



# Webinar II

## Beyond the Headlines: The Current and Future Economic Impact of COVID-19



**Jorge M. Pérez**  
**Metropolitan Center**

FLORIDA INTERNATIONAL UNIVERSITY

# Webinar II

## Beyond the Headlines: The Current and Future Economic Impact of COVID-19

### Webinar Agenda

- ❑ Orientation to Webinar Series– Helen Roldan, MPA
- ❑ Welcome - Howard Frank, Ph.D.
- ❑ COVID-19 Research & Webinar I Takeaways – Ned Murray, Ph.D., AICP
- ❑ South Florida's Business – Maria Ilcheva, Ph.D.
- ❑ Business Perspective - Robert Goltz , IOM, FCCP
- ❑ Planning the Post-COVID-19 Local Economy – Ned Murray, Ph.D., AICP
- ❑ Discussion - All

<https://metropolitan.fiu.edu/covid-19/>

# The Jorge M. Pérez Metropolitan Center



## Who We Are

### ❑ Economic Development and Housing Policy

The Center provides current, cutting-edge research on the state of the economy and housing markets in South Florida's counties and municipalities.

### ❑ Performance Management, Evaluation and Survey Research

The Center conducts quantitative and qualitative research, including multilingual surveys, focus groups, in-person interviews and secret shops

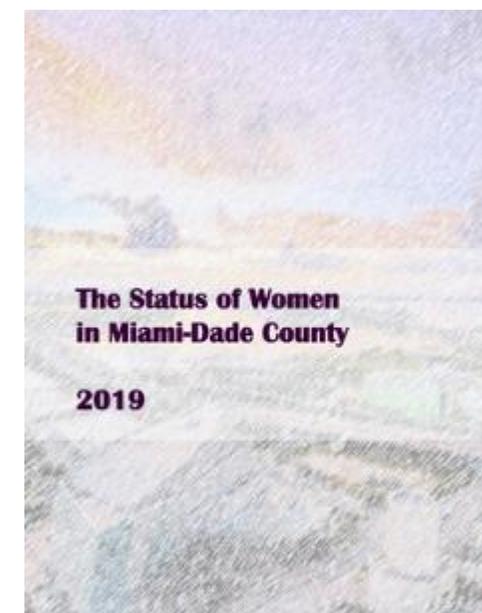
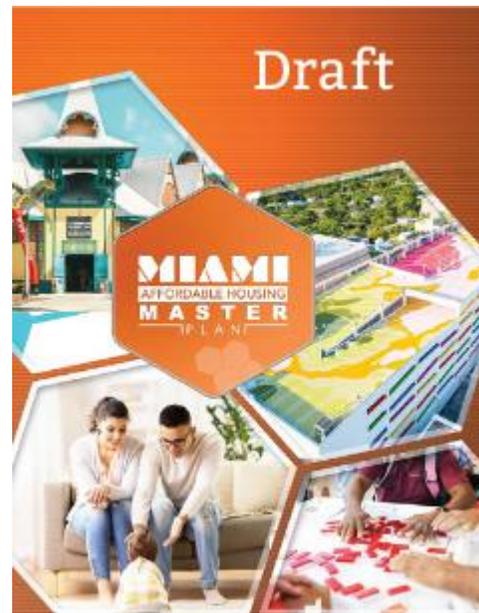
### ❑ Training

The Center offers professional training for individuals and organizations. Customized training courses mix best practices from academics and practitioners who bring a wealth of experience from the public, private and non-profit sectors.

### ❑ Applied Economic and Demographic Research

The Center has been designated as a U.S. Census Information Center which interprets, disseminates and analyzes demographic data. Spatial analysis and graphic displays are included in all the Center's research including GIS-mapping, infographics and videos to illustrate data and information. This provides residents and policymakers with readily transparent data displays to assist in planning and

# Seminal Works



**Census 2020**  
Perspectives from Hard-to-Enumerate  
Communities in Broward County



Miami-Dade County  
Prosperity Initiatives Feasibility Study



May 2016



# Recent Media Coverage

**Miami Herald**

CORONAVIRUS

## How Miami's small businesses can benefit from the \$2 trillion coronavirus relief bill

BY [ALEX DAUGHERTY](#) AND [ROB WILE](#) APRIL 02, 2020 06:00 AM

**Miami Herald**

BUSINESS

## It's not just your bartender. White collar workers blindsided by coronavirus layoffs

BY [ROB WILE](#) AND [ADRIANA BRASILEIRO](#)

