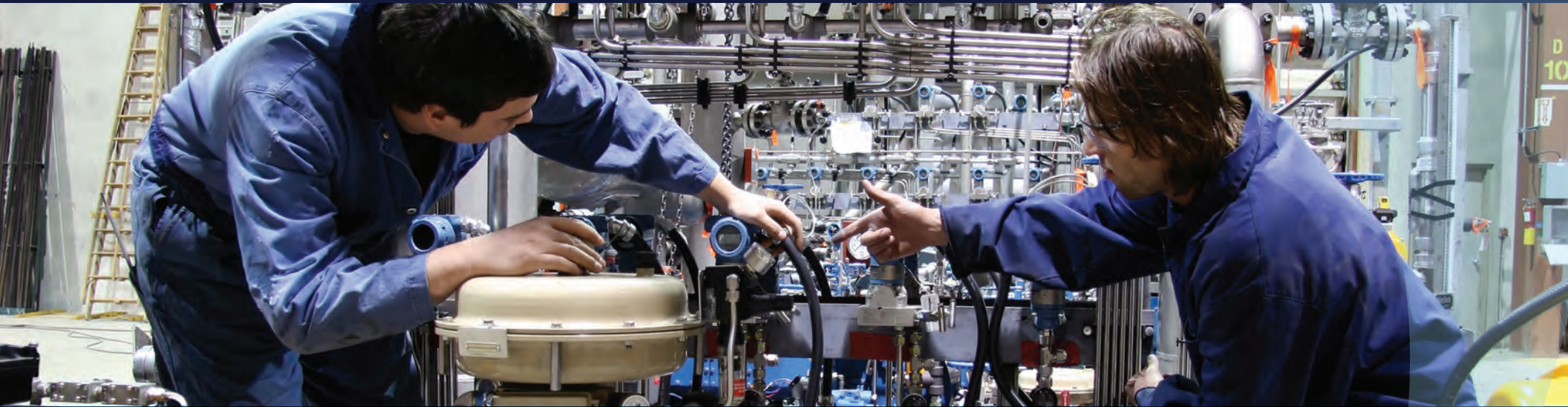


EDUCATION: THE ECONOMIC DEVELOPMENT IMPERATIVE



South Florida's economy is transforming. While tourism continues to be a major driver of economic activity in the region, the international trade, financial services and health services sectors have made substantive contributions in terms of sector contribution to GDP, and have also played an important role in reducing economic volatility in the region. Indeed, sustainability and economic diversity across a wide range of industry sectors are intrinsically linked, and will be keys to a sustainable regional economy in the future.

Yet while employment distribution is somewhat balanced in the region's economy, it is still skewed toward low-value-added sectors such as hospitality and retail. Policymakers and economic development stakeholders will need to think about future challenges and opportunities within the larger context of

improving competitiveness and overcoming one of the fundamental impediments to innovation – namely education. New business creation and sustainable private sector development will depend on it.

That being said, South Florida's economic growth over the past decade has seen a dramatic increase in the demand for skilled workers. Today, the region's employers report that their greatest challenge is finding people to take up skilled jobs. Rapid advances in technology and our inter-connectedness to the global economy are already having a profound impact on what and how local services are provided. As such, the availability of workers with the right kind of skills is now a key business issue for education and economic development stakeholders in the region. Furthermore, promoting South Florida

as a first tier research destination will require strategic investments that help shape an adaptable workforce and develop a truly innovative enterprise culture capable of sustaining a high wage, high value-add economy.

It's About Diversification

And here's why. Firstly, employment in our region is not balanced across a variety of profitable sectors. The twenty five occupations illustrated in Table 1 for example, represents nearly 42 percent of the region's average annual openings through 2015, and of this number, 36 percent can be considered low wage, low growth occupations. Even more striking however, is the fact that of these twenty five occupations, only four (or 16 percent) can be considered high wage, high growth occupations.

Secondly, high industry sector concentration as evidenced in our region exposes the marketplace to external or exogenous events such as fluctuating energy and commodity prices which in turn can cause economic volatility. This volatility and its subsequent spill-over effects (higher unemployment and layoffs for example) can be mitigated with the effective development and diversification of knowledge industries that are R&D intensive and science based.

It's About Education

Available data indicates that a significant portion of the growth in non-agricultural wage and salary employment is projected to occur in the service providing sectors of the economy with the majority of the workforce employed in sectors relatively less economically productive and of secondary strategic importance (see Table 2). The leisure and hospitality sector for instance (particularly the accommodation and food services sub-sectors), will constitute more than half of the projected employment growth in the region by 2015. And while this industry has been the bedrock of our regional economy, the economy of the future by contrast, will be one that is primarily driven by knowledge, innovation and creativity.

