%
Information	2,954	3,088	2,966	12	0.4%
Finance and Insurance	6,818	7,273	7,108	290	4.3%
Real Estate and Rental and Leasing	2,786	3,414	3,530	744	26.7%
Professional, Scientific, and Tech Services	8,072	9,943	9,940	1,868	23.1%
Management of Companies and Enterprises	266	626	673	407	153.0%
Admin & Support & Waste Mgmt. Services.	28,985	13,264	13,730	-15,255	-52.6%
Educational Services	6,300	7,788	6,963	663	10.5%
Health Care and Social Assistance	21,576	22,604	22,956	1,380	6.4%
Arts, Entertainment, and Recreation	4,094	4,527	4,312	218	5.3%
Accommodation and Food Services	13,467	15,556	14,577	1,110	8.2%
Other Services (Except Public Administration)	6,137	6,554	6,741	604	9.8%
Public Administration	6,446	6,707	6,985	539	8.4%

Source: Florida Agency for Workforce Innovation

Employment Growth by Specific Industries

Examining over 90 industry segments in more detail, the majority of job growth from 2002- third quarter of 2006 occurred in several specific areas.

- Specialty trade contractors added the most jobs, with other construction and real estate segments adding to the growth of the housing and construction boom over the past several years. The most current nine month of data indicate a decline in construction jobs.
- In traded sector industries, professional and technical services added almost 1,900 jobs, mostly in consulting, computer systems, and advertising. Fabricated metals added more than 700 jobs, growing at a rate faster than the county average.
- In regional services, ambulatory health care services added over 1,600 jobs. Other industries in Sarasota County that grew at a pace much greater than the national average were performing arts and membership organizations. Understanding what attracts these industries to the region, may provide insights into other industries with a comparative advantage.

Table C: Top Industries by Total Employment Growth

NAICS Code	Industry Title	2002 Employment	2005 Employment	3Q 06 Employment	Change	% Annual Change
238	Specialty trade contractors	8,502	12,301	12,844	4342	11%
541	Professional and technical services	8,071	9,942	9,939	1868	6%
236	Construction of buildings	2,066	3,456	3,712	1646	16%
621	Ambulatory health care services	7,940	9,325	9,549	1609	5%
711	Performing arts and spectator sports	760	1,953	1,799	1039	23%
722	Food services and drinking places	11,113	12,894	12,074	961	2%
531	Real estate	2,053	2,654	2,906	853	9%
813	Membership associations and organizations	2,290	2,732	3,090	800	8%
332	Fabricated metal product manufacturing	2,271	2,734	2,993	722	7%
441	Motor vehicle and parts dealers	2,775	3,596	3,439	664	6%

Source: Florida Agency for Workforce Innovation

<u>Emerging Industries</u>: Industries like chemical manufacturing, management of companies, and waste management did not have a critical mass of employment, yet experienced a rapid rate of job growth. High growth rates in employment concentration may be an indicator of an emerging industry or a change in business climate attractive to specific industries.

Table D: Industries with the Highest Growth Rate of Employment

NAICS Code	Industry Title	2002 Employment	2005 Employment	3Q 06 Employment	Change	% Annual Change
325	Chemical manufacturing	50	323	331	281	50%
551	Management of companies and enterprises	266	626	673	407	25%
711	Performing arts and spectator sports	760	1,953	1,799	1039	23%
562	Waste management and remediation services	234	487	489	255	20%
236	Construction of buildings	2,066	3,456	3,712	1646	16%
238	Specialty trade contractors	8,502	12,301	12,844	4342	11%
531	Real estate	2,053	2,654	2,906	853	9%
813	Membership associations and organizations	2,290	2,732	3,090	800	8%
444	Building material and garden supply stores	1,569	2,109	2,095	526	8%
485	Transit and ground passenger transportation	78	97	104	26	8%

Traded Sector Industries: Growth in the County's traded sector industries was dominated by increases in professional and technical services, followed by fabricated metals manufacturing. Segments of creative services, financial services, and specialty manufacturing clusters were also found in the top ten growth industries for traded sector.

Table E: Top Ten Traded Sector Industries by Employment Growth

NAICS Code	Industry Title	2002 Employment	2005 Employment	3Q 06 Employment	Change	% Annual Change
541	Professional and technical services	8,071	9,942	9,939	1868	6%
332	Fabricated metal product manufacturing	2,271	2,734	2,993	722	7%
423	Merchant wholesalers, durable goods	2,134	2,648	2,609	475	5%
551	Management of companies and enterprises	266	626	673	407	25%
522	Credit intermediation and related activities	2,725	3,046	3,076	351	3%
325	Chemical manufacturing	50	323	331	281	50%
524	Insurance carriers and related activities	2,551	2,946	2,776	225	2%
323	Printing and related support activities	381	465	489	108	7%
511	Publishing industries, except Internet	1,186	1,264	1,294	108	2%
517	Telecommunications	1,051	1,014	1,145	94	2%

Source: Florida Agency for Workforce Innovation

A Detailed Look at Manufacturing Jobs

In the third quarter of 2006, Sarasota County had 8,972 manufacturing jobs, about 500 more than the 8,462 jobs reported in 2002. Manufacturing accounts for less than 6% of the county's private sector jobs, compared to 12.8% of all private sector US jobs.

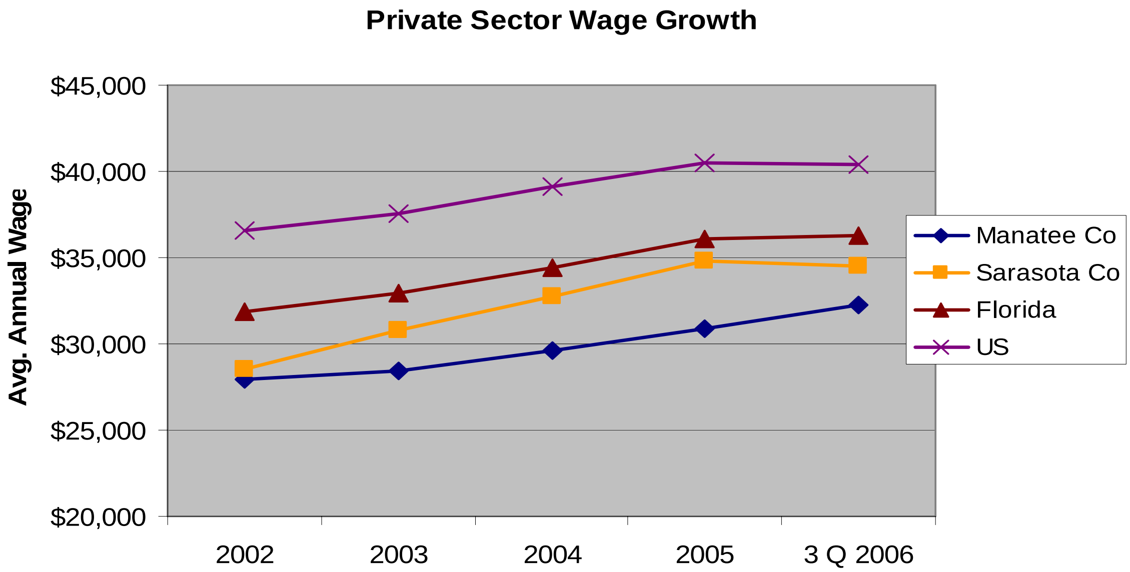
Table F: Sarasota County Employment Trend by Manufacturing Sector

Industry Title	2002	2005	3Q06	2002-2005 Growth	2005-3q06 Growth
All Industries	144,382	143,905	157,123	8.8%	9.2%
Manufacturing	8,462	8,745	8,972	6.0%	2.6%
Fabricated metal product manufacturing	2,271	2,734	2,993	31.8%	9.5%
Furniture and related product manufacturing	783	837	573	-26.8%	-31.5%
Nonmetallic mineral product manufacturing	826	827	770	-6.8%	-6.9%
Computer & electronic product manufacturing	1,087	717	710	-34.7%	-1.0%
Wood product manufacturing	504	590	557	10.5%	-5.6%
Miscellaneous manufacturing	550	536	547	-0.5%	2.1%
Plastics and rubber products manufacturing	592	500	589	-0.5%	17.8%
Machinery manufacturing	459	484	512	11.5%	5.8%
Printing and related support activities	381	465	489	28.3%	5.2%
Chemical manufacturing	50	323	331	562.0%	2.5%
Transportation equipment manufacturing	438	185	448	2.3%	142.2%
Textile product mills	170	158	138	-18.8%	-12.7%
Primary metal manufacturing	n/d	152	88	n/d	-42.1%
Food manufacturing	151	147	134	-11.3%	-8.8%

Source: Florida Agency for Workforce Innovation, QCEW Data

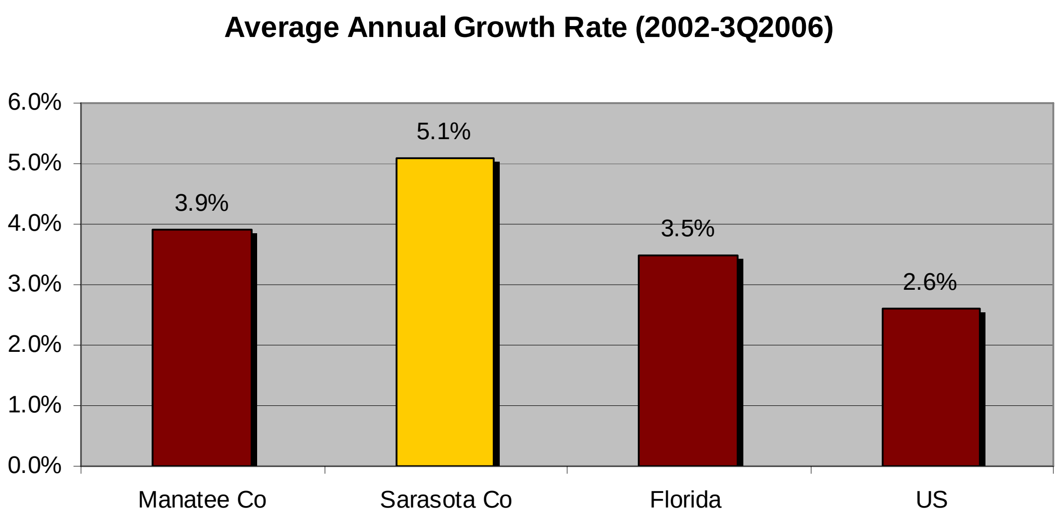
Wage Growth

From 2002 to September 2006, Sarasota County's average wage increased from $29,213 to $35,328, slowly closing the gap with state wages. Sarasota County had a higher-than-average growth rate of wages from 2002 to 2005, and then a recent stagnation of wages in the third quarter of 2006, similar to the trend for Florida and the nation.



Source: Bureau of Labor Statistics

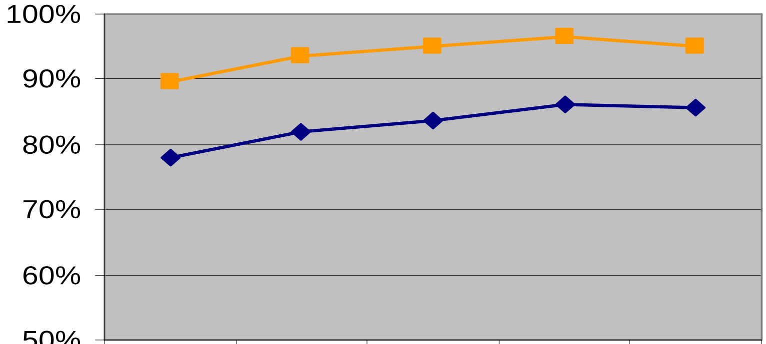
Annual Growth Rate: Even with recent the slowdown in wage growth, the county outperformed the state and US average wage growth for the same time period.