**Miami Herald**

BUSINESS

## Lacking access to federal coronavirus relief, Miami's smallest businesses face extinction

BY [ANDRES VIGLUCCI](#) AND [ROB WILE](#) APRIL 11, 2020 06:00 AM

**Miami Herald**

CORONAVIRUS

## 'They're going to be hurt.' Coronavirus strikes at heart of small-business economy

BY [ROB WILE](#) AND [ALEX DAUGHERTY](#) MARCH 25, 2020 06:00 AM

**Miami Herald**

BANKING & FINANCIAL SERVICES

## At least 300,000 South Florida jobs could be lost due to COVID-19 pandemic, experts say

CORONAVIRUS

BUSINESS

## Florida's \$9 billion cruise industry faces biggest test since 9/11

BY [ROB WILE](#)

MARCH 09, 2020 07:20 PM

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**Miami Herald**

CORONAVIRUS

## These 55k South Floridians were struggling to pay rent. Then COVID-19 took their jobs

BY [SARAH BLASKEY](#), [RENE RODRIGUEZ](#) AND [NICHOLAS NEHAMAS](#) APRIL 04, 2020 11:42 AM

# Research Purpose and Overview

To provide a comprehensive analysis of the short- and long-term economic and social impacts of the COVID-19 Infectious disease event on South Florida and a strategy response framework for businesses, local governments and community leaders



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# Three Point COVID-19 Research Initiative

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**1**

**Economic Impacts on South Florida's "Most Vulnerable" Industry & Employment Sectors**

**2**

**Social Environment Impacts**

**3**

**Post-COVID-19 Economic and Social Impacts and Response Strategies**

# Webinar | Takeaways

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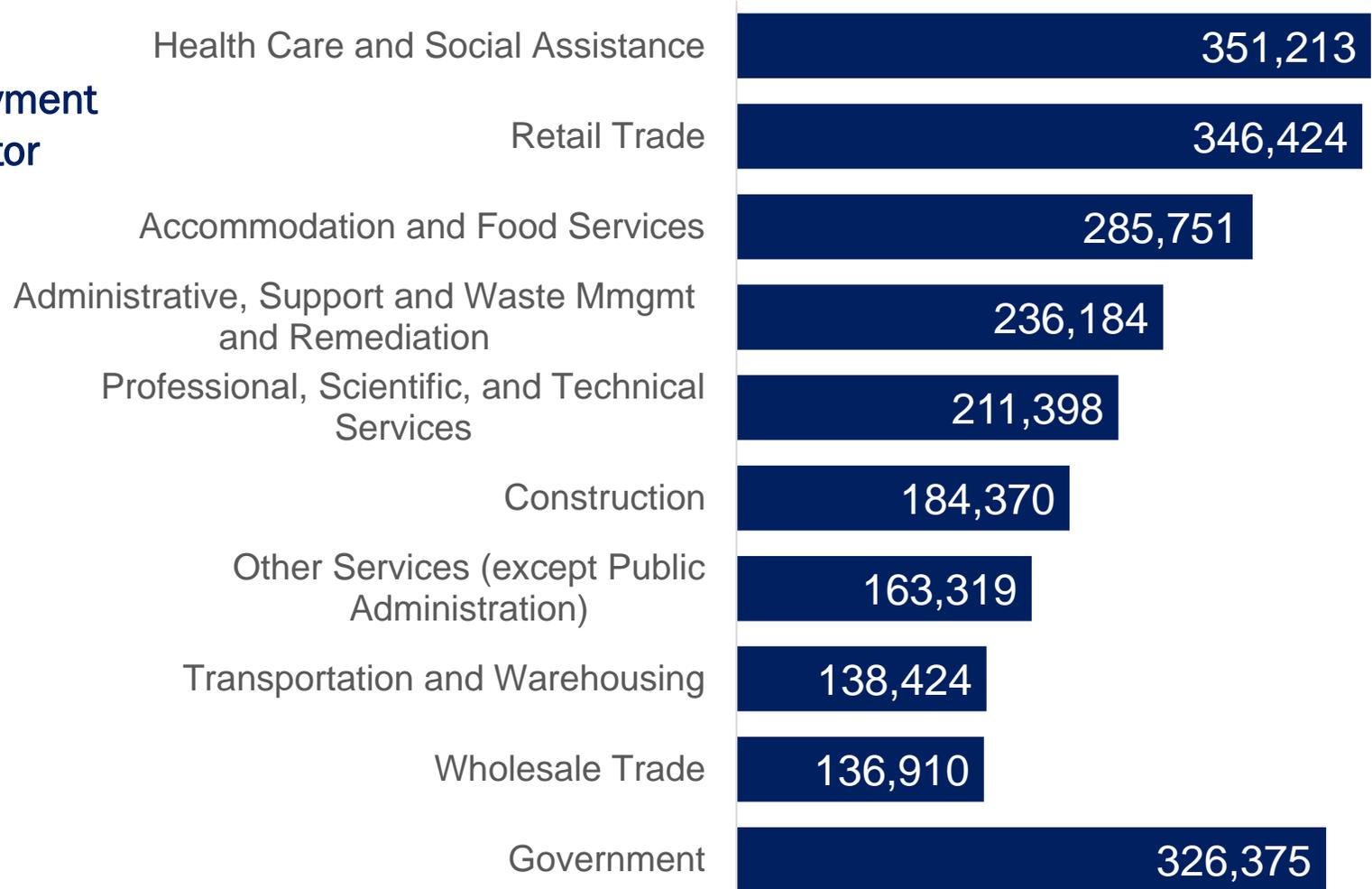
**1** Rapid employment loss in key industry sectors

