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# PENSACOLA METRO REPORT

— 2014 —

CITIZEN-POWERED CHANGE



Students take a reading class over the summer. FCAT results show that 73 percent of Santa Rosa third-graders are proficient in reading; in Escambia it's 55 percent.

## We set standards for third-graders. What about us?

### Let's see what grade our community earns

By Randy Hammer  
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 Photo by Matthew Coughlin

**W**e are tough on children. Sometimes I think we're tougher on children than we are on ourselves.

We throw down the gauntlet before them in the third grade, making sure they know we're going to test them and rank them to see how good they are at reading and math. Later, we will start assessing their writing and science skills. We pretty much let them know it's going to be this way until they graduate from high school. And, indeed, every spring the Florida

Department of Education announces to the world how well the third-graders did ... how many were "proficient" at reading, how they ranked in math, and how their scores and their school's scores compared to other third-graders in the district and state.

We don't cut the third-graders any slack either. If their school earns an F because of their test scores, it gets printed in the newspaper, broadcast on TV, posted on Facebook and aired on the radio.

What happened to everybody gets a trophy?

A few months ago the state released last year's results of the Florida Comprehensive Assessment Test. Here's some of what we learned:

- In Santa Rosa, 73 percent of third graders were proficient in reading; 71 percent in math.
- In Escambia, 55 percent were proficient in reading; 49 percent in math.
- By the time fourth-grade writing and



*Randy Hammer is CEO and president of the Studer Institute, an organization committed to improving our community's quality of life.*

eighth-grade science scores were added in, the state announced Santa Rosa earned an A last year; Escambia a C.

Now here's my question:

What kind of year did the Pensacola City Council have?

What about the mayor?

How about the Santa Rosa Commission? Escambia County Commission?

Our state legislative delegation? What kind of year did we as a community have in terms of economic development?

If we believe it's important to develop standards to measure the performance of our third-graders, shouldn't we also have a way of measuring the performance of our commissioners and mayors, a way of telling whether we as a community are moving forward or backward, just as we do with public schools?

What do I mean by forward or backward? When I moved to Pensacola in the early 1970s to attend the University of West Florida, the average worker in the Pensacola metro made 50 cents more an hour than the average state worker. In 1970, we not only had one of the best economies in the state, but one of the best in the Southeast.

But 30 years later, in 2001, we made \$1 less an hour than the average Florida worker. Today?

We make \$8,000 less than the average American worker, which hurts because back in 1970 we made about the same as the average American. That's what I mean by backward.

In 2001, the Pensacola News Journal teamed with the University of West Florida to study what had happened to our wages and living standards since the '70s. The two staffs gathered and analyzed key economic and social indicators for Escambia and Santa Rosa counties to produce a 60-page report.

The Studer Institute has now partnered with Rick Harper and his Office of Economic Development and Engagement staff at UWF to refresh that 2001 report. According to the numbers, we're seeing signs of a rebound. It's definitely not as much as we would like, but it is a move forward.

So why is the Institute doing this?

First, we want to help people understand our community. The goal is to provide fact-based, thoughtful analysis of issues we need to address to move our community forward. We plan to do this by establishing key benchmarks and indicators that we believe the community needs to follow to see if we're making progress.

We all seem to understand the importance of annually keeping an eye on the reading and math scores of our third-graders. The Institute believes it is also important to have a way to measure the performance of our community and its leaders. And just as we do with FCAT scores, we need to regularly provide a summary of how

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we're doing as a community.

For example, if Escambia County is truly serious about improving our wages and our economy, then as a community we need to work together to improve the high school graduation rate. Jim Clifton, the chairman of Gallup, has spent years developing ways to benchmark the socioeconomic performance of cities. The high-school graduation rate is one of the best indicators of a community's economic prospects, he says.

When companies explore moving to a community, one of the first things they look up is the graduation rate. In Escambia, just 64 percent of our high-schoolers graduate. For black students, it's 51 percent.

As Shannon Nickinson pointed out in an episode of "Progress + Promise" earlier this year, these figures are morally reprehensible and economic suicide. "Not only for these students, but the rest of us, too," she said.

Clifton writes about graduation rates in his book "The Coming Jobs War." He says kids drop out of school when they lose hope they will graduate. And they lose hope when they aren't excited about what comes next in their lives.

It's upsetting to think we have so many children who feel this way in our community. And this is a problem teachers and principals can't fix alone. We as a community have to make this a priority for all of us. And one of the best ways to do that is to have a goal — a benchmark — that lets us know every year whether or not more than 64 percent of our students are graduating, or less than 64 percent.

Are we moving forward or backward?

We all have heard the excuses about why we can't fix the graduation rate — poverty, single-parent homes, drugs, poor parenting, lousy schools, video games. You name it, we've blamed it.

But there was a time in history when we didn't make excuses. Instead, we made things happen.