Source: Bureau of Labor Statistics

Wages Compared to State and National Averages: Sarasota County continues to slowly close the gap to the average US and state wage. In 2002 Sarasota County's average wage was 78% of the US average and in 2006 it was 85.6%. Likewise, wages moved from 89.5% of Florida's average wage in 2002 to 95.1% in 2006.

Sarasota County Private Sector Wage
As a Percent of Florida & US

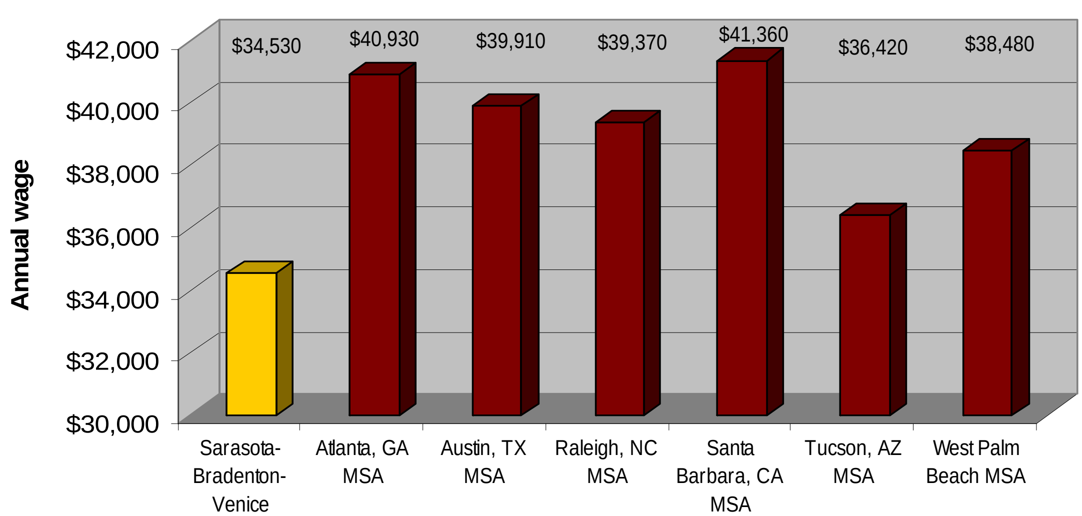


	2002	2003	2004	2005	3 Q 2006
Sarasota Co % f US	78.0%	82.0%	83.6%	86.0%	85.6%
Sarasota Co % of FL	89.5%	93.5%	95.0%	96.6%	95.1%

Source: Bureau of Labor Statistics, QCEW data

Regional Wages Compared to Competitors: Compared to other competitive regions, the Sarasota-Bradenton-Venice MSA still lags in overall wages. This can be explained, in part, by the higher-than-average percent of jobs in retail and local services.

May 2006 Mean Annual Wage



Source: Bureau of Labor Statistics, Occupational Outlook

Wages by Industry

The highest wage jobs are found in five primary industry groups—financial services, professional and technical services, manufacturing, wholesale trade, and construction.

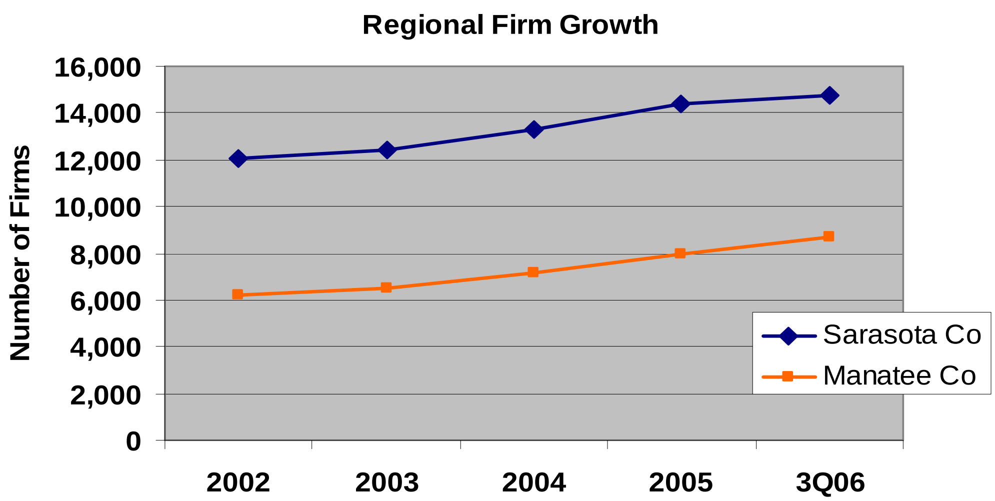
Table G: High Wage Industries in Sarasota County

NAICS Code	Industry Title	Employment	Units	Avg. Wage
523	Securities, commodity contracts, investments	1,254	238	$122,889
517	Telecommunications	1,014	43	$81,550
221	Utilities	559	25	$71,263
551	Management of companies and enterprises	626	62	$60,320
524	Insurance carriers and related activities	2,946	298	$57,534
522	Credit intermediation and related activities	3,046	327	$57,143
334	Computer and electronic product manufacturing	717	26	$53,429
541	Professional and technical services	9,942	1,912	$49,727
236	Construction of buildings	3,456	631	$48,931
621	Ambulatory health care services	9,325	1,132	$48,013
423	Merchant wholesalers, durable goods	2,648	400	$47,198
511	Publishing industries, except Internet	1,264	62	$46,827
441	Motor vehicle and parts dealers	3,596	167	$46,108
518	ISPs, search portals, and data processing	154	28	$46,024
425	Electronic markets and agents and brokers	565	171	$45,309
424	Merchant wholesalers, nondurable goods	1,310	175	$45,192
515	Broadcasting, except Internet	197	10	$44,434
562	Waste management and remediation services	487	23	$43,345
237	Heavy and civil engineering construction	1,625	122	$43,100
336	Transportation equipment manufacturing	185	11	$42,585
622	Hospitals	6,491	10	$40,407
325	Chemical manufacturing	323	16	$39,922
321	Wood product manufacturing	590	12	$39,622
332	Fabricated metal product manufacturing	2,734	52	$39,135
333	Machinery manufacturing	484	29	$37,643
531	Real estate	2,654	927	$37,180
493	Warehousing and storage	335	12	$36,128
339	Miscellaneous manufacturing	536	50	$36,118
492	Couriers and messengers	467	8	$35,795
323	Printing and related support activities	465	65	$35,100

Source: Florida Agency for Workforce Innovation, 3Q 2006 QCEW data

Establishment (Firm) Growth

In recent years, Sarasota County experienced significant growth in the number of establishments (firms) with employees. This growth in firms, like the growth in employment, slowed considerably in 2006. In the third quarter of 2006, Sarasota County had almost 14, 800 establishments with employees, not including sole proprietors. While this represented an increase of 2,500 firms since 2002, the county added only 26 firms in 2006.



Source: Florida Agency for Workforce Innovation

Firm Growth by Industry

The growth rate of firms outpaced the growth rate of jobs. Overall, the growth of manufacturing establishments was relatively flat while construction, real estate, and professional/technical services accounted for the majority of new firms. Financial services, administrative services and waste management, and education services added new firms at a rate higher than the county average. The following table summarizes changes in the number of firms by industry segment.

Table H: Sarasota County Growth in Firms by Major Industry

	2002	2005	3Q06	2002-3Q06 change	% annual change
Total, all industries	12,303	14,767	14,793	2,490	4.9%
Utilities	14	25	23	9	13.2%
Construction	1,653	2,546	2,532	879	11.4%
Manufacturing	432	442	434	2	0.1%
Wholesale trade	657	746	704	47	1.8%
Retail trade	1,661	1,725	1,690	29	0.5%
Transportation and warehousing	165	187	185	20	3.1%
Information	173	190	183	10	1.5%
Finance and insurance	683	876	910	227	7.7%
Real estate and rental and leasing	634	1,030	1,044	410	13.3%
Professional, scientific, and tech services	1,612	1,913	1,911	299	4.5%

Management of companies and enterprises	49	62	67	18	8.3%
Admin & support & waste mgmt. & remediation svc.	943	1,104	1,107	164	4.3%
Educational services	99	118	124	25	6.0%
Health care and social assistance	1,202	1,334	1,333	131	2.8%
Arts, entertainment, and recreation	210	237	235	25	3.0%
Accommodation and food services	695	786	768	73	2.7%
Other services (except public administration)	1,182	1,261	1,255	73	1.6%

Establishment Growth by Specific Industry

A detailed examination of changes in establishments indicates specific industries with higher-than-average growth rates.

- Construction, real estate, and professional/technical services all added more than 200 establishments between 2002 and the third quarter of 2006.
- In addition to construction and professional services, specific segments of manufacturing, wholesale, financial services, and health care added new firms at a rate higher than the county average.

Table I: Establishment Growth by Industry Type

NAICS		3Q06 Establish-ments	2002 Establish-ments	Change in # of Establ.	% Annual Change
	Construction & Related Industries				
562	Waste management and remediation services	26	14	12	16.5%
531	Real estate	946	535	411	15.2%
236	Construction of buildings	648	383	265	14.0%
238	Specialty trade contractors	1,754	1,162	592	11.0%
237	Heavy and civil engineering construction	128	106	22	5.0%
	Manufacturing, Transportation & Wholesale				
331	Primary metal manufacturing	5	3	2	13.6%
325	Chemical manufacturing	17	11	6	11.6%
425	Electronic markets and agents and brokers	182	120	62	11.1%
321	Wood product manufacturing	12	9	3	7.7%
484	Truck transportation	87	66	21	7.4%
	Traded Services				
523	Securities, commodity contracts, investments	253	153	100	13.4%
516	Internet publishing and broadcasting	12	8	4	10.8%
522	Credit intermediation and related activities	336	245	91	8.4%
551	Management of companies and enterprises	67	49	18	8.3%
511	Publishing industries, except Internet	61	45	16	8.1%
541	Professional and technical services	1,910	1,611	299	4.5%
	Management & technical consulting services	421	311	110	8.1%
	Computer systems & related services	180	135	45	7.7%
	Advertising and related services	91	75	16	5.2%

NAICS		3Q06 Establish-ments	2002 Establish-ments	Change in # of Establ.	% Annual Change
	Regional Services				
611	Educational services	119	94	25	6.3%
446	Health and personal care stores	160	128	32	6.0%
711	Performing arts and spectator sports	96	79	17	5.2%

Source: Florida Agency for Workforce Innovation and Bureau of Labor Statistics, QCEW data

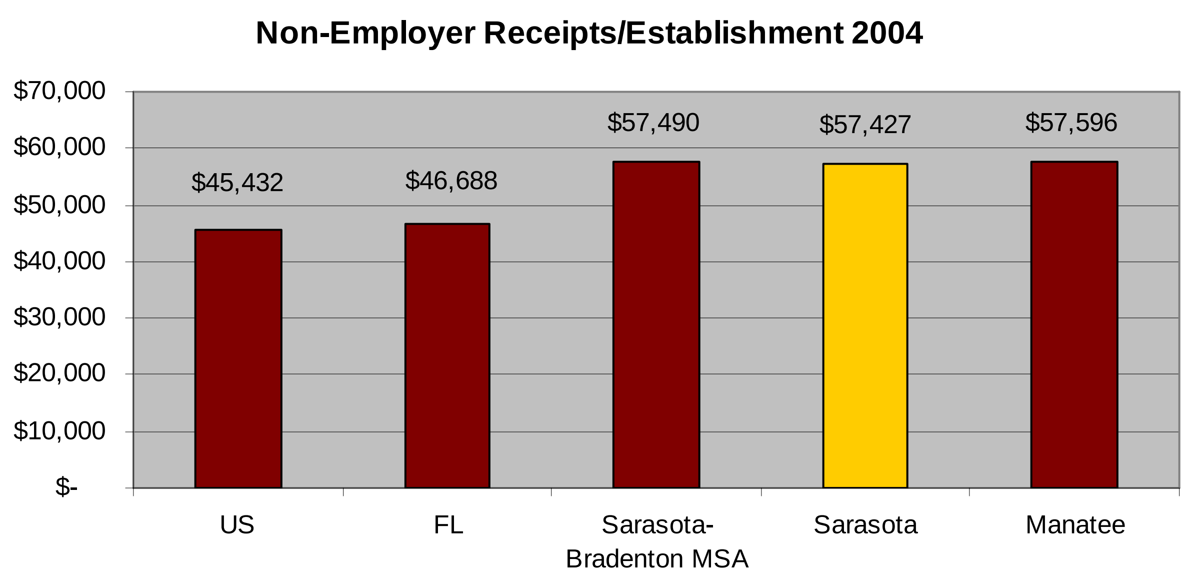
Sole Proprietor (Self-employed) Data

In 2004, the Census Bureau estimated an additional 34,119 self-employment jobs in addition to the 158,000 covered jobs through employers. Self-employment is highly concentrated in five industry sectors: real estate, professional and technical services, business and personal services, construction, and retail. Earnings (receipts) for these self-employed individuals in Sarasota County was over $57,427 per year, significantly above the US average of $45,432. This is a sharp contrast to employer wages where the county is less than state and national averages.