**2** Huge one-month earning losses in Miami's Hotel and Cruise Lines Industries

**3** Potentially devastating social impacts, particularly in communities of color

# Largest Employment Sectors

2019  
Employment  
by Sector



77% of GDP in 10 sectors

Industry	2019 GRP
Finance and Insurance	\$34.8 B
Wholesale Trade	\$31.6 B
Professional, Scientific, and Technical Services	\$30.8 B
Government	\$29.8 B
Health Care and Social Assistance	\$28.4 B
Retail Trade	\$24.6 B
Real Estate and Rental and Leasing	\$19.2 B
Transportation and Warehousing	\$18.8 B
Information	\$17.9 B
Manufacturing	\$15.6 B

# Impact Scenarios: Cruise lines and Hotels

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## Hotels:

85% decrease in sales  
results in monthly loss of

- ❑ \$411 million earnings  
across the economy
- ❑ \$101 million loss in  
taxes

## Cruise Lines:

100% decrease in sales  
results in monthly loss of

- ❑ \$303 million earnings  
across the economy
- ❑ \$37 million loss in taxes

# What We're Watching This Week

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**1** Sector variations in new unemployment claims

**2** Small and large (traded sectors) industry losses and closings

**3** Growing social impacts on South Florida communities

## Best Places for New Small Businesses

New entrepreneurs in certain places may have a better shot at success than others. LendingTree researchers analyzed metro areas across the U.S. to determine the places with the most favorable conditions for new small businesses.



**1 Seattle**  
More than 95% of businesses in Seattle have fewer than 250 employees and about 70% earn less than \$1 million in revenue. About a third of all companies have been open for less than six years. About 71% of all businesses in Seattle are profitable.

**2 Denver**  
Denver's fastest-growing sectors include tech, energy and health care, although aerospace, broadcast and telecommunications, financial services, biosciences and IT software are also major industries in the area. Local entrepreneurs can showcase their work and network with others at Denver Startup Week; this year's edition is happening Sept. 14-18, 2020.

**3 Tampa**  
Many resources exist for new business owners, including the Entrepreneur Collaborative Center operated through the Hillsborough County Economic Development Department. Tampa Bay Wave, another entrepreneurial hub, acts as an accelerator, coworking space and general community for nearby startups.

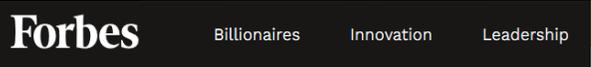
### Additional Findings

- Florida cities take three of the top 10 places: Tampa, Miami and Orlando.
- In an environment where large firms dominate, it may be difficult for new businesses to gain traction. Bigger firms tend to dominate the Memphis business scene, the lowest-ranked area in our study.

### Methodology:

In order to rank the best metro areas for new small businesses, researchers looked at several data points for 50 metro areas:

- Business profitability rate:** The percentage of firms that earned a profit.
- New business rate:** The percentage of businesses that are younger than six years old.
- Income:** Percentage of businesses with less than \$1 million in revenue.
- Size:** Percentage of businesses with fewer than 250 employees.



# Why Miami Is The Top City for Small Business Growth in 2019

**Rohit Arora** Senior Contributor @ Small Business Strategy  
*I write about small business lending and growth.*



## Miami area ranks No. 6 in nation for small business activity

By Nancy Dahlberg  
ndahlberg@miamiherald.com  
DECEMBER 10, 2015 01:00 AM, UPDATED DECEMBER 10, 2015 04:22 PM



Miami-based small business Baby K'tan participated in the Goldman Sachs 10,000 Small Businesses program at Miami Dade College. Baby K'tan team members, from left: Robert Rincon, Michal Chesal, Isaac Wernick, Abby Schochet and Jamie Cohn, with dolls wrapped in Baby K'tan carriers. CHARLES TRAINOR JR. CTRAINOR@MIAMIHERALD.COM

The Miami-Fort Lauderdale metropolitan area ranked sixth in the nation for small business activity

## Startup City: Miami's Emerging Entrepreneurial Ecosystem



By [Kait Smith Lanthier](#) | July 19, 2017

tasked with naming entrepreneurial cities, a few startup stalwarts might top your list: San Francisco. Boston. New York.

hub has emerged far from the sphere of Silicon Valley or the bustling t. A coastal c ver-increas eurs. e? Miami.



# Why small businesses?

Over 33 M businesses

- 25.7M nonemployer
- 7.9M employer

Over 68M workers, ~53% of workforce, is in businesses with <100 employees.