John Appleyard points this out in his book "1887." Our economy was so dominant in the state that Florida's first chamber of commerce opened its doors here on Government and Jefferson streets. Milton and Bagdad were the timber capitals of the world. Pensacola was the red snapper capital of the world. A decade later, the tallest building in the state would be built on Palafox Street, which today is called Seville Tower.

The Pensacola Metro was not only the economic center of the Panhandle in 1887, but also the economic center of Florida. We had an economy and community everybody else wanted, but slowly over the decades beginning in 1970, we lost our momentum and our standing.

Appleyard, who founded the Appleyard Agency in 1959, has written dozens of books and pamphlets about Pensacola and West Florida's history over the years. He has a line in "1887" that I think is relevant for us today:

"In the life of every community, there are certain periods during which fate, major decisions and unusual people generate great change."

Look around our community. Look at how much we have changed since the devastation of Hurricane Ivan 10 years ago. Look at what has risen on our waterfront. Look at Palafox, named one of the top downtown streets in America. And look at AppRiver in Gulf Breeze, which started with two employees in 2002 and now has 208.

In the stories and pages that follow, you will read a lot about that progress. But you also will read about the challenges. And there are many.

You will see in this report that a lot of good people are making a difference today, pushing us to have better schools, better health, better jobs, a better community, and, yes, a better graduation rate. And it is this army of people who have pointed us toward the metrics and indicators that we are putting together so that all of us can understand year-in and year-out if we're moving forward or backward as a community.

Yes, we have problems. But I sense we're moving in the right direction. And my hope is that John Appleyard is right, and today could be another one of those periods of great change in the life of our community.



People gather for dinner at Al Fresco on Palafox Street in Pensacola on a recent Saturday. Al Fresco is among the many charms luring visitors to Pensacola's vibrant downtown.

# First, the good news

Pensacola area has plenty to brag about these days

By Shannon Nickinson  
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 Photos by Michael Spooneybarger

Patrick Elebash saw something downtown last Christmas that he had never seen before.

Shopping bags. Lots and lots of shopping bags.

From lots and lots of stores.

The 32-year-old is the fourth generation to work in the family's jewelry store that has been part of downtown Pensacola for 95 years.

"We've always been a destination shop, but this last Christmas, I saw people with bags from Scout or Belle Amie," Elebash says, referring to other, newer additions to downtown's retail landscape. "For the first time it seemed to me that people were com-



Elebash

ing downtown to knock out multiple gifts for multiple people.

"I don't ever remember seeing it like this."

The renaissance of Palafox Street didn't happen overnight.

Its transformation into one of the 10 "Great Streets in America," according to the American Planners Association, is a sign of how far Pensacola has come.

The vibrancy and excitement about

downtown is one of the best stories our community has to tell about our changing fortunes.

Other bright spots in the Pensacola metro include:

- A booming financial services sector, spurred by the \$250 million investment that Navy Federal Credit Union is making in Escambia County.

- A tourism industry that rebounded after the 2010 BP oil spill and is expanding efforts to tap new markets.

- A bubble of technology- and knowledge-based businesses in Gulf Breeze that includes boutique specialty medical care at the Andrews Institute for Orthopaedics and Sports Medicine; Avalex Technologies, a producer of digital mapping and display; and email provider AppRiver.

- The region's potential in niche manufacturing businesses such as Offshore Inland and ST Aerospace, which are linked to industries that are expected to grow over the next 10-15 years.

"We have competitive strength in business services (Navy Federal, also staffing firms such as Landrum), and in entertainment (tourism-related areas)," says economist Rick Harper.

"You also can see what we might call 'areas of opportunity'... which include transportation and logistics, and education services," he says.

## Downtown

Downtown Pensacola never would have opened up if the Community Maritime Park had not been built and the Main Street Wastewater Treatment Plant had not been demolished.

"The sewer plant was ugly, it upset people, and it said the leaders in Pensacola don't care about the waterfront," says Mayor Ashton Hayward. "Think about what that said to people. Think about how long it took us to clean up the waterfront, and that's where all the money is."

Demolishing the plant "allowed people who didn't understand what the potential was, to see the vision," Hayward said. "Now they can look west and they can see Joe Patti's. They can see the waterfront. People can see (the lot where the plant used to be) and say, 'That could be our version of South Street Seaport,' or 'That could be another Aragon.'"



Justin Beck's real estate company will open a 24,000-square-foot building at the Community Maritime Park property in 2015.

The other key component of opening downtown to redevelopment was the Maritime Park. The Pensacola Blue Wahoos are wrapping up their third season in the park's stadium and team owners Quint and Rishy Studer have continued their investment in Pensacola.

It now includes buildings and businesses at the Palafox and Main streets intersection and a project that likely will see the former site of the Pensacola News Journal turned into mixed-use development including residential and retail, built next to a proposed \$15 million YMCA.