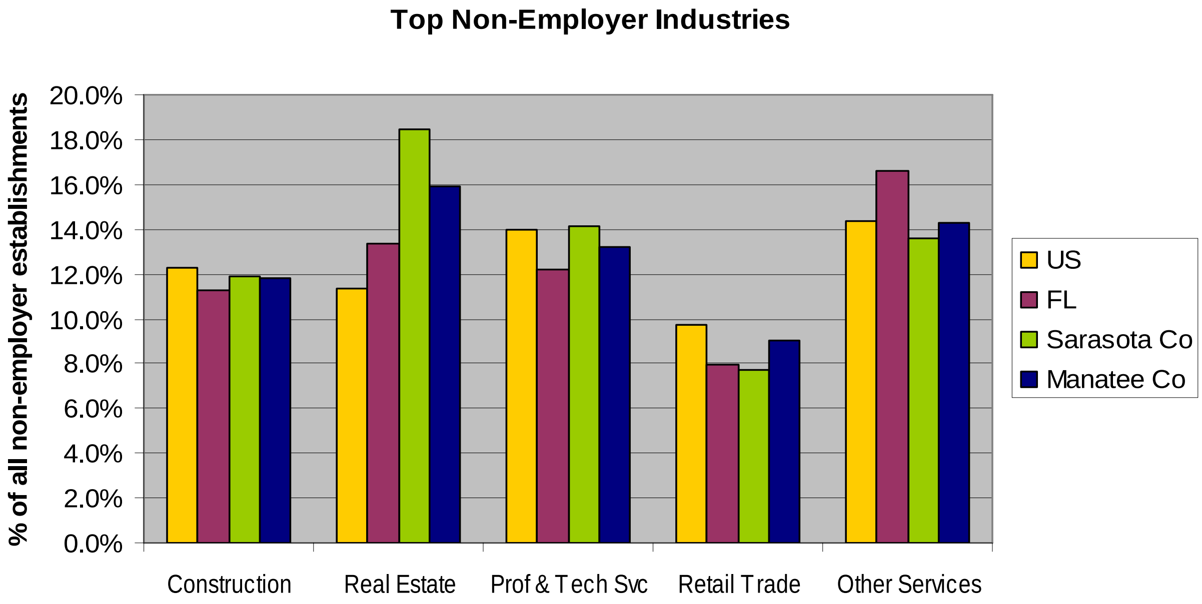
Table J: Non-employer Statistics for Sarasota County

	2000	2001	2002	2003	2004
Self employed	28,961	29,388	30,171	32,263	34,119
Receipts ($000)	$ 1,540,898	$ 1,575,274	$ 1,665,664	$ 1,779,974	$ 1,959,367
Receipts/proprietor	$ 53,206	$ 53,603	$ 55,207	$ 55,171	$ 57,427

Source: US Census Bureau



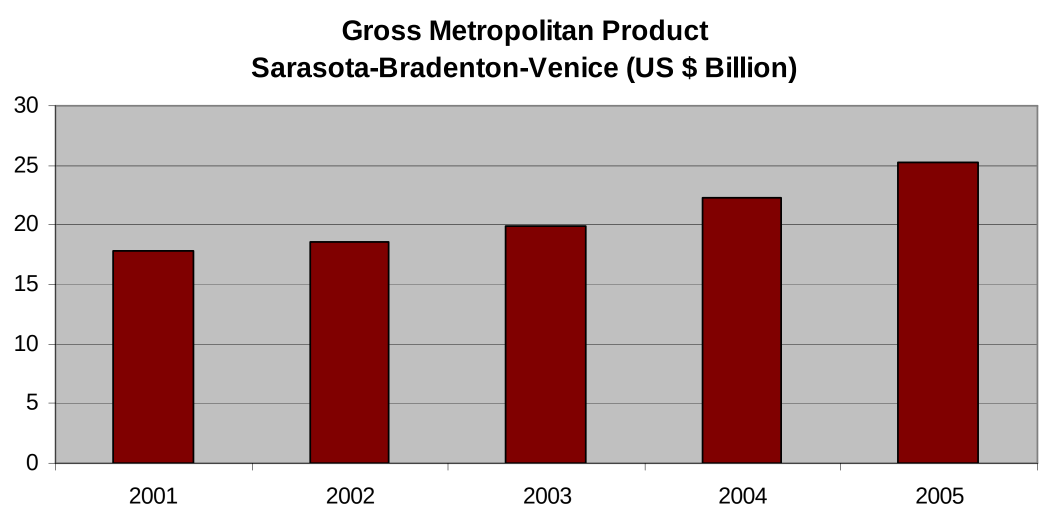
Source: US Census Bureau



Source: US Census Bureau

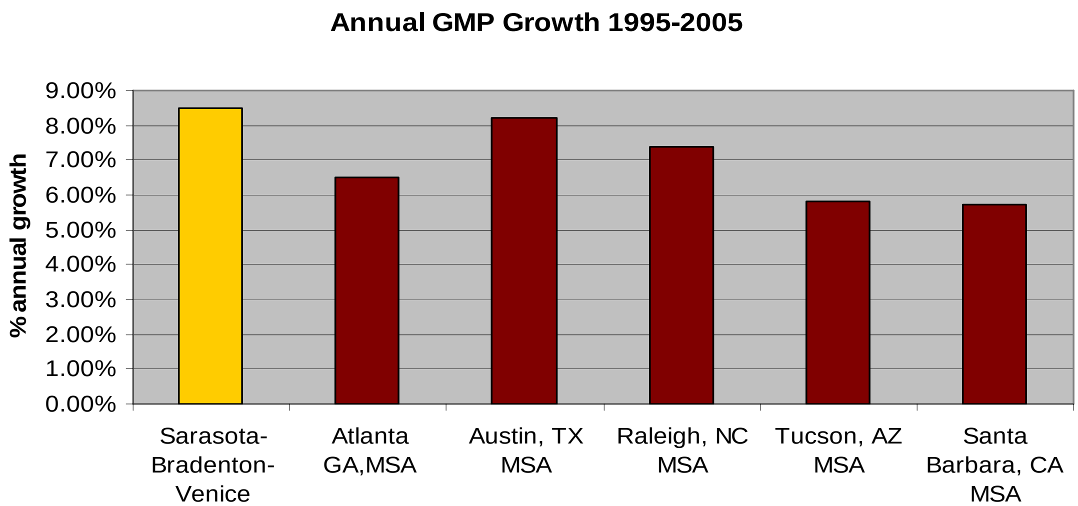
Gross Metropolitan Product

The Gross Metropolitan Products (GMP) measures the total value of goods and services produced in a region. Global Insights, an international consulting firm, publishes a GMP comparison each year for the Conference of Mayors. In 2005, the Sarasota-Bradenton MSA had a GMP of approximately $25.2 billion. The following illustrates the region's GMP growth since 2001.



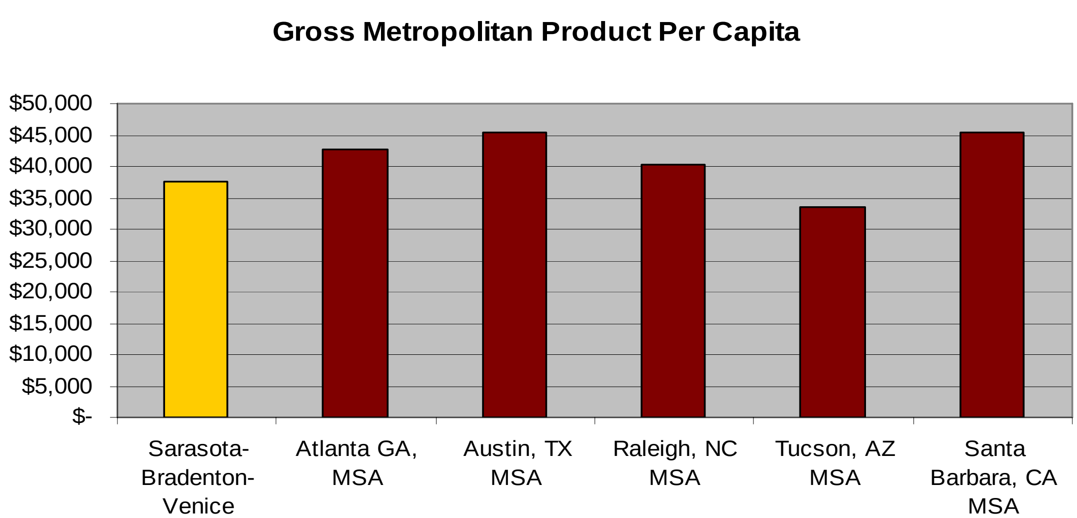
Source: Global Insights, 2007

GMP Growth Comparison: The Sarasota-Bradenton GMP has been growing steadily for the past decade, with an annual growth rate that ranks in the top 10 of all major metro regions (8th among 361 metro regions in terms of average annual growth between 1995 and 2005). Since the GMP growth rate exceeds the growth rate of jobs or population, one can assume that the GMP growth has come from an increase in the value of goods and services produced by industries or the number of jobs and firms in high-value sectors.



Source: Global Insights, 2007

GMP Per Capita: Growth in GMP is also reflected in an increasing value of GMP per capita. In 2002, the Sarasota-Bradenton region's GMP per capita was $29,990. By 2005, it had increased 25% to over $37,535 per person. This was the highest growth rate of all competitor regions--which ranged from a 9% growth rate for Atlanta to a 22% growth rate for Santa Barbara for the same time period.



Source: Global Insights, 2007 & US Census Bureau

Part II: Industry Cluster Data

The determination of industry clusters is now a common practice in economic planning. Clusters are typically defined as industries having a higher-than-average or rapidly growing concentration of employment, along with competitive wages, active firm churn, and local inputs/suppliers that provide a complete business system for firms.