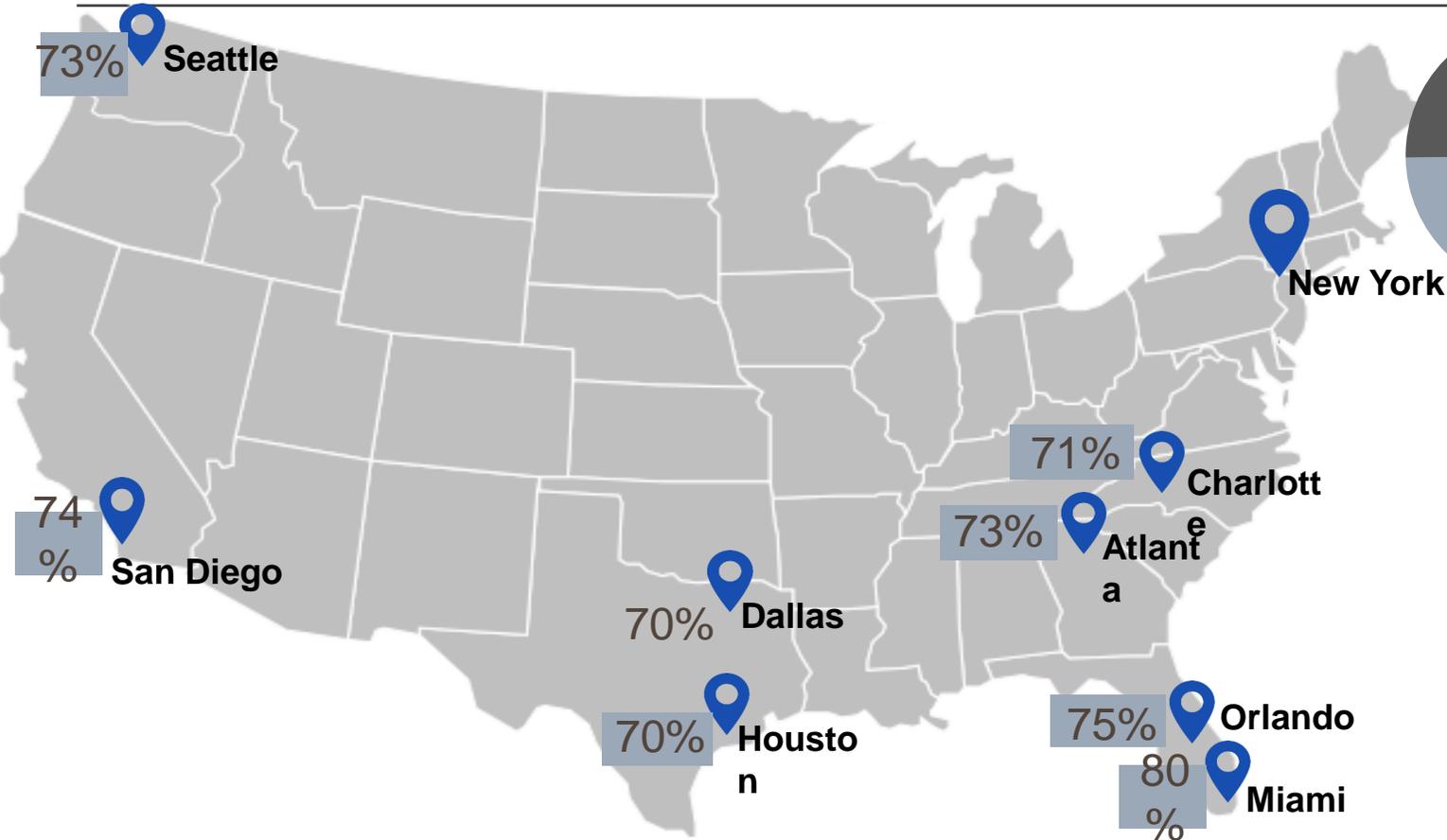
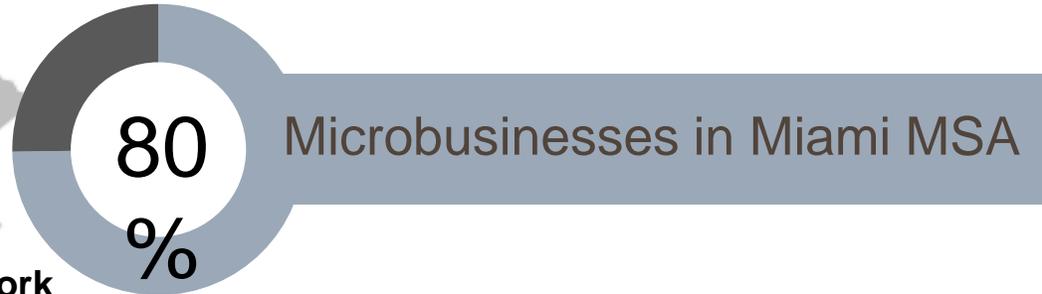
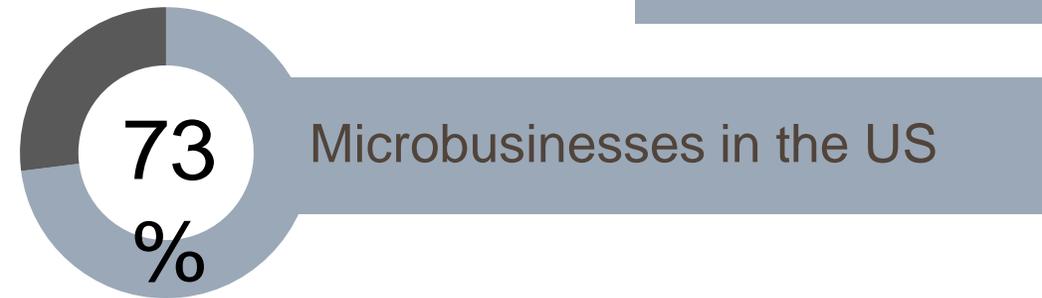
Average wages:

- <100 employee businesses: ~\$44K
- 100-499 employees: \$55K
- 500+ businesses: \$70K



# Small Business Snapshot

## Miami in Comparison



195,000 employer firms  
986,000 nonemployer firms

~53% of employment in firms with fewer than 500 workers  
~14% of employment is in microbusinesses (314K workers)

# Miami Metro: Sectors, Employment and Wages



## Firm Sectors

- Professional, Scientific, and Technical Services (~33,000)
- Retail Trade (~24,000)
- Health Care and Social Assistance (~22,000)
- Wholesale Trade (~16K)
- Other Services (~16K)

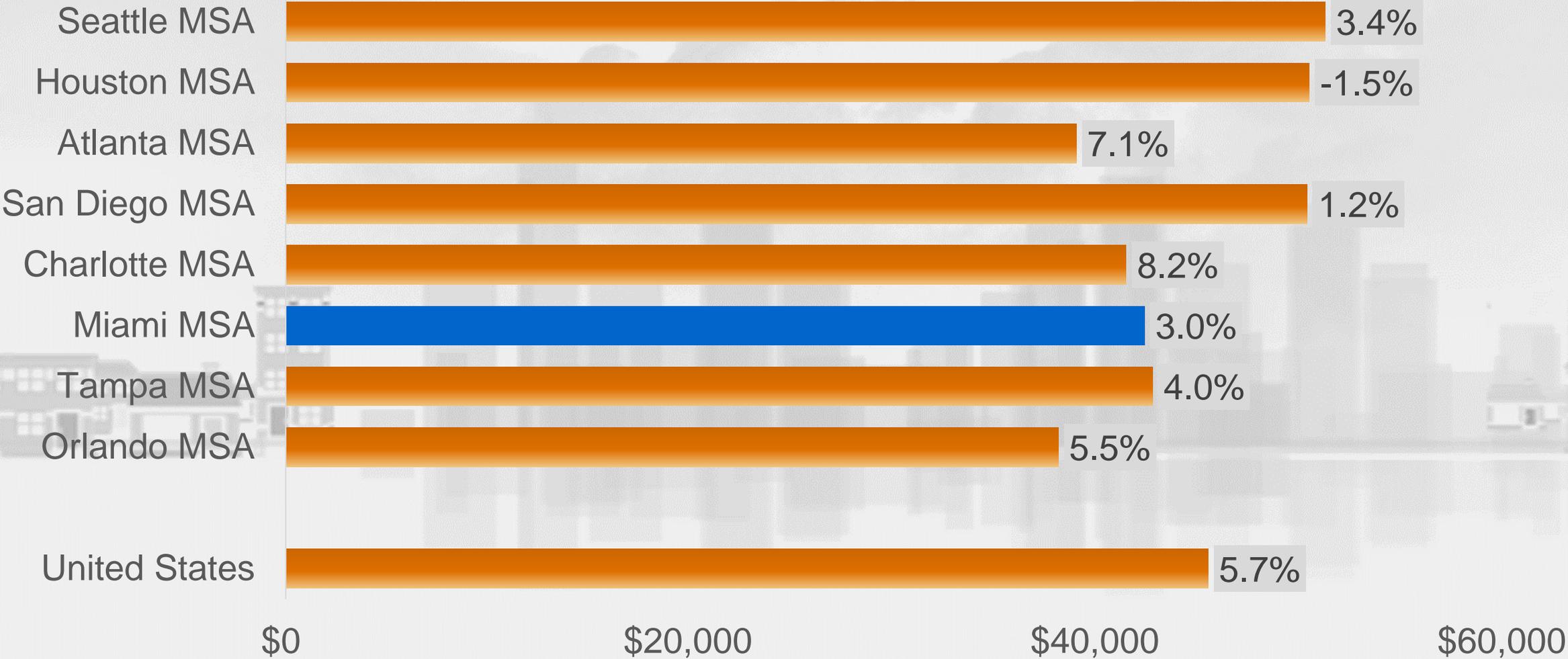
## Employment

Health care and social assistance – 334K; Retail trade – 329K; Accommodation and food services – 288K; Administrative and support and waste management and remediation services - 173K; Professional, scientific, and technical services - 166K