"I think when you look at people who are buying spaces, redoing their buildings and going out and getting new tenants, it is a great sign," Elebash says. "You always hear about the proper mix of residential and retail, bars, restaurants and other businesses. The big missing piece so far has been affordable housing downtown. Now it looks like the PNJ site is going to be that missing piece."

The Studers aren't the only investors

with faith in downtown.

Justin Beck's commercial real estate company, Beck Property Co., will open 151Main — a 24,000-square-foot, three-story building — on the Community Maritime Park property in early 2015.

It will include seven retail spaces on the first floor and four residential condos on the third floor. Beck Property offices will take up the entire second floor. Beck says the decision to build on the CMP site was a mix of timing and the realities of a booming downtown and its hot commercial real estate market.

Some of the appeal, too, was being able to say in the future that they negotiated a complex lease process successfully — to prove it could be done.

For six months or so, he says, he listened to people say "Nobody else but Studer can build anything down there."

Finally, he says, while talking with Clark Merritt, he thought, "I should just figure it out for myself instead of just listening to everybody else. We proved it does work, you can get it financed, and you don't have to have hundreds of millions of dollars to make a project work over there."

## Navy Federal's influence

Navy Federal's sprawling Heritage Oaks campus near Beulah is one of this area's greatest success stories.

It began in 2003 with 11 employees and plans for a 300-seat call center. Since then, Navy Federal has expanded to bring its current total in the region to more than 3,400 employees. The credit union has invested more than \$250 million in Pensacola.

An expansion announced last April will add two buildings to the campus and create 1,500 more jobs, as well as a central energy plant, auditorium, parking structure and recreation area.

The company's anticipated employment figures are so influential that Escambia County Schools Superintendent Malcolm Thomas wants to build an elementary and middle school near the Beulah campus.

"That's why the half-cent sales tax is so important," says Thomas.

The sales tax expires in 2018 and is on the November ballot for renewal for another 10 years. It would fund construction of three new schools to alleviate crowding and to handle anticipated growth in the Beulah

corridor connected to Navy Federal.

The tax generates on average \$20 million a year and is a major boost to the local construction industry.

“It has been for the last 16 years,” Thomas said. “When the economy was at its lowest point back in 2009, most contractors will tell you we were their biggest customers. We kept them able to keep their men employed and hanging on until things started to pick up.”

### Expanding tourism markets

While the beach remains the area’s number one tourism draw, recent efforts to broaden the area’s appeal beyond the sun-seeker are paying off.

The 2014 Pensacon convention for fans of sci-fi, comic books, fantasy, horror and cosplay drew more than people dressed like Stormtroopers. It pumped \$1.4 million into the economy in February and brought 11,000 people over a three-day run from as far away as California, Minnesota and Arizona.

The typical Pensacon-goer was a 39-year-old person with a household income of \$60,740. And 98 percent of the attendees interviewed by Majority Opinion Research about their experience said they would return.

Event chairman Mike Ensley says organizers specifically planned the event for the tourism off-season.

“There is a reason that it’s called Pensacon and I want everyone to understand that is something that has been with me since the beginning of doing this. It’s because it is about Pensacola, it’s not just about a comic-con, it’s Pensacon.

“This is for this city,” Ensley says.

Cultural heritage tourism is a burgeoning industry and the area — with 450 years of history and culture to share — is uniquely positioned to capitalize on it.

The University of West Florida Historic Trust manages 29 historic sites in the two-county area. Jerry Maygarden, chairman of the trust, says he believes that with modest expenditures, heritage tourism could be as large as beach tourism.

### Manufacturing and tech are growing

There are other promising signs that could prove to be the next chapter in our success story.

This area was not immune to the decline



Megan Pratt, city councilwoman and director of the MESS Hall science museum, moved home to Pensacola from Boston with her husband in 2002.

in manufacturing jobs that has swept the nation since the 1970s. But we are capitalizing on specialty areas that show promise.

Offshore Inland’s lease at the Port of Pensacola would provide 100 jobs with an average wage of \$43,680 a year. The company provides engineering support services to ships working offshore in the Gulf of Mexico.

The 15-year lease should produce at least \$200,000 annually to the port in lease, cargo and vessel fees. Offshore Inland will invest \$10 million to \$12 million in its facility at the port. A related business, DeepFlex, will bring some \$52 million investment at the port and 100 new jobs with an average wage of \$45,000.

ST Aerospace’s move to Pensacola would bring 300 jobs to the airport. The company maintains, repairs and overhauls aircraft. Plans include locating a satellite operation on 18.6 acres at the Pensacola International Airport Commerce Park with an estimated price tag of \$37 million. Funding would come from federal, state, local and private funds.