Highlights

- **All targeted industry clusters increase employment and establishments from 2002 to third quarter of 2006. The growth for the last 12-month reporting period (third quarter 2005 to third quarter 2006) indicated a mixed performance for employment growth.**
    - **Creative Services and Professional and Technical Services experienced the greatest increase in the number of jobs and firms, adding more than 30% to their 2002 job base. While Professional and Technical Services experienced continued growth in 2006, Creative Services showed a small decline in jobs over the last 12-month reporting period.**
    - **While the employment base was relatively small, Bio & Life Sciences grew at a rate twice that of all industries in the county.**
    - **Financial Services gained just over 500 jobs since 2002, yet employment was down more than 400 jobs from the peak period in 2005.**
    - **Specialty manufacturing continued to gain jobs form 2002 to third quarter 2006, increasing the job base by almost 450 jobs, with 214 jobs added in the last 12-month period.**
- **All targeted industries, except specialty manufacturing, added new firms at a rate faster than the county average for all industries, indicating an active entrepreneurial climate for these sectors.**
- **While the concentration of all manufacturing jobs is about half the US average, the county has higher than average concentrations of employment in fabricated metals, nonmetallic mineral manufacturing, and furniture manufacturing.**
- **High concentrations in ambulatory health care and hospitals, in addition to nursing and residential care, may suggest a broad array of health care industries, including those related to biosciences and research.**
- **Concentrations of professional and technical jobs, along with segments of financial services, have shifted from below the US averages to above the US averages indicating a growing number of higher wage service jobs in addition to jobs in traditional retail and food services.**
- **Rapid increases in employment concentrations for waste management services, membership associations, broadcasting, publishing, and management of companies might suggest a shift in the types of industries attracted to the region, or a change in the business climate that fosters the growth of these industries.**

Concentration of Employment

A primary determinant for industry competitiveness is the concentration of employment, or location quotient (LQ). The location quotient is defined as the regional concentration of employment for a specific industry compared to the average concentration of employment for that industry in the US. Industries with a concentration the same as the US have a LQ of 1.0; those with regional concentrations greater than the US have LQs greater than 1.0; and those with lower than average concentrations have LQs less than 1.0.

Comparing the employment concentration of major industry segments, Sarasota's economy reflects its tradition of tourism and retirement services with high concentrations of jobs in construction, retail trade and arts and entertainment. When specific industries are examined at a greater level of detail, a more comprehensive pattern appears that suggests a more diverse economy.

Table K: Concentration of Employment by Major industry

Industry	Sarasota-Bradenton-Venice, FL MSA	Manatee County, Florida	Sarasota County, Florida
Base Industry: Total, all industries	1	1	1
NAICS 11 Agriculture, forestry, fishing and hunting	ND	ND	0.21
NAICS 21 Mining	ND	ND	0.09
NAICS 22 Utilities	0.62	0.4	0.78
NAICS 23 Construction	1.59	1.25	1.84
NAICS 31-33 Manufacturing	0.58	0.71	0.47
NAICS 42 Wholesale trade	0.58	0.55	0.6
NAICS 44-45 Retail trade	1.12	1.12	1.13
NAICS 48-49 Transportation and warehousing	0.31	0.29	0.33
NAICS 51 Information	0.62	0.41	0.78
NAICS 52 Finance and insurance	0.72	0.44	0.95
NAICS 53 Real estate and rental and leasing	1.15	1.05	1.23
NAICS 54 Professional and technical services	0.83	0.5	1.09
NAICS 55 Management of companies and enterprises	0.84	1.56	0.28
NAICS 56 Administrative and waste services	2.06	3.12	1.24
NAICS 61 Educational services	0.4	0.31	0.47
NAICS 62 Health care and social assistance	1.04	0.82	1.21
NAICS 71 Arts, entertainment, and recreation	1.56	1.21	1.83
NAICS 72 Accommodation and food services	1	0.86	1.1
NAICS 81 Other services, except public administration	0.97	0.71	1.17

Source: Bureau of Labor Statistics

Table L: Industries with an LQ Greater than 1.0

Industry	Sarasota County, Florida	Manatee County, Florida	Sarasota-Bradenton-Venice, FL MSA	Florida -- Statewide
NAICS 711 Performing arts and spectator sports	3.95	ND	ND	1.25
NAICS 238 Specialty trade contractors	2.05	1.38	1.76	1.37
NAICS 442 Furniture and home furnishings stores	1.66	0.88	1.32	1.24
NAICS 813 Membership associations and organizations	1.62	0.82	1.27	0.97
NAICS 236 Construction of buildings	1.56	0.76	1.21	1.21
NAICS 441 Motor vehicle and parts dealers	1.45	1.01	1.26	1.14
NAICS 712 Museums, historical sites, zoos, and parks	1.45	ND	ND	0.81
NAICS 621 Ambulatory health care services	1.41	1.03	1.24	1.08
NAICS 623 Nursing and residential care facilities	1.41	0.88	1.18	0.87
NAICS 453 Miscellaneous store retailers	1.4	2.99	2.09	1.09
NAICS 531 Real estate	1.4	1.18	1.31	1.41
NAICS 332 Fabricated metal product manufacturing	1.39	0.91	1.18	0.43
NAICS 445 Food and beverage stores	1.37	1.21	1.3	1.14
NAICS 237 Heavy and civil engineering construction	1.34	1.52	1.42	1.25
NAICS 444 Building material and garden supply stores	1.28	1.01	1.16	1.12
NAICS 713 Amusements, gambling, and recreation	1.28	1.55	1.4	1.63
NAICS 327 Nonmetallic mineral product manufacturing	1.27	0.35	0.87	0.84
NAICS 561 Administrative and support services	1.25	3.22	2.11	1.72
NAICS 523 Securities, commodity contracts, investments	1.22	0.4	0.86	0.78
NAICS 812 Personal and laundry services	1.21	0.66	0.97	1
NAICS 622 Hospitals	1.16	0.68	0.95	0.9
NAICS 446 Health and personal care stores	1.15	1.12	1.14	1.14
NAICS 337 Furniture and related product manufacturing	1.14	1.12	1.13	0.56
NAICS 721 Accommodation	1.13	0.38	0.8	1.43
NAICS 448 Clothing and clothing accessories stores	1.11	1	1.06	1.15
NAICS 562 Waste management &remediation services	1.11	0.86	1	0.87
NAICS 722 Food services and drinking places	1.1	0.96	1.04	1.02
NAICS 541 Professional and technical services	1.09	0.5	0.83	1.01
NAICS 511 Publishing industries, except Internet	1.08	0.6	0.87	0.77
NAICS 524 Insurance carriers and related activities	1.06	0.41	0.78	1.01

Source: Bureau of Labor Statistics

Table M: Industries with High Employment Concentration by Type

	2005 Employment	Sarasota Co. LQ	Metro Region LQ
Traded Sector Industries			
NAICS 327 Nonmetallic mineral product manufacturing	830	1.27	0.87
NAICS 332 Fabricated metal product manufacturing	2,734	1.39	1.18
NAICS 337 Furniture and related product manufacturing	837	1.14	1.13
NAICS 511 Publishing industries, except Internet	1,264	1.08	0.87
NAICS 523 Securities, commodity contracts, investments	1,255	1.22	0.86
NAICS 524 Insurance carriers and related activities	2,946	1.06	0.78
NAICS 541 Professional and technical services	9,956	1.09	0.83
	2005 Employment	**Sarasota Co. LQ**	**Metro Region LQ**
Building & Infrastructure Industries			
NAICS 236 Construction of buildings	3,465	1.56	1.21
NAICS 237 Heavy and civil engineering construction	1,625	1.34	1.42
NAICS 238 Specialty trade contractors	12,306	2.05	1.76
NAICS 531 Real estate	2,653	1.4	1.31
NAICS 562 Waste management and remediation services	486	1.11	1
	2005 Employment	**Sarasota Co. LQ**	**Metro Region LQ**
Regional Services			
NAICS 561 Administrative and support services	12,567	1.25	2.11
NAICS 621 Ambulatory health care services	9,331	1.41	1.24
NAICS 622 Hospitals	6,491	1.16	0.95
NAICS 623 Nursing and residential-care facilities	5,208	1.41	1.18
NAICS 813 Membership associations and organizations	2,731	1.62	1.27
NAICS 561 Administrative and support services	12,567	1.25	2.11
	2005 Employment	**Sarasota Co. LQ**	**Metro Region LQ**
Tourism-based			
NAICS 711 Performing arts and spectator sports	1,949	3.95	ND
NAICS 712 Museums, historical sites, zoos, and parks	223	1.45	ND
NAICS 713 Amusements, gambling, and recreation	2,280	1.28	1.4
NAICS 721 Accommodation	2,659	1.13	0.8

Source: Bureau of Labor Statistics

Growth in Employment Concentration: Another factor in examining clusters is the growth in employment concentration over time. The growth in an LQ value can represent strengthening of an already established industry or the presence of an emerging industry. In Sarasota County, there were a significant number of industries that increased their concentration of employment.

- Six manufacturing segments gained employment concentrations since 2002, with three of those segments having LQs above the US average.

- Four industry segments within professional and creative services increased their employment concentration. Increases in both professional/technical services and publishing moved these industries from below the US average in employment concentration to above the US average.

- Employment concentration increases in financial services, insurance, and management of companies continues to reinforce the region's ability to attract and grow traded services.

Table N: Industries with an Increase in Employment Concentration of 10% or More

Industry	Sarasota Co 2002	Sarasota CO 2005	Change
NAICS 711 Performing arts and spectator sports	1.49	3.95	2.46
NAICS 236 Construction of buildings	0.98	1.56	0.58
NAICS 562 Waste management and remediation services	0.55	1.11	0.56
NAICS 238 Specialty trade contractors	1.51	2.05	0.54
NAICS 237 Heavy and civil engineering construction	1	1.34	0.34
NAICS 813 Membership associations and organizations	1.31	1.62	0.31
NAICS 332 Fabricated metal product manufacturing	1.1	1.39	0.29
NAICS 444 Building material and garden supply stores	1	1.28	0.28
NAICS 531 Real estate	1.13	1.4	0.27
NAICS 325 Chemical manufacturing	0.04	0.28	0.24
NAICS 515 Broadcasting, except Internet	0.23	0.47	0.24
NAICS 524 Insurance carriers and related activities	0.87	1.06	0.19
NAICS 541 Professional and technical services	0.9	1.09	0.19
NAICS 337 Furniture and related product manufacturing	0.97	1.14	0.17
NAICS 511 Publishing industries, except Internet	0.92	1.08	0.16
NAICS 551 Management of companies and enterprises	0.12	0.28	0.16
NAICS 323 Printing and related support activities	0.4	0.55	0.15
NAICS 423 Merchant wholesalers, durable goods	0.53	0.68	0.15
NAICS 621 Ambulatory health care services	1.27	1.41	0.14
NAICS 321 Wood product manufacturing	0.68	0.81	0.13
NAICS 487 Scenic and sightseeing transportation	0.82	0.95	0.13
NAICS 488 Support activities for transportation	0.34	0.46	0.12
NAICS 517 Telecommunications	0.67	0.79	0.12
NAICS 327 Nonmetallic mineral product manufacturing	1.19	1.27	0.08
NAICS 518 ISPs, search portals, and data processing	0.24	0.31	0.07

Source: Bureau of Labor Statistics

Specialty Manufacturing Cluster

Sarasota County focuses on a set of manufacturing industries that have either a significant number of jobs or steady growth. After losing more than 400 jobs from 2002 to 2004, the county's third-quarter 2006 employment data indicated a gain of over 460 jobs since 2002, adding almost 50% f those jobs during the past 12 month period.

After experiencing a slight decline in the number of manufacturing firms from 2002 to 2005, the number of establishments was relatively flat for the first three quarters of 2006.