## Wages

24% wage gap between small and large businesses  
~\$42K is the average wage of employees in companies with <100 workers

# Nonemployer Establishments Average Sales and Change, 2007-2017



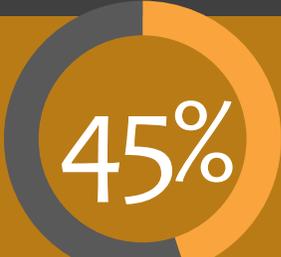
# Survival

## vs. Scale-Up



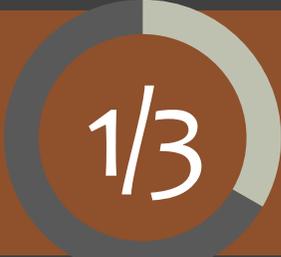
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establishments in Miami-Dade are younger than five years.



45%

business survival rate within five years of establishment in the Miami metropolitan area



1/3

firms survive past 10 years

# Planning the Post-COVID Local Economy

- ❖ A renewed focus on “industrial development”
- ❖ Strengthening our “Traded” and “Advanced” industry sectors
- ❖ Growing strong innovation and entrepreneurship networks to convert brainpower into wealth
- ❖ Supporting broader access to business ownership, as a way to both grow new jobs and family wealth
- ❖ Developing quality, connected places that have a high quality of life
- ❖ Re-thinking workforce development now

NAICS	Description	2019 Jobs	2019 In-Region Sales	2019 % In-Region Sales	2019 Exported Sales	2019 % Exported Sales	2019 Total Sales
9011	Federal Government, Civilian	20,539	\$680,360,809	2%	\$27,838,711,165	98%	\$28,519,071,974
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	10,388	\$212,928,553	3%	\$8,130,691,510	97%	\$8,343,620,063
4811	Scheduled Air Transportation	15,885	\$1,512,852,389	19%	\$6,311,935,789	81%	\$7,824,788,177
9029	State Government, Excluding Education and Hospitals	8,791	\$0	0%	\$5,505,385,636	100%	\$5,505,385,636
9039	Local Government, Excluding Education and Hospitals	45,257	\$11,878,936,780	73%	\$4,353,520,249	27%	\$16,232,457,029
5411	Legal Services	23,636	\$2,798,987,133	42%	\$3,923,276,934	58%	\$6,722,264,066
7211	Traveler Accommodation	31,931	\$1,815,458,899	38%	\$2,993,341,776	62%	\$4,808,800,676
5313	Activities Related to Real Estate	14,954	\$3,873,222,763	58%	\$2,752,532,279	42%	\$6,625,755,043
9012	Federal Government, Military	7,484	\$0	0%	\$2,451,097,490	100%	\$2,451,097,490
6221	General Medical and Surgical Hospitals	46,621	\$6,777,780,747	74%	\$2,419,430,107	26%	\$9,197,210,854
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	8,143	\$1,024,070,424	31%	\$2,272,624,584	69%	\$3,296,695,009
9036	Education and Hospitals (Local Government)	49,582	\$2,670,020,771	57%	\$2,050,222,752	43%	\$4,720,243,522
4242	Drugs and Druggists' Sundries Merchant Wholesalers	3,195	\$843,521,949	29%	\$2,029,140,259	71%	\$2,872,662,208

Source: EMSI, 2020; Table by FIU Metropolitan Center

# Leading Traded Sectors

## Miami-Dade County

NAICS	Description	2019 Jobs	2019 In-Region Sales	2019 % In-Region Sales	2019 Exported Sales	2019 % Exported Sales	2019 Total Sales
9011	Federal Government, Civilian	7,047	\$320,432,282	4%	\$7,587,307,823	96%	\$7,907,740,105
9039	Local Government, Excluding Education and Hospitals	38,347	\$7,372,377,406	60%	\$4,890,778,035	40%	\$12,263,155,441
9029	State Government, Excluding Education and Hospitals	5,187	\$0	0%	\$3,311,435,554	100%	\$3,311,435,554
9036	Education and Hospitals (Local Government)	50,659	\$1,994,040,805	38%	\$3,253,674,708	62%	\$5,247,715,513
4242	Drugs and Druggists' Sundries Merchant Wholesalers	3,347	\$752,062,334	20%	\$2,941,417,786	80%	\$3,693,480,120
4811	Scheduled Air Transportation	8,349	\$1,079,651,796	30%	\$2,539,440,024	70%	\$3,619,091,820
5241	Insurance Carriers	11,013	\$3,294,984,013	60%	\$2,205,816,262	40%	\$5,500,800,275
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant	2,620	\$277,544,602	13%	\$1,903,733,309	87%	\$2,181,277,911
4234	Professional and Commercial Equipment and Supplies	6,457	\$598,334,795	24%	\$1,883,167,498	76%	\$2,481,502,291
5182	Data Processing, Hosting, and Related Services	4,330	\$1,061,856,972	36%	\$1,858,515,306	64%	\$2,920,372,278