Email and cyber security provider AppRiver has grown into a worldwide leader in its industry with offices in Gulf Breeze and Lupfig, Switzerland. It has appeared on Inc magazine’s list of 5,000 fastest growing private companies annually since 2007.

### Believing the vision

In Pensacola, believing has been half the battle and success has come in small steps that built one upon the next.

The success of Vinyl Music Hall — and the investment Evan and Harry Levin made in turning the Masonic Temple building into a live music venue that draws artists and crowds from across the region — inspired people like Joe Abston to invest in Hopjacks and the Tin Cow.

And that begat more investment in new and existing businesses.

“The psychology of people believing we could do all these things is incredibly important,” Hayward says. “People were thirsty for anything but what was. The same 10 people were always getting paid and we were becoming a rest stop off I-10. People don’t like to hear me say that, but that’s what we were doing.”

There are 37 square miles in the city limits, which is why, Hayward says, “quality is everything and that’s why density is so important. The more of these little pockets of cool neighborhoods we build, the more people will come to our city. If I put quality on E Street, people will go to E Street.”

Building the value of what we do have is a key to the city’s ability to retain and attract talented young professionals and other newcomers, Hayward said.

Megan Pratt and her husband, Jerry Pratt, moved to Pensacola in 2002. She is a native, a city councilwoman and director of the MESS Hall science museum on Tarragona Street. He is a senior researcher at the Institute for Human and Machine Cognition working on the Institute’s award-winning robotics team.

They could have stayed in their chic Fenway neighborhood in Boston, near the park designed by Frederick Law Olmsted, who also designed New York’s Central Park. They could have stayed within walking distance of some of the finest arts and cultural amenities in the nation.

They chose Pensacola, and they are just fine with that.

“Here we can walk to the symphony, we can walk to the Little Theatre, we can walk to the baseball park,” she says. “They are not the Boston Museum of Fine Arts, but truthfully, I never went to the Boston Museum of Fine Arts because it was big and fancy.”

Pratt pauses and adds: “There are a lot of things in Pensacola that could be more, but first we have to convince ourselves that we are worth it.”

# Ambitious 1970s capital program changed the city

By Carlton Proctor  
Photo by Michael Spoonerberger

In 1978 Steve Garman, then city manager of Westminster, Colo., was approached about taking a similar position in Pensacola.

“I loved Colorado and had no reason to leave my job at Westminster,” he said. “But I came down to Pensacola and was blown away by the opportunities, and all the man-made and natural resources the city had. That was a huge draw for me.

“I thought, this is a canvas that’s barely been painted on, and there’s a lot that could be done here.”

And a lot he did.

Garman took the job and went to work, putting together the landmark program he called “Direction 85.”

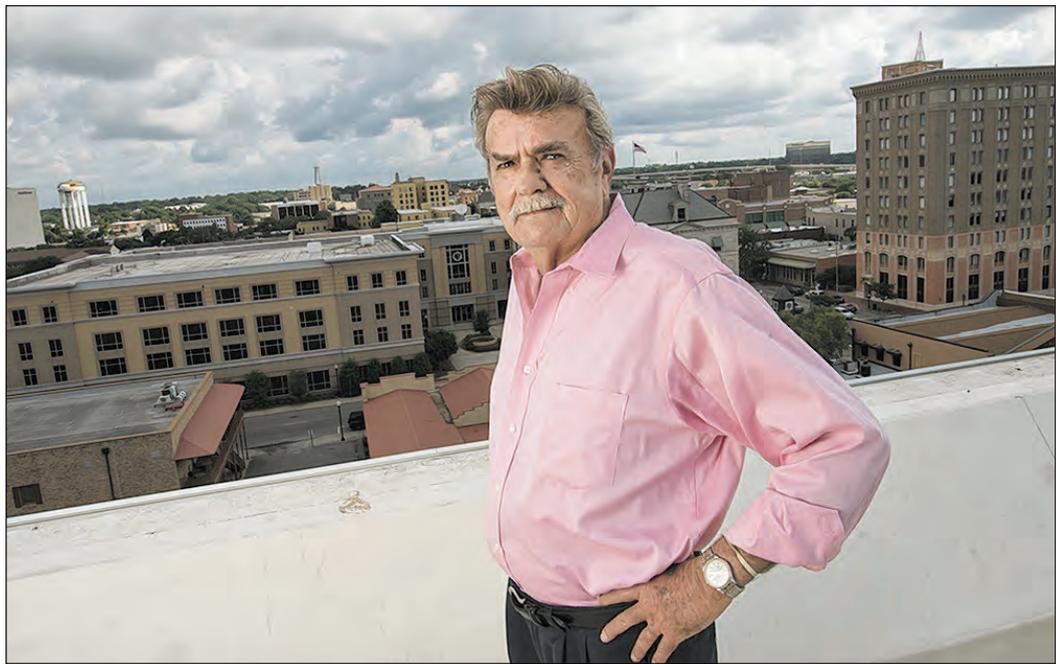
To fund Direction 85’s ambitious slate of capital improvements, he persuaded the City Council to sell the city’s water and sewer department to the Escambia County Utilities Authority for some \$20 million.