Table O-1: Job Growth in Specialty Manufacturing Cluster

				2002-3Q 2006	12 month (3Q 2005-3Q 2006)	
SPECIALTY MANUFACTURING		2002 Avg	3Q 2006	Job Growth	Job Growth	12-month % Growth
3261	Plastics product manufacturing	487	574	87	70	13.89%
3273	Cement and concrete product manufacturing	694	563	-131	-62	-9.92%
332	*Fabricated metals**	*2,271*	*2,993*	722	*160*	*5.65%*
3342	Communications equipment manufacturing	516	N/D	-418**	N/D	N/D
3345	Electronic instrument manufacturing	520	621	101	70	12.70%
3371	Household and institutional furniture mfg.	421	453	32	30	7.09%
321	*Wood product manufacturing **	*504*	*557*	53	*-54*	*-8.84%*
		5,413	5,859	446	214	3.79%

** reported at the 3-digit NAICS level due to confidential data at 4-digit levels*

*** 2005 employment was used for communications equipment to indicate relative decline in employment*

Source: Florida Agency for Workforce Innovation, QCEW data

Table O-2: Firm Growth in Specialty Manufacturing Cluster

		Number of Establishments				
	SPECIALTY MANUFACTURING	2002 Avg	3Q2005	3Q 2006	% Growth 2002-3Q 2006	12-Month Growth
3261	Plastics product manufacturing	16	16	14		
3273	Cement and concrete product manufacturing	21	13	19		
332	*Fabricated Metals**	*53*	*52*	*53*		
3342	Communications equipment manufacturing	9	4	4		
3345	Electronic instrument manufacturing	10	13	10		
3371	Household and institutional furniture mfg.	57	53	50		
321	*Wood product manufacturing **	*9*	*12*	*12*		
		175	163	162	-7.4%	0%

Source: Florida Agency for Workforce Innovation, QCEW data

A Detailed Look at Traded Sector Service Industries

The fastest growing portion of traded sector jobs is represented by value-added or professionally skilled services. These industries include financial services, creative services, bio & life sciences, and professional and technical services. Businesses within these sectors offer a wide array of services including management consulting, financial planning, scientific testing services, data processing, software development, graphic design, and media/publishing products.

The following information contains data on four specific industry clusters in Sarasota County: Financial Services, Professional & Technical Services, Creative Services, and Bio & Life Sciences.

Financial Services

In third quarter 2006, Sarasota County had over 6,759 financial services jobs. This represents an increase of 522 jobs since 2002, yet a decrease of 445 jobs from 2005 levels of over 7,200 jobs.

This sector added 189 firms since 2002, mostly in securities and non-depository credit institutions. Financial services jobs pay extremely well. Securities and commodities jobs are the county's highest paying sector at over $112,000 per year, while other financial service jobs pay on average $45,000 to $60,000 per year.

Table P-1: Job Growth of Financial Services Cluster

				2002-3Q 2006		12 month (3Q 2005-3Q 2006)	
	FINANCIAL SERVICES	2002 Avg	3Q 2006	Job Growth		Job Growth	12-month % Growth
5221	Depository credit intermediation	2,226	2,095	-131		-57	-2.65%
5223	Activities related to credit intermediation	296	299	3		21	7.55%
5231	Securities & commodity contracts brokerage	1,033	812	-221		-97	-10.67%
5242	Insurance agencies, brokerages, and related services	1,485	1,577	92		-440	-21.81%
5412	Accounting and bookkeeping services	843	1,295	452		73	5.97%
5222	Nondepository credit intermediation	354	681	327		55	8.79%
		6,237	6,759	522		-445	-6.18%

Table P-2: Firm Growth of Financial Services Cluster

		Number of Establishments				
	FINANCIAL SERVICES	2002 Avg	3Q2005	3Q 2006	% Growth 2002-3Q 2006	12-Month Growth
5221	Depository credit intermediation	141	145	149		
5223	Activities related to credit intermediation	30	63	69		
5231	Securities and commodity contracts brokerage	53	90	101		
5242	Insurance agencies, brokerages, and related	218	227	247		
5412	Accounting and bookkeeping services	202	250	218		
5222	Nondepository credit intermediation	69	113	118		
		713	888	902	26.5%	1.6%

Source: Florida Agency for Workforce Innovation, QCEW data

Professional/Technical Services

One of Sarasota County's four service-related clusters is Professional/Technical Services. This cluster consists of technology-based or professionally skilled jobs in industries classified in the government data under Information Services (NAICS 51) and Professional Services (NAICS 54).

The Professional/Technical Services cluster represents 5,351 jobs. From 2002 to September 2006, this group of industries gained over 1,230 jobs for a 30% increase in employment in less than four years.

Likewise, the growth in firms has outpaced the county average. In the third quarter of 2006, this cluster had over 930 firms, an increase of 230 firms since 2002.

Table Q-1: Job Growth in Professional/Technical Services Cluster

				2002-3Q 2006	12 month (3Q 2005-3Q 2006)	
	PROFESSIONAL & TECHNICAL SERVICES	2002 Avg	3Q 2006	Job Growth	Job Growth	12-month % Growth
5413*	Engineering & surveying services*	875	1,382	507	250	22.12%
5416	Management and technical consulting services	639	1,188	549	110	10.20%
5419	Other professional and technical services	1,422	1,560	138	-197	-11.21%
5181	ISPs and web search portals	66	67	1	-16	-19.28%
5182	Data processing and related services	63	67	4	-5	-6.94%
5161	Internet publishing and broadcasting	37	34	-3	8	30.77%
5112	Software publishers	109	92	-17	-26	-22.03%
5415	Computer systems design and related services	905	961	56	52	5.72%
		4,116	5,351	1235	176	3.41%

** Engineering services includes all jobs in NAICS 5413 except architectural and landscape architectural services.*

Table Q-2: Firm Growth in Professional/Technical Services Cluster

		Number of Establishments				
	PROFESSIONAL & TECHNICAL SERVICES	2002 Avg	3Q2005	3Q 2006	% Growth 2002-3Q 2006	12-Month Growth
5413*	Engineering & surveying services	128	150	154		
5416	Management and technical consulting services	297	388	421		
5419	Other professional and technical services	90	126	130		
5181	ISPs and web search portals	19	11	8		
5182	Data processing and related services	16	19	18		
5161	Internet publishing and broadcasting	8	13	12		
5112	Software publishers	11	14	11		
5415	Computer systems design and related services	135	168	180		
		704	889	934	32.7%	7.1%

Source: Florida Agency for Workforce Innovation, QCEW data

Creative Services

Creative Services represents a group of industry that combines design, technology, and communication to produce high-value services. These industries include film & video segments, graphic and specialized design, publishing, architectural design, advertising, and performing arts.

In the third quarter of 2006, this cluster represented 4,238 jobs, growing from a base of 2,710 jobs in 2002. However, over the past 12-month period from third quarter 2005 to third quarter 2006), the cluster indicated significant employment decline in motion pictures, landscape architecture, and performing arts. While some of this employment may be seasonal, attention should be paid to the 2006 average employment data when it is released later this year.

The cluster added 38% more firms from 2002 to September 2006, growing from 337 to 472 establishments.

Table R-1: Job Growth in Creative Services Cluster

CREATIVE SERVICES		2002 Avg	3Q 2006	2002-3Q 2006 Job Growth		12 month (3Q 2005-3Q 2006) Job Growth	12-month % Growth
5121	Motion picture and video industries	307	142	-165		-270	-65.53%
5122	Sound recording industries	46	22	-24		0	0.00%
5111	Newspaper, book, and directory publishers	1,083	1,202	119		174	16.93%
5413*	Architectural services*	320	380	60		-164	-30.17%
5414	Specialized design services	250	327	77		48	17.20%
5418	Advertising and related services	198	400	202		135	50.94%
7115	Independent artists, writers, and performers	58	54	-4		7	14.89%
7111	Performing arts companies	448	1,519	1,071		-83	-5.18%
5151	Radio and television broadcasting	n/d	192	n/d		-14	-6.80%
		2,710	4,238	1336		-167	-3.79%

** Includes architectural and landscape architectural services within NAICS 5413*

Table R-2: Firm Growth in Creative Services Cluster

	CREATIVE SERVICES	Number of Establishments 2002 Avg	3Q2005	3Q 2006	% Growth 2002-3Q 2006	12-Month Growth
5121	Motion picture and video industries	26	23	20		
5122	Sound recording industries	12	9	8		
5111	Newspaper, book, and directory publishers	35	46	50		
5413*	Architectural services	77	88	89		
5414	Specialized design services	102	121	130		
5418	Advertising and related services	17	88	91		
7115	Independent artists, writers, and performers	29	48	47		
7111	Performing arts companies	28	29	26		
5151	Radio and television broadcasting	11	10	11		
		337	462	472	40.1%	2.2%

Source: Florida Agency for Workforce Innovation, QCEW data

Bio & Life Sciences

The Bio & Life Sciences cluster is the smallest cluster with just over 1,060 jobs reported in September 2006. Since 2002, the cluster grew at a rate of 27%, compared to 12% for all industries, with the majority of employment growth in medical and diagnostic labs.

In less than four years, the cluster added 20 firms, for a total of 88 establishments in bio and life sciences.

Table S-1: Job Growth in Bio & Life Sciences Cluster

BIO & LIFE SCIENCES		2002 Avg	3Q 2006	2002-3Q 2006 Job Growth		12 month (3Q 2005-3Q 2006) Job Growth	12-month % Growth
3391	Medical equipment and supplies manufacturing	309	303	-6		3	1.00%
6215	Medical and diagnostic laboratories	213	403	190		55	15.80%
5417	Scientific research and development services	291	327	36		-17	-4.94%
3254	Pharmaceutical and medicine manufacturing	n/d	36	n/d		-1	-2.70%
		813	1,069	220		40	3.89%

Table S-2: Firm Growth in Bio & Life Sciences Cluster

NAICS	LIFE SCIENCES	Number of Establishments 2002 Avg	3Q2005	3Q 2006	% Growth 2002-3Q 2006	12-Month Growth
3391	Medical equipment and supplies manufacturing	30	27	26		
6215	Medical and diagnostic laboratories	19	36	41		
5417	Scientific research and development services	17	18	17		
3254	Pharmaceutical and medicine manufacturing	2	4	4		
		68	85	88	29.4%	3.5%

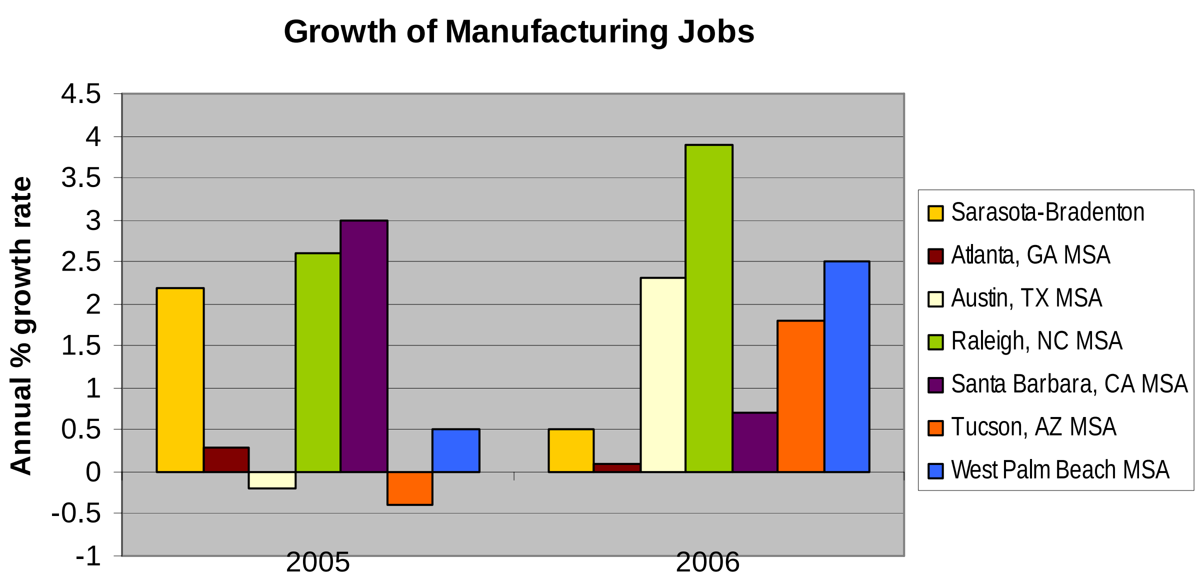
Source: Florida Agency for Workforce Innovation, QCEW data

Metropolitan Comparison of Traded Sector Industries

The Bureau of Labor Statistics provides major industry sector data for metropolitan areas. The Sarasota-Bradenton-Venice MSA consists of Sarasota and Manatee counties.