This is where education comes in. By 2015, Post Secondary/Advanced Vocational education will play the largest role among all other educational sectors in re-skilling all levels of the workforce and a particularly critical role in lifting the skills and qualifications of those with lower level skills. Across the region's economy, demand for workers with Post Secondary/Advanced Vocational education - especially middle and advanced level skills, will be much larger than the demand for those with higher education. Moreover, Post Secondary/Advanced Vocational education will be the area of fastest growth in labor requirements by a significant margin. Yet, our region's capacity to build future prosperity will not only depend on us boosting education and skills, but will also be determined by the extent to which we invest in innovation, research and development.

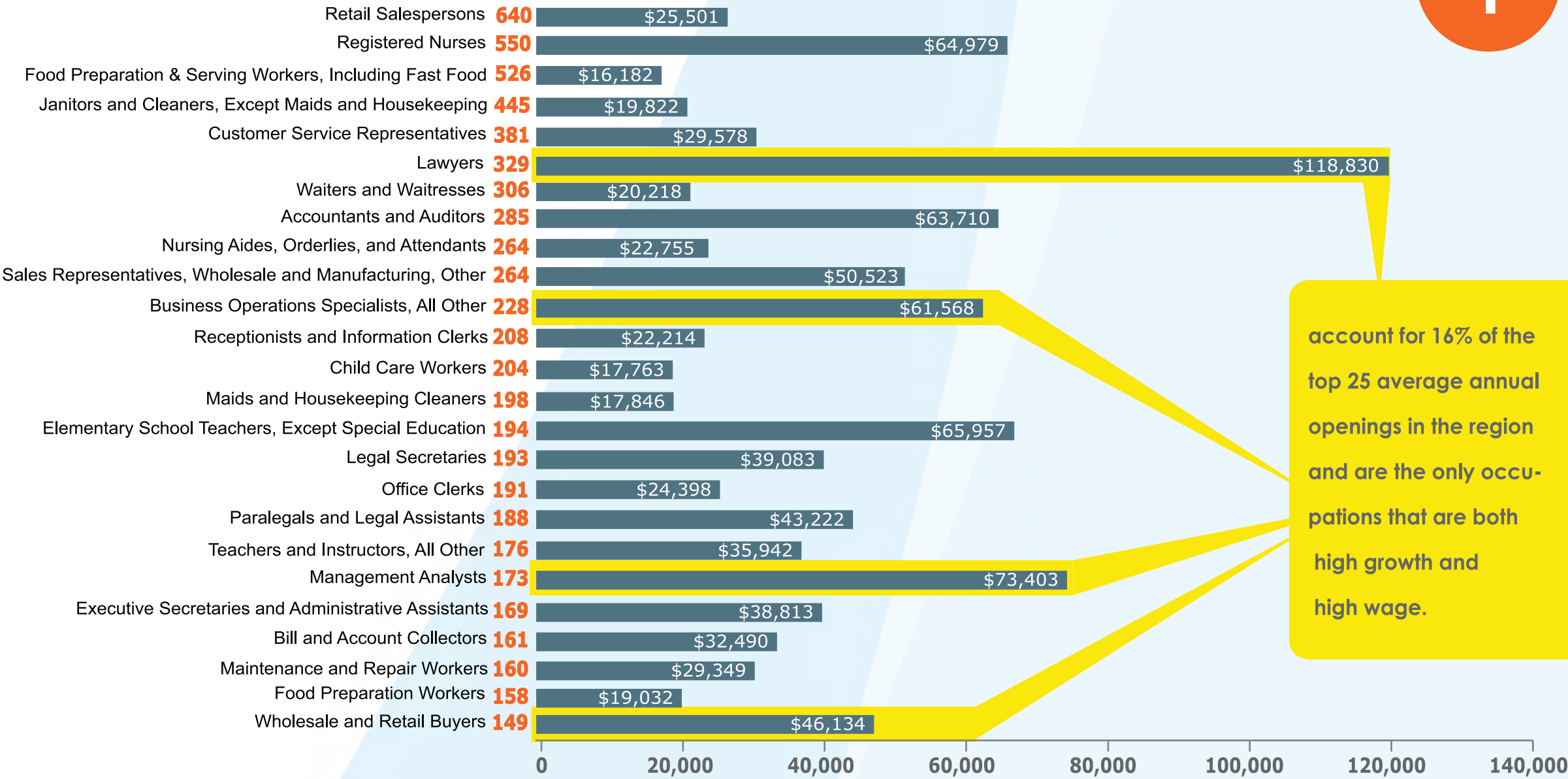
It's About Us

South Florida needs creative people to take advantage of an evolving global economy and we all need to understand this. Given our position as a hemispheric destination for trade and investment, our education and training system needs to be aligned with global economic opportunities in order to be ready and proactive when such opportunities present themselves. Economic and workforce development stakeholders must focus on distinguishing skills that are in growing demand from those in declining demand and where skills shortages impose serious bottlenecks on our ability to effectively compete in the global marketplace. Furthermore, we must pursue a more sophisticated strategy to effectively engage and retain high-value, high-growth industries that will provide more rewarding jobs and a better quality of life for our residents - now and into the future.