Leveraging every dollar, Garman set in motion what would be perhaps the most creative and influential capital improvements program in the city’s modern history.

Under Direction 85, the city initiated the building of Spanish Trail, the Pitt Slip marina, Bay Bluffs Park, new City Hall and various recreational improvements.

Garman worked closely with private developers who, with financing assistance from the city, built Port Royal condominiums, Harborview on the Bay office building, the Hilton Hotel (now the Crowne Plaza), and worked closely with county officials in getting the Pensacola Civic Center (now the Pensacola Bay Center) built.

Now retired and living in Gulf Shores, Ala., Garman spoke about his role in that era of growth in Pensacola and the challenges he faced.



Steve Garman launched an ambitious, influential capital improvements program in the late 1970s.

**MORE:** Read an expanded interview with Garman at [StuderInstitute.com](http://StuderInstitute.com)

**Question: What were some of the things working in your favor when you took over as Pensacola city manager in 1978?**

**Answer:** Well, I had an incredibly effective staff and we had a very strict charter that spelled out distinct lines of authority and accountability between the city council, the city manager and the mayor. Ultimately that’s a huge benefit for everyone because it protects you and everyone else in doing his or her jobs. That system was working beautifully then, and (Mayor) Vince (Whibbs) was perfect for that.

And you didn’t have lots of personal agendas or personal hostilities on the council then. It didn’t spill over in terms of everyone deliberately getting in everyone’s way.

**Q: You are a big believer in the role cities should play in stimulating private capital investment.**

**A:** Yes, I am, because the one thing city governments can do more efficiently than the private sector — and it’s the only thing — is capital financing. Cities can finance at tax-exempt rates. The private sector can do things at a 6 percent borrowing rate, and the city can borrow the same dollars at 3.5 percent. So we took full advantage of that.

**Q: You also believe that it’s more im-**

**portant for a city to grow its capital base than necessarily growing its population.**

**A:** Growth to me is capital-based. If population is so great, how come Philadelphia is not a better place to live than Pensacola? It’s growing the capital base of the economy that will allow quality of life to improve.

**Q: How important then is it for a city to be a driver of that capital growth?**

**A:** It’s critical. Without the city, nothing else can happen. The bottom line is if the city government isn’t investing in itself, nothing is going to happen. I’ve made this point over and over. But, having said that, most of the positive results of Direction 85 came from the private sector becoming engaged and excited about the city’s potential. Having the private sector partner with the city is essential for long-term progress in strengthening the foundation of the city so it can improve the quality of life for its residents.

**Q: What are our advantages today?**

**A:** A huge advantage Pensacola has — and this is pretty amazing — is you’ve got an international airport, an international seaport, and this town reeks of classic Old South. It reeks of military, and reeks of high tech. All of a sudden you’ve got this combination of things going on here. I defy you to find some other city the size of Pensacola with these kinds of assets.



Restaurant owner Joe Abston's investments in downtown eateries have boosted the area's "hot spot" factor.

# Palafox leads downtown's renaissance

How do we spread energy, success beyond city's core?

By Carlton Proctor

Photos by Michael Spooneybarger

When restaurant entrepreneur Joe Abston opened Hopjacks on Palafox Place in 2008, he said his goal was to help revive downtown Pensacola and restore its "beating heart."

Today, thanks to investors like Abston, and creators of new hot spots like Al Fresco, O'Riley's Irish Pub and Picasso's Jazz Club, along with mainstays like Seville Quarter, Jackson's, New York Nick's, Vinyl and Global Grill, downtown has revived in a big way.

"When Hopjacks first opened more than six years ago there were five restaurants and one bar on Palafox Place," said Abston. "Today there are 29 restaurants and five bars."

The lively new downtown scene is having a positive effect well beyond Palafox Place, Abston said.

"Now, because we have a vibrant downtown, I truly think people like AppRiver and IHMC (Institute for Human and Machine Cognition) can use what we have going on here to attract young talent," he said.

"We're not just some sleepy town on the Gulf Coast with nothing for young people to do."

Visible signs of this downtown renaissance are easy to spot these days.

They include:

- Quint and Rishy Studer's \$16 million, 60,000-square-foot office building under construction at the Community Maritime Park.
- Construction of a new multimillion dollar Bank of Pensacola on the corner of Palafox and Main is well along and moving

toward a grand opening later this year.

- Beck Property Co. recently broke ground for a three-story office building on a one-acre site within the Maritime Park.

- Three credit unions — Gulf Winds, Members First and Pen Air — have renovated existing buildings in the downtown core, bringing scores of new jobs with them.