Source: EMSI, 2020; Table by FIU Metropolitan Center

# Leading Traded Sectors Broward County

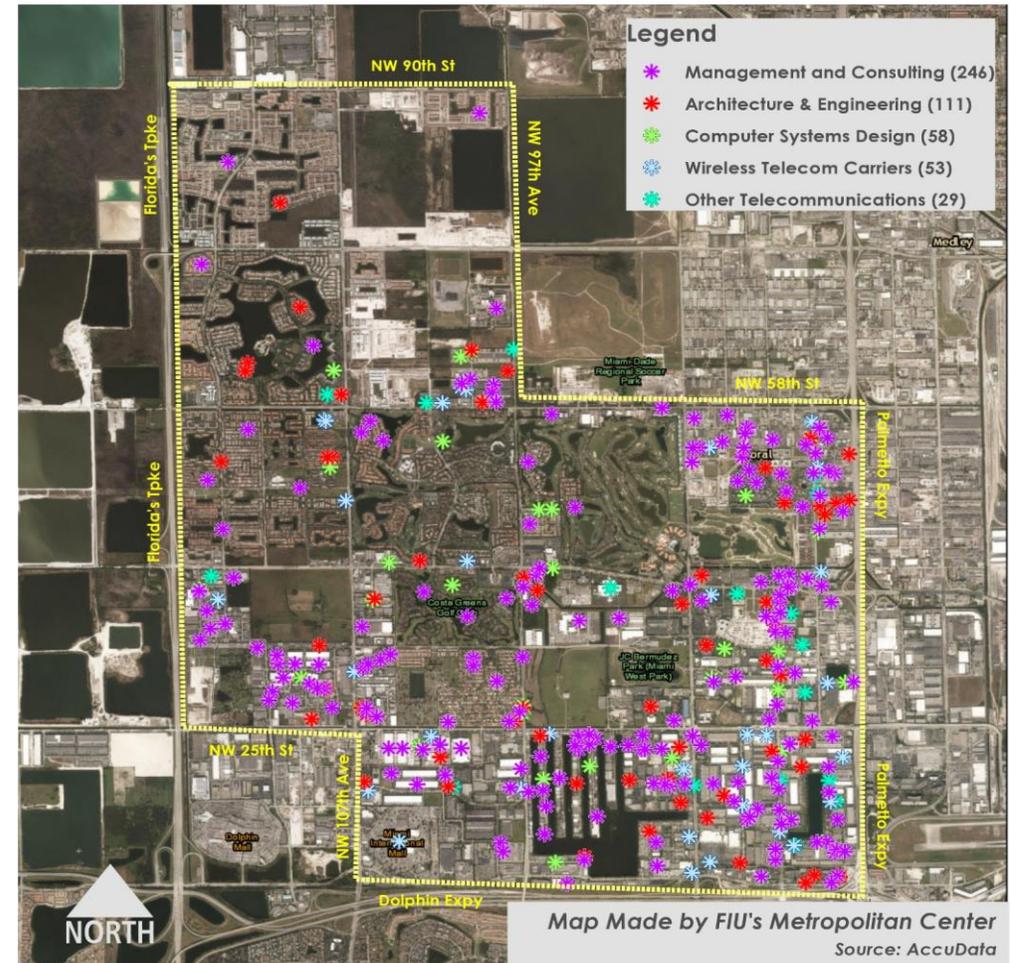
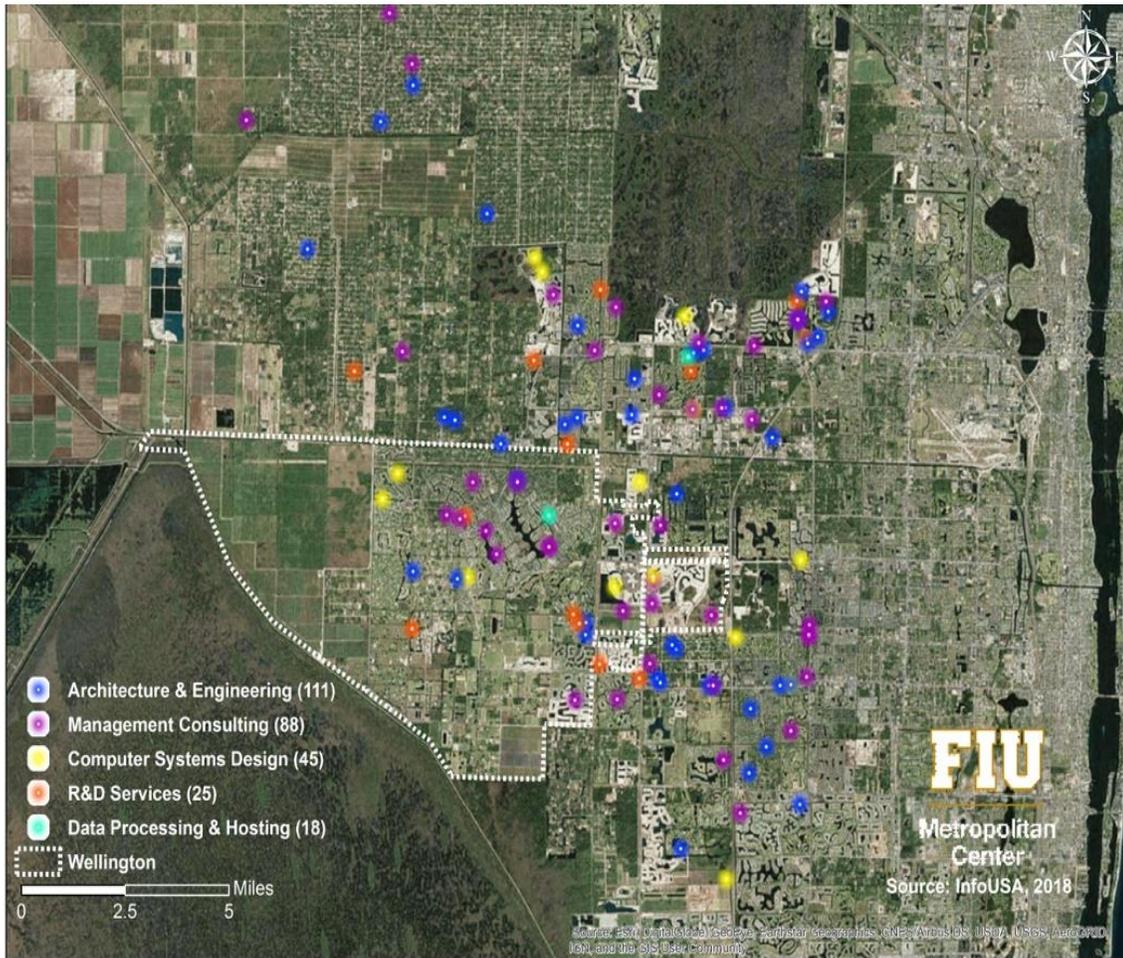
NAICS	Description	2019 Jobs	2019 In-Region Sales	2019 % In-Region Sales	2019 Exported Sales	2019 % Exported Sales	2019 Total Sales
9011	Federal Government, Civilian	6,944	\$311,093,830	4%	\$7,276,056,488	96%	\$7,587,150,317
5511	Management of Companies and Enterprises	10,440	\$1,458,539,242	34%	\$2,885,373,892	66%	\$4,343,913,134
5239	Other Financial Investment Activities	3,896	\$2,659,084,615	51%	\$2,526,777,848	49%	\$5,185,862,463
9029	State Government, Excluding Education and Hospitals	3,754	\$0	0%	\$2,432,865,187	100%	\$2,432,865,187
3364	Aerospace Product and Parts Manufacturing	3,939	\$750,781,764	26%	\$2,155,592,281	74%	\$2,906,374,045
5313	Activities Related to Real Estate	10,457	\$2,029,273,535	52%	\$1,854,315,507	48%	\$3,883,589,042
9039	Local Government, Excluding Education and Hospitals	23,245	\$6,448,123,404	84%	\$1,237,165,337	16%	\$7,685,288,741
5411	Legal Services	11,558	\$1,575,100,109	56%	\$1,218,198,288	44%	\$2,793,298,396
5331	Lessors of Nonfinancial Intangible Assets (except Copyrights)	229	\$510,405,989	30%	\$1,185,419,741	70%	\$1,695,825,730
7139	Other Amusement and Recreation Industries	15,082	\$464,001,768	29%	\$1,161,192,003	71%	\$1,625,193,771
4234	Professional and Commercial Equipment and Supplies Merchant	3,231	\$311,409,644	23%	\$1,055,313,650	77%	\$1,366,723,295
5416	Management, Scientific, and Technical Consulting Services	11,084	\$1,405,507,343	57%	\$1,041,945,893	43%	\$2,447,453,237

Source: EMSI, 2020; Table by FIU Metropolitan Center

# Leading Traded Sectors

## Palm Beach County

# Advanced Industry Locations: Wellington and Doral





# Discussion

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