Manufacturing

While manufacturing jobs continue a slow and steady decline throughout the US, several competitive regions are experiencing the same levels of increases in manufacturing as the Sarasota-Bradenton-Venice region. The Raleigh, North Carolina and Santa Barbara, California regions were among those that showed increases in manufacturing jobs in both 2005 and 2006.

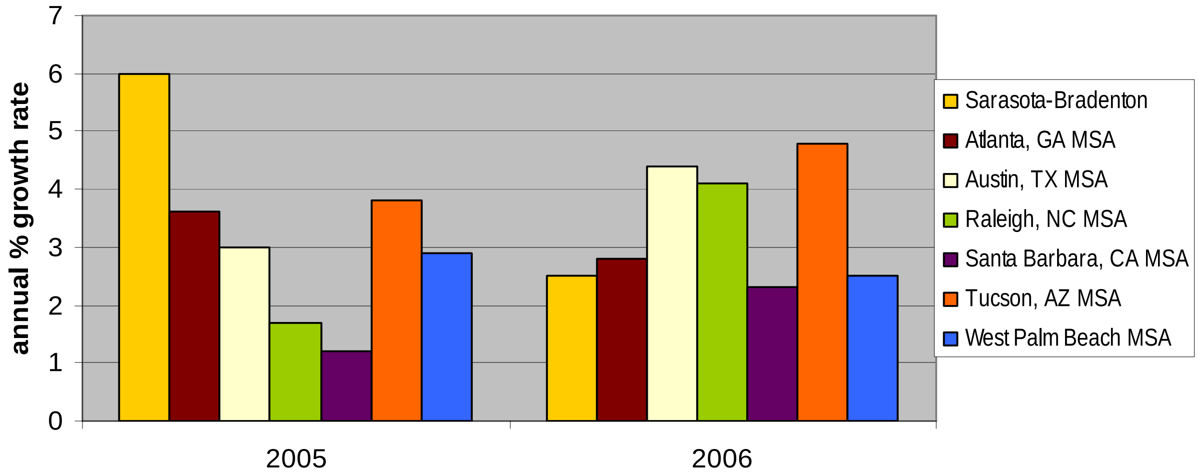


Source: Bureau of Labor Statistics At a Glance Tables

Financial Services (including Real Estate)

Comparing the growth rate of Financial Services to other regions, we find that the Sarasota-Bradenton MSA outperformed other competitive regions in 2005 and was among peers for performance in 2006. Note that this data contains real estate jobs which are not included in the county's definition of the financial services cluster.

Growth of Financial Services Jobs



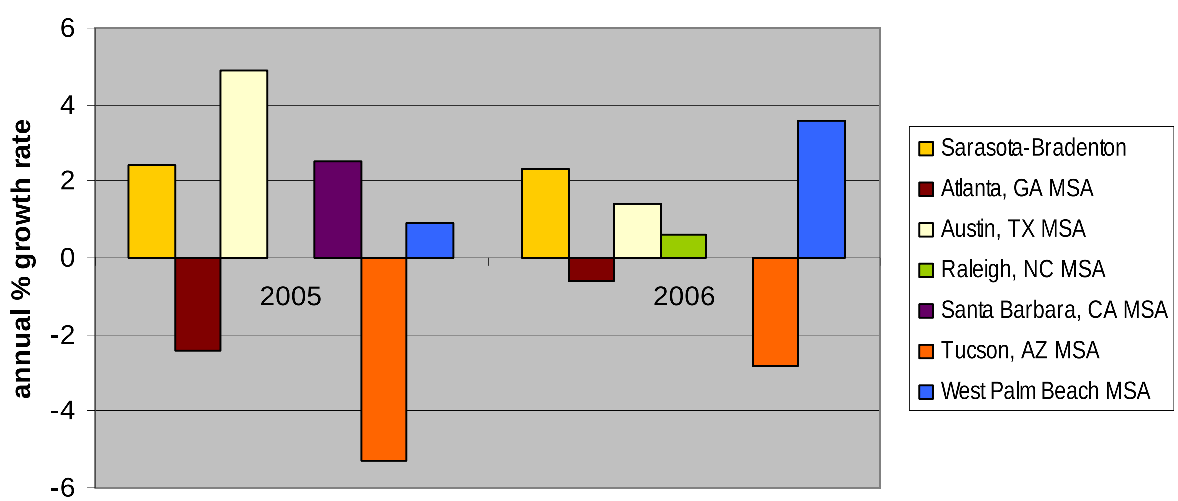
Source: Bureau of Labor Statistics At a Glance Tables

Information Services

Information Services includes an array of business and technical industries ranging from publishing and broadcasting to motion pictures, to telecommunications, to data processing and internet services. Each region typically has concentrations of specific industries within this group. Over the year, Information Services has experienced wide swings in employment due to issues like outsourcing. However in the past several years, the employment has begun to even out.

After a brief period of declining employment from 2002-2003, the Sarasota-Bradenton-Venice region has experienced a steady growth in information jobs of over 2% per year, making this industry group very competitive with other regions.

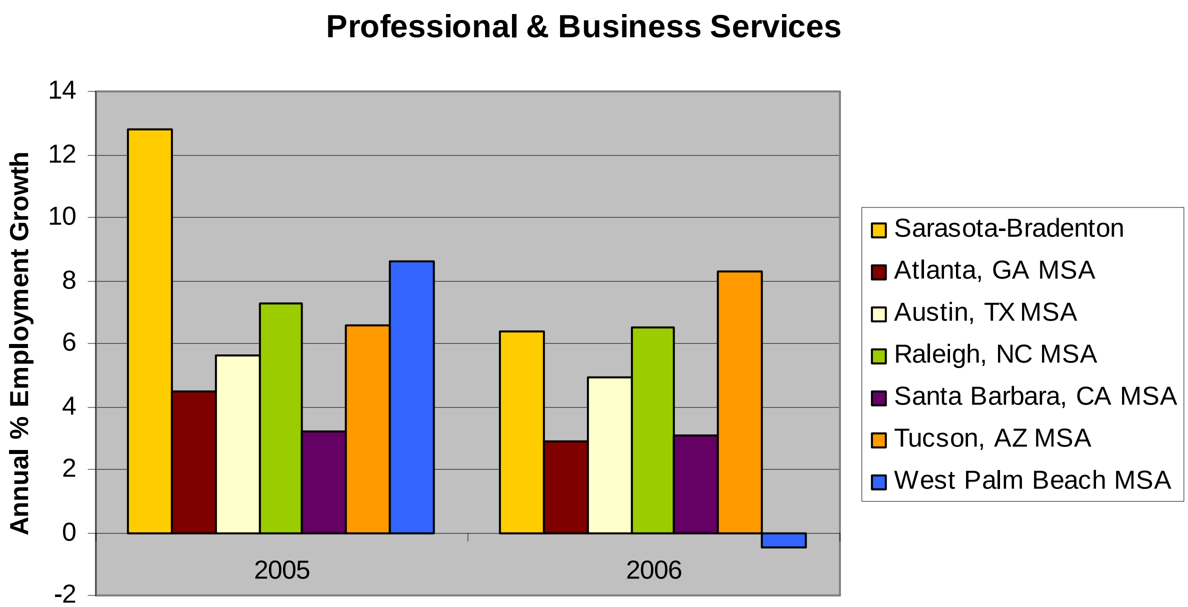
Growth of Information Services Jobs



Professional & Business Services

This comparison of professional and business services includes three major industries: Management of Companies (NAICS 55), Professional and Technical Services (NAICS 54), and Administrative and Waste Management Services (NAICS 56). Reporting disclosure issues prevented just the industry group of Professional and Technical Services from being evaluated on a metropolitan level.

On average, the Sarasota-Bradenton-Venice MSA outperformed other regions in terms of jobs growth in this category. High growth rates in both counties within professional and technical services, and management of companies, along with a steady increase of administrative service jobs in Manatee County, resulted in a 12.8% annual growth rate in 2005 and a 6.4% growth rate in 2006.



Source: Bureau of Labor Statistics, At a Glance

Part III: Demographics and Business Climate

Key Observations

- **The average age of Sarasota County residents (49.2 years of age) is considerably older than the national average of 36.4 years of age. In addition, a much smaller percentage of the population 16 years and older participate in the labor force. Both of these factors can be a challenge for job growth and business attraction.**

- **Unemployment in Sarasota County continues to be significantly below national averages (2.9% in December 2006, compared to 4.9% nationally). This rate is also at or below unemployment rates of competitive regions.**

- **The educational attainment of the labor force continues to remain slightly above the national average.**

- **When competitive regions are compared, the Sarasota-Bradenton MSA has one of the highest housing-wage ratios, indicating that housing is significantly less affordable to the average worker.**

Population

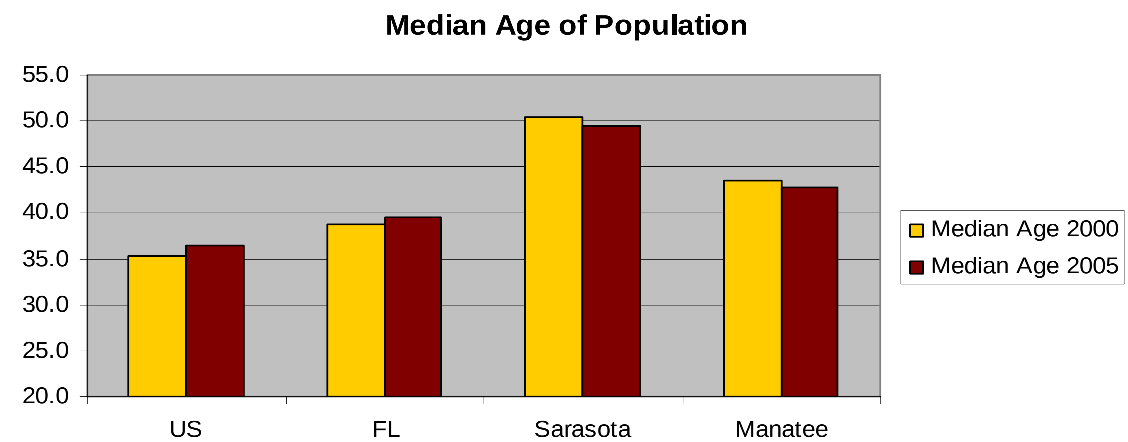
In 2006, the US Census Bureau estimated the population of Sarasota County at 366,256 people. This represents an increase of 11% or over 36,000 people in the last five years.