Downtown's success does not stop at Palafox and Garden streets.

On Saturdays the most visible and visited venue north of Garden is Palafox Market.

From humble beginnings in spring 2008, the market in Martin Luther King Jr. Plaza has grown steadily. Operating year round, the market's 100-plus vendors attract between 1,500 and 4,500 customers every Saturday from 8 a.m. to 2 p.m.

Besides offering customers locally grown produce, live plants, baked goods, crafts and antiques, the market is a big economic boon.

"I think the Palafox Market has had a tremendous impact on the downtown area," said Ron Butlin, Downtown Improvement Board executive director. "I was talking to someone with the Studer Group recently, and they said the Bodacious Olive (owned by Quint and Rishy Studer) used to have its weakest day on Saturday. But now Saturday is their best day because of the crowds the Palafox Market draws to downtown."

Justin Beck, president of Beck Property Co., sees several developing hot spots throughout the greater downtown area, and he expects over time those hot spots will spread and merge.

"I think there's real momentum in the Belmont-DeVilliers area, and I'm seeing real interest from developers in the IHMC-Tech Park area of the city," said Beck.

### Outside the core

To anyone visiting downtown these days, it's abundantly clear Palafox Place's heart is beating loud and strong.

But what is the pulse like beyond the city's retail and entertainment core in those neighborhoods to the east, north and west?

Some would say it's weak; there's not much happening in either the residential or



Palafox Market has grown from a simple vendors' fair in 2008 to a year-round jewel that draws thousands of people downtown every Saturday for everything from baked goods, crafts and antiques to live music.

commercial sectors. Scores of commercial properties in the downtown area are in substandard condition or sit empty and for sale, and have remained that way for years. This surplus commercial floorspace has all but halted new construction in the Community Redevelopment Agency's district, bounded on the west by A Street, on the north by Cervantes St., and on the east by 17th Avenue.

Founded in 1980, the CRA District was created by the City of Pensacola to fund public infrastructure improvements and stimulate private investment.

New construction permits over the past eight years have been scant, according to data provided by Sherry Morris, planning services director for the city.

In 2013, for example, just three permits were issued for new commercial construction in the district; two in 2012; none in 2011; one in 2010; one in 2009; seven in 2008; three in 2007 and three in 2006.

"When you keep your eyes open as you drive around, it's obvious there's abundance of commercial office space vacant in down-

town Pensacola," said advertising executive Ellis Bullock. "Even though we are creating a vibrant downtown, it's more centric to a local entertainment center, and it's not attracting the kind of commerce to go along with it."

Bullock and others point to large tracts of land — the 19-acre ECUA property on Main Street, the 9-acre Pensacola Technology Park and the 4-acre site of the former Seville Inn — as key parcels that need to be filled for the prosperity of Palafox's entertainment core to spread.

Bullock is trying to sell a commercial office property on Bayfront Parkway; it has been vacant for three years without an offer.

Infilling those vacant properties and rehabilitating existing commercial structures were two key issues identified in the mayor's Urban Redevelopment Advisory Committee report issued in 2013.

Another issue holding back downtown growth is that some investors paid too much for commercial land prior to the Great Recession and are holding on, hoping the market strengthens and land prices

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[StuderInstitute.com](http://StuderInstitute.com) video: Business owners discuss growth and opportunities.

move back to previous levels.

“I know I’ve sold and bought property for people who are speculators down along the Government Street stretch,” said John Griffing, CEO of NAI Halford, a Pensacola-based commercial land broker. “And so far they’ve been pretty disappointed with investments they’ve made. I think it’s just going to take some time for downtown commercial property prices to recover.”

### Give it time, some say

Despite what many see as a sluggish local economy, some observers say downtown’s next wave of capital investment is not a matter of “if” but “when.”

“I think we’re on the cusp of seeing that recovery,” said Butlin. “Our goal at the DIB is to create an interesting place and let the market respond.”

To that end the DIB’s board has crafted a game plan called “HEAART,” an acronym for Housing, Economic Development, Aesthetics, Arts and Culture, Retail and Transportation.

Among HEAART’s goals to accomplish by 2016 are:

- Attracting more quality retail establishments;
- Increasing the number of affordable residential units;
- Increasing visitation downtown;
- Improving community awareness about the economic importance of a vibrant downtown.

One way to maintain and build that population base is provide more residential units that are priced right, and more retail establishment that will attract shoppers and downtown residents. Both Butlin and DIB board member John Peacock say they are encouraged by the gradual increase of retail stores in the downtown area.

A centerpiece of that retail growth is the recently completed renovation of the Artisan, a century-old building at the corner of Palafox and Main streets whose ground floor will house several retailers.



Every Saturday, thousands of people visit the Palafox Market, now a mainstay of downtown.