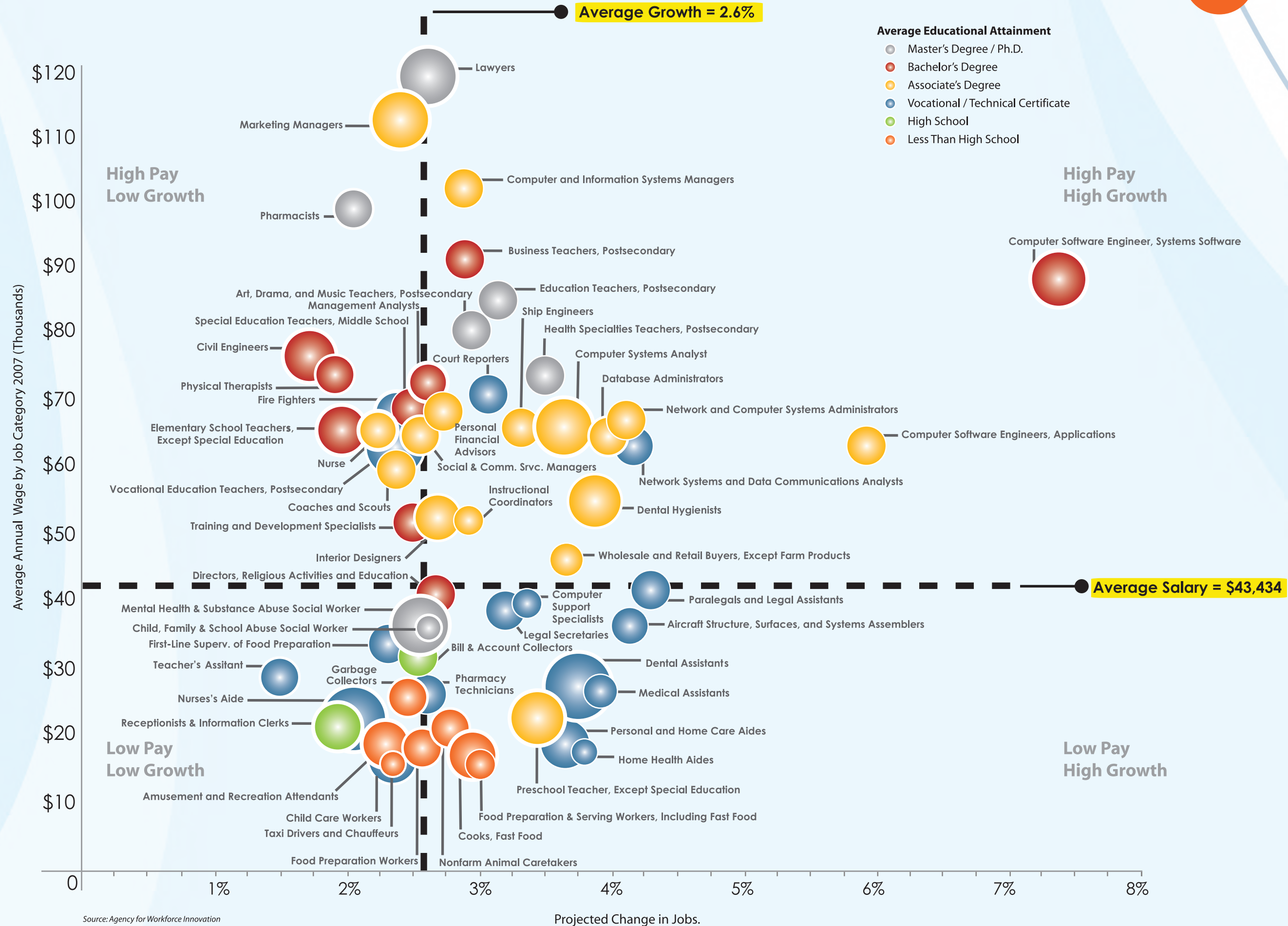
Employment In South Florida Is Not Balanced Across A Variety Of Profitable Sectors

1

Annual Openings Due To Growth



Higher Education = Better Employment Opportunities + Higher Potential Income



Source: Agency for Workforce Innovation



www.southfloridaworkforce.com

**The South Florida Workforce is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.**