Table T: Sarasota County Population Estimates

	Total Population
July 1, 2006	369,535
July 1, 2005	365,117
July 1, 2004	355,722
July 1, 2003	346,704
July 1, 2002	339,933
July 1, 2001	333,287
July 1, 2000	327,032
April 1, 2000 (Census 2000)	325,957

Source: US Census Bureau

Sarasota County has an older-than-average population due to its large retirement community. In 2005, the Census Bureau estimated the median age of a Sarasota County resident was49.2, while a Manatee County resident was 42.8, and the average age of a Floridian was 39.5 and a US resident was 36.4 years.

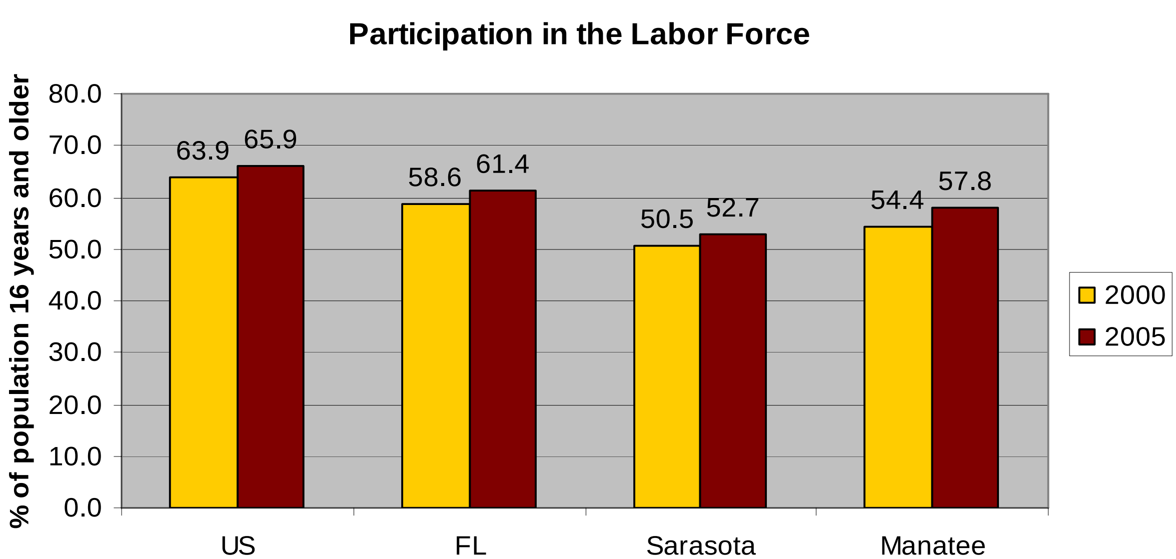


Source: US Census Bureau

Labor Force

In 2006, Sarasota County had a labor force of almost 181,000 of which approximately 175,400 were employed. From 2002 to 2006, the county gained over 24,000 people in its labor force. Combined with Manatee County the region provides a labor force of approximately 335,000 workers.

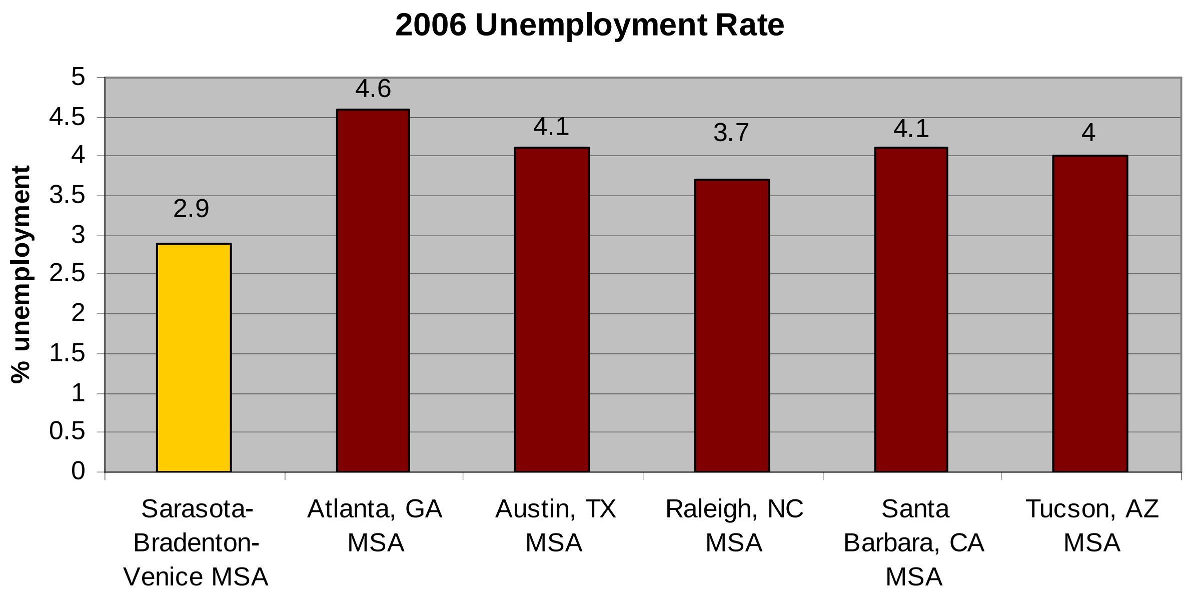
Due to an older average age and large retirement population, the residents of Sarasota County have a much lower rate of participation in the labor force. Only 52.7% of the population 16 years and older participate in the labor force, compared to 66% nationally and 61.4% for Florida.



Source: US Census Bureau, American Fact Finder

Unemployment

Both the county and the metropolitan region continue to experience an unemployment rate well below the US average. In 2006, Sarasota County unemployment averaged 3.0% of its labor force. The region's unemployment rate for 2006 averaged 2.9% compared to the US average of 4.5%. The region's unemployment rate was also significantly lower than other areas in which Sarasota County competes for traded sector jobs.

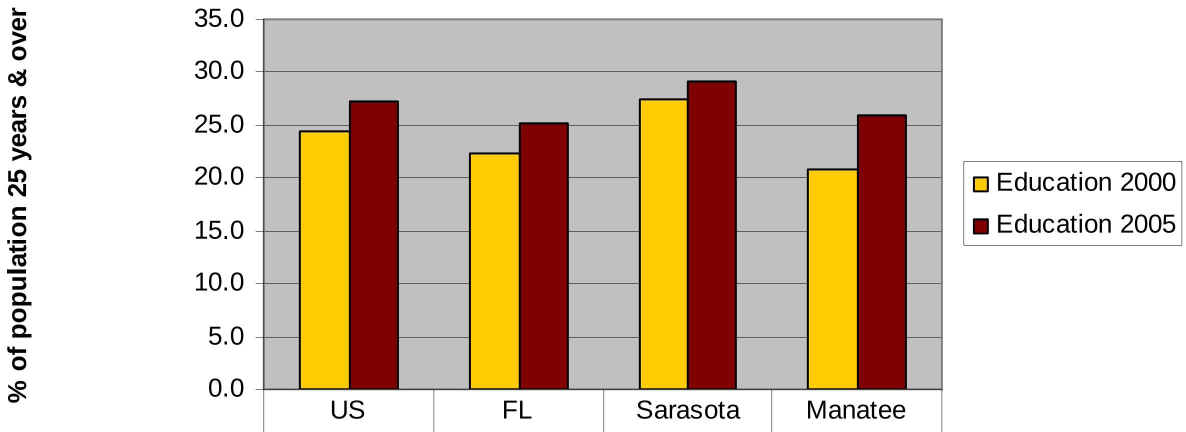


Educational Attainment

A key indicator in attracting well-paying jobs is the skill and education level of its workforce, especially the percent of population with a bachelor's degree or higher. Sarasota County continues to have a population with a higher-than-average educational attainment.

In 2000, it was estimated that just over 27% of the county's population 25 years or older had a bachelor's degree or higher. This was slightly more than the US average of 24.4%. In 2004, the percent of people in Sarasota County with a bachelor's degree or higher increased to 29.7% compared to 27% for the US.

Population with Bachelor's Degree of Higher

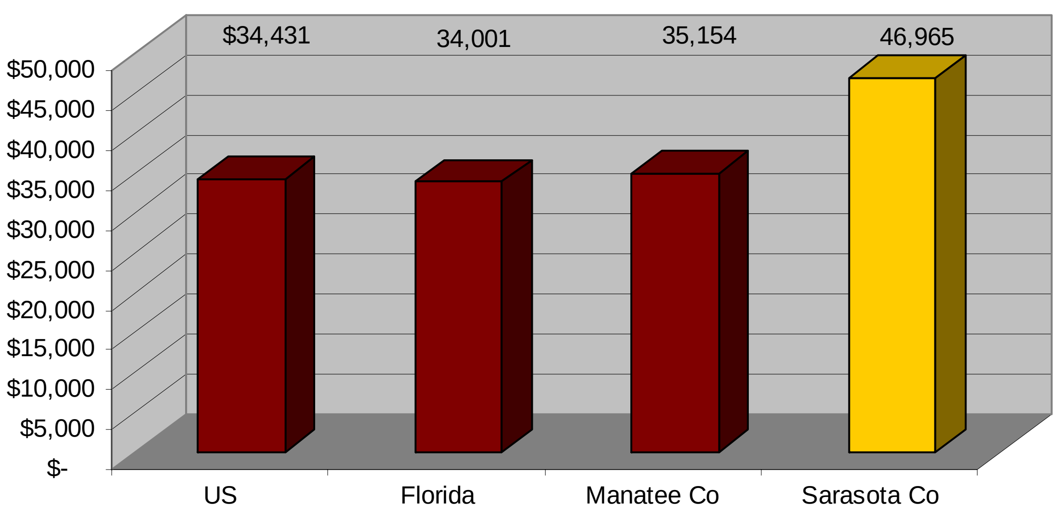


	US	FL	Sarasota	Manatee
Education 2000	24.4	22.3	27.4	20.8
Education 2005	27.2	25.1	29.1	26.0

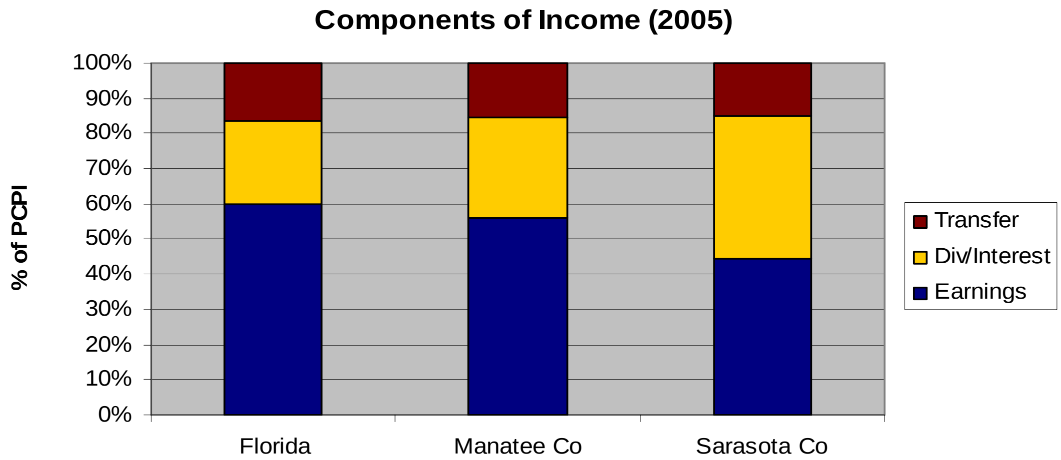
Per Capita Personal Income

Sarasota County has a much higher per capita personal income than Florida or the US. Sarasota County's high per capita income is derived from an above average share of interest and dividend income, rather than income from earnings. Sarasota's income from earnings is well below the state average and below that of Manatee County.