Another recent attraction is the \$4 million expansion of Ever’man’s Natural Foods, now a full-service supermarket that downtown planners have long sought.

“I think we’re doing a lot right in the downtown area, but we get impatient time-wise just like everyone else,” Butlin said.

Butlin agrees there is an excess of vacant commercial properties in the city, but he also notes that many of the existing buildings need to be rehabilitated before they can become attractive to businesses looking to relocate to downtown.

### Housing is the key

Opinions vary on when this next new phase of downtown commercial development will begin, but there is near unanimity among local experts as to what’s needed to get it started: Affordable residential housing, and plenty of it.

First the housing, then the commercial investment will follow, the experts contend.

“People want to live downtown, but there’s really not the opportunity,” Peacock said. “There’s a lot of residential property

available downtown, but very few investors, other than the Studers, are pursuing it.

“It’s really important for the DIB to work hard to continue building downtown Pensacola, because it’s vital that the city’s population doesn’t slip below 50,000 people. A lot of bad things can happen if we go below 50,000 from a state and federal funding standpoint.”

Peacock said cities below the 50,000 population base are at a disadvantage when applying for state and federal economic development grants, and grants for support of public services and capital infrastructure projects.

The Studers’ plans to build a mix of residential housing and retail space on five acres of the Pensacola News Journal site they bought in late 2013 have boosted the spirits of many believers in downtown.

“The Studers turning the PNJ property into apartments will be an amazing benefit to downtown Pensacola,” said Susan Campbell, a DIB board member.

That planned development, which is expected to begin in late 2014, plus the

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*“People want to live downtown, but there’s really not the opportunity.”*

John Peacock, Downtown Improvement Board member

YMCA's plans to build a \$15 million facility on one acre of the PNJ site, have caught the attention of many would-be investors.

Abston believes the Studers' plans will have a huge impact on downtown. He's long been an advocate for building more housing in the downtown area.

"I've been talking quietly to a handful of people to try and promote this micro-housing concept for downtown," Abston said. "I'm talking about really well-made housing units in the 400- to 500-square-foot range. I think quality housing density is what will really spur the next big phase of growth downtown.

"We need people living downtown, people who can walk to work, ride their bike to work."

Residential developer Mike Bass said rent rates in the downtown area are at an all-time high.

"Rental units are getting snapped up," Bass said. "Many two-and-three bedroom units are going for \$2,500 a month and nobody even blinks an eye at that price."

While a growing downtown residential population is seen as integral to attracting big-ticket capital investment, there are hurdles.

"In terms of selling properties, their values are off 40 percent of what they were before the housing collapse," Bass said. "But rents are way above the value of properties downtown."

Bass said there are three large-scale properties in the downtown area that he would love to develop.

"But building costs have gone up 60 percent over what they were two or three years ago," he said. "Just the sticker shock of those costs, coupled with the price of the land and challenges of getting financing, is keeping a lot of people away from downtown."

## ECUA property

A potential lynchpin for growing downtown's population is the 19-acre former ECUA Main Street property, across from the Community Maritime Park.

"I think what would really help downtown is if we can put the right mix on the ECUA property," said Griffing. "What the market is telling us is that site is best suited for a multifamily component. But the most recent studies say we don't have the market yet.

"Some developers I've talked to say a ho-



Business owner Susan Campbell's top goals as a Downtown Improvement Board member are expanding parking downtown and creating a cottage industry district.

tel should be in the mix, but most everyone is looking at it from a multi-family investment," he said. "But, certainly, that property could sit there for another five years."

Attracting major capital investment to the downtown area is a top goal of the Greater Pensacola Chamber's Scott Luth, senior vice president for economic development.

Luth, a key figure in the recent landing of ST Aerospace at Pensacola International Airport, has turned his attention to the Pensacola Technology Park. Built with a federal grant, the Tech Park property fronting Ninth Avenue has sat vacant since August 2011.

Now it is being looked at as the possible site for a 70,000-square-foot building that would house a number of tenants.

Earlier this year the Pensacola-Escambia Development Commission, which controls the park, signed a Memorandum of Intent with Space Florida to proceed with negotiations that would lead to hiring an architect to design the building.

"We still have a good ways to go with our negotiations with Space Florida, but we definitely have an anchor tenant committed to the park, and have several letters of intent from other companies interested in locating there," Luth said. "We're very excited about this project."

Space Florida would secure financing

for the building and own it, Luth added.

## Thinking small isn't a bad thing

The DIB's Campbell says it's OK to "think small" when it comes to filling up Pensacola's vacant commercial spaces.

Campbell says her first priority as a DIB board member is expanding downtown parking access. Then, she wants to work toward creating a cottage industry district, perhaps with some tax incentives and perhaps greatly reduced rent costs, to attract entrepreneurs, and small businesses such as microbreweries, food shops, art studios and craft makers.