2005 Per Capita Personal Income



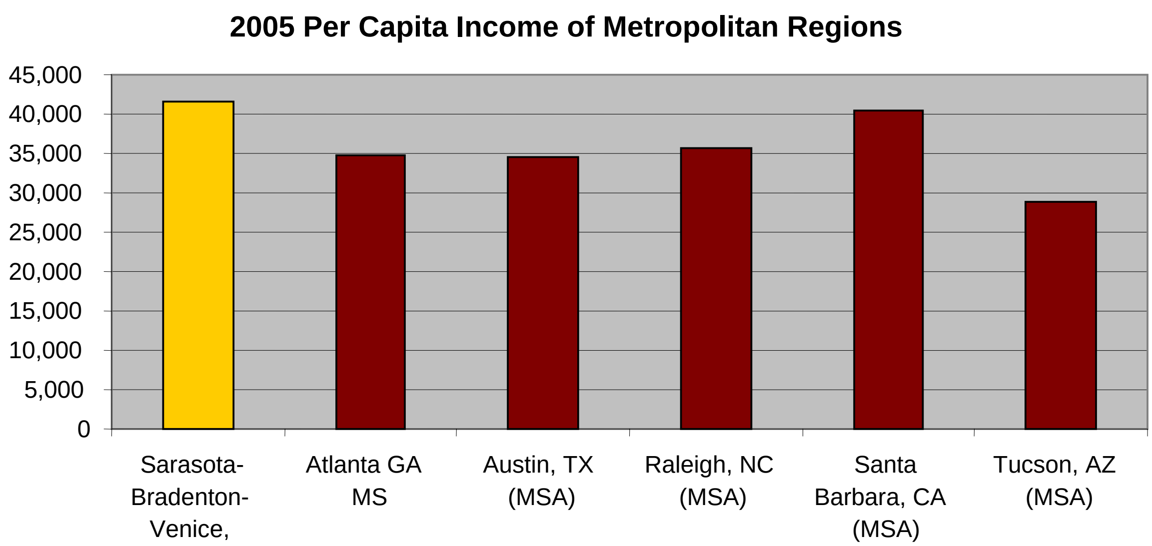
Source: Bureau of Economic Analysis, Bearfacts



Source: Bureau of Economic Analysis, Bearfacts

Metropolitan Comparison of Per Capita Personal Income

The county's high per capita income also contributes to the higher-than-average per capita personal income of the Sarasota-Bradenton MSA when compared to other regions.



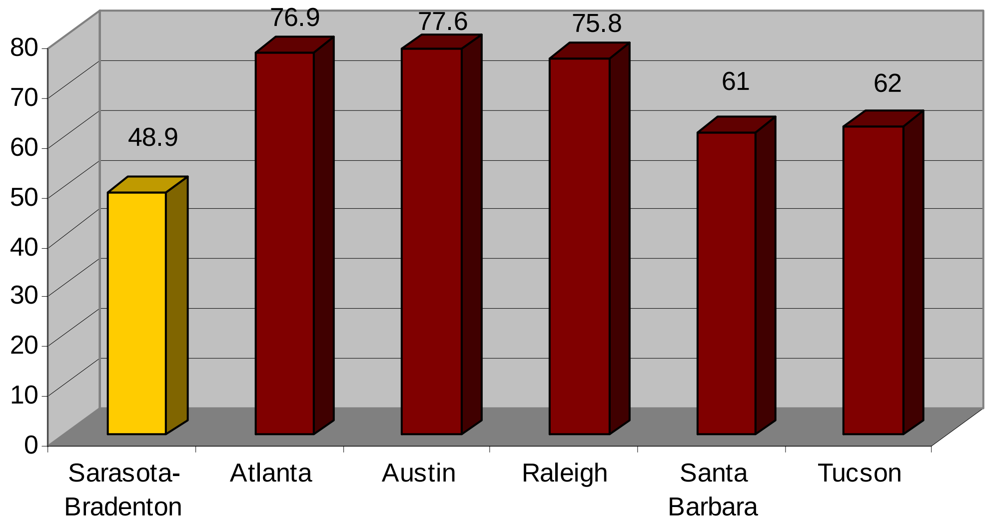
Source: Bureau of Economic Analysis, Bearfacts

Table U: Regional Per Capita Personal Income

	2000	2001	2002	2003	2004	2005	Annual Growth
Sarasota-Bradenton-Venice (MSA)	35,471	36,995	37,243	36,872	40,356	41,577	3.2%
Atlanta GA (MSA)	33,120	33,371	32,825	32,621	33,553	34,825	1.0%
Austin, TX (MSA)	32,542	32,194	31,102	31,325	32,726	34,441	1.1%
Raleigh, NC (MSA)	33,650	34,086	33,200	33,134	34,615	35,624	1.1%
Santa Barbara, CA (MSA)	32,297	32,693	32,496	33,942	38,313	40,486	4.5%
Tucson, AZ (MSA)	24,173	24,827	24,986	25,620	27,467	28,869	3.6%

On average, 70% of per capita income from other metro areas is derived from earnings, while earnings account for only 49% of personal income in the Sarasota–Bradenton MSA.

Percent of Personal Income From Earnings



Source: Bureau of Economic Analysis, Bearfacts

Housing-Wage Comparisons

Attraction of traded sector and value-added jobs depends on many factors. One factor is a region's affordability of housing in order to recruit companies and their workers into the area. Therefore, the average price of a new home compared to the average wage contributes to the region's business climate.

In recent years, the price of housing in the Sarasota-Bradenton area has more than doubled. In the fourth quarter of 2006, the National Association of Realtors estimated the average single-family home price at over $300,000. While this was a sharp decrease from housing prices in 2005, it was still significantly higher than the average home price of $168,000 in 2002.

Comparing competitor metropolitan areas, the Sarasota-Bradenton region had the lowest average wage, yet the second highest housing cost. This combination of low wages and high home prices gave the region one of the highest housing-wage ratios (the ratio of average home price divided by annual wage). While the Sarasota-Bradenton region's housing-wage ratio was still high, it was the only region where the ratio had dropped considerably since 2005.

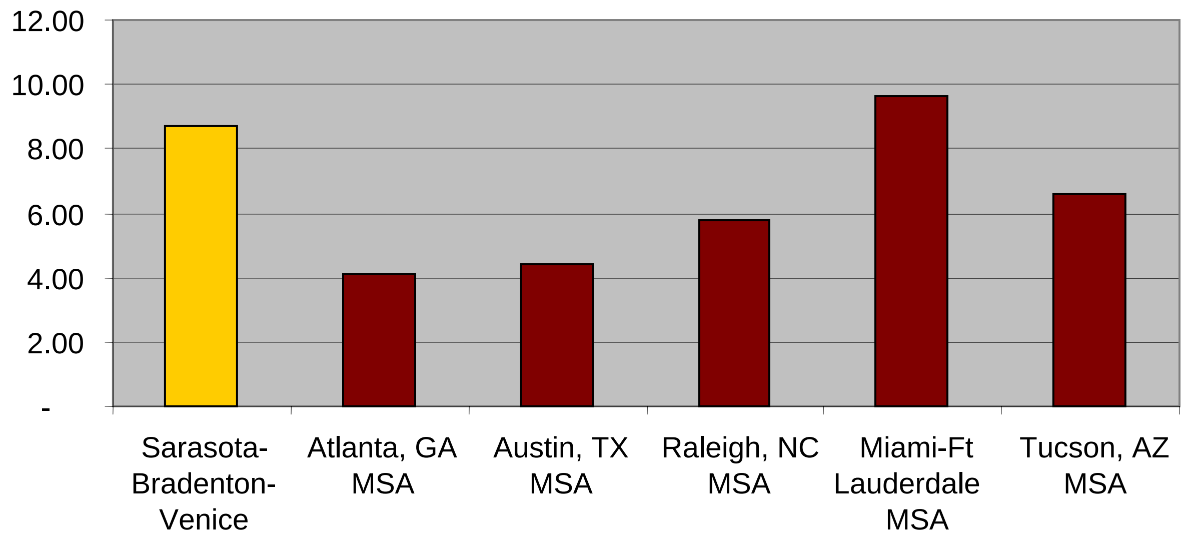
Table V: Housing Wage Ratios of Metropolitan Regions

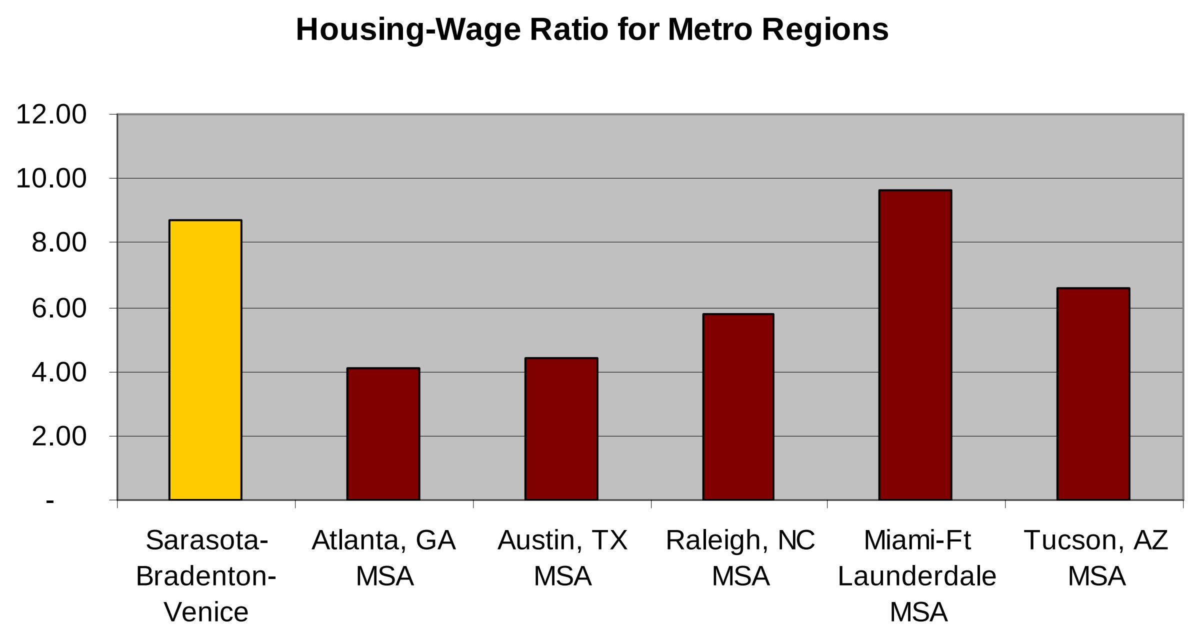
	3Q 06 Avg Home	3Q 06 Wage	3Q 06 Index	3Q05 Index
Sarasota-Bradenton-Venice	$ 301,100	$ 34,164	8.81	10.39
Atlanta, GA MSA	$ 176,100	$ 44,200	3.98	3.89
Austin, TX MSA	$ 175,500	$ 43,264	4.06	3.83
Raleigh, NC MSA	$ 213,500	$ 39,936	5.35	4.72
Miami-Ft Lauderdale MSA	$ 365,800	$ 38,040	9.62	n/c
Tucson, AZ MSA	$ 243,700	$ 36,816	6.62	6.69

** Miami-Ft Lauderdale was used in place of West Palm Beach because average home prices were not listed for the West Palm Beach metro region.*

Source: National Association of Realtors and the Bureau of Labor Statistics

Housing-Wage Ratio for Metro Regions





Source: National Association of Realtors and the Bureau of Labor Statistics