"The DIB can't fund people to open craft shops, but we can work with the state and city to create a cottage industry district in some of the under-utilized commercial and residential areas of the city."

Many, including Beck, still see plenty of room for Palafox to grow.

"What I think will happen is that you will continue to see the Palafox core become more dense and more developed," said Beck. "I don't think we're anywhere near to seeing what Palafox will look like going forward. It will always be the place to be.

"But that doesn't mean the other areas in the city won't eventually develop," he added. "We're getting there."



*You may believe that “everyone already knows”  
low education levels are tied to poverty, crime rates and low per capita income.  
I believe that is the argument of deflection.*

# Be honest about where we are

## Could this be the time Pensacola gets out of its own way?

By Shannon Nickinson, [snickinson@studer.com](mailto:snickinson@studer.com)

Pensacola is a big enough small city that you sometimes get the feeling folks are only separated by six degrees. For a while I thought it was a thing I noticed because I married a local, and we couldn't go anywhere without running into someone he knew from school or childhood.

But it isn't.

Here the people are friendly, they make you feel at home quickly and once you see the sunset over Pensacola Bay, or you are at Fort Pickens and see the Blue Angels zoom by at what seems a fingertip's distance, it's hard to think of this place without a warm feeling welling up in your chest.

Sometimes all that closeness lends an air of doing for others so that they will do for you. Which makes that warm feeling in your chest feel like heartburn.

That's when that down-homey niceness starts to feel like it's meant to put you in your place. You know the types, the ones who like to remind you of all the people they know, in case you were wondering.

It seems a peculiar Pensacola-ism to talk about luring talented people from outside the area to come here and then dog-cuss them for trying to do things differently.

Such criticisms usually fall into two broad categories: "You aren't from around here," and, "Who do you think you are to criticize that?"

Friends, both of those arguments put you on shallow intellectual ground. When either of those things are directed at me, my response is:

Yes, I'm not from around here, but that doesn't mean I don't love it here.

This is not my hometown, but it is my home. And if that's not enough for you, it says more about you than about me.

Now is the time for Pensacola to get out of its own way.

I honestly believe we could open a lot of big doors for this community. We need to let those doors swing wide. We need to let all kinds of voices be heard, from the Westside to East

Pensacola Heights, from Warrington to Nine Mile Road.

We need to acknowledge our successes — Navy Federal's expansion, landing Southwest Airlines, the buzz around downtown's renaissance, moving tourism dollar governance definitively into the sunshine, declining unemployment — but we need to keep our eyes on the prize.

If we want to mark our progress, we need to do so in ways that are measurable, meaningful and honest.

Our team has developed a community scorecard to create a data-driven snapshot of where the community is and to provide a baseline for where we want to go. To move forward we must be honest about where we are.

The cynics will say we use data to say things we already know: that generational poverty and lack of educational attainment have a tight grip on portions of Pensacola and that is what keeps this community from making a great leap forward.

You may believe that "everyone already knows" low education levels are tied to poverty, crime rates and low per capita income. I believe that is the argument of deflection.

The question, friends, isn't whether you know that already. The question is what are you prepared to do about it. You, the public official. You, the elected office holder. You, the business owner. You, the citizen.

Because the data is not new. And it has been this way for years. In some cases, decades. We have allowed it to go on, through politically expedient decisions and sins of omission and commission.

We, the citizens of this community — with all of its potential and beauty and opportunity — pay for those low wages and poor job prospects and undereducated residents every time a list of "the most dangerous small cities in America" makes it to the top of someone's search engine results with our community's name attached.

We cannot change that unless we measure it honestly. And keep it at the top of our collective civic mind.

That is why we produced this report. That is what we want to do with this data. These measures, and others, will be the yardstick we use to mark Pensacola progress. We hope it helps remove the politics from government and inspires focused conversation on the things we must do to help more of our neighbors do better than just getting by.

The nice thing about data is that it speaks for itself. No spin cycle required.

You don't need to be from around here to see the value in that.

### DON'T REST ON SUCCESS

Let's acknowledge the good:

- 1 Navy Federal expansion.
- 2 Southwest Airlines arrival.
- 3 Downtown's renaissance.

But let's keep moving the needle on challenges such as education levels and poverty.

# The work we still need to do

Low wages, education levels, poor health plague our area

By Shannon Nickinson  
snickinson@studer.com  
Photo by Michael Spooneybarger

If you live and work in Escambia and Santa Rosa counties, on average you make \$8,000 less than the typical American worker.

But if you lived and worked in the Pensacola metro in 1970, you made \$2,200 more than the typical Florida worker, and almost as much as the typical American worker.

That is the economy of Escambia and Santa Rosa counties in 2014. And based on predictions about the kinds of jobs that will grow in the next six years, it could be our reality for some time to come.

As the service economy rose and the manufacturing economy declined in the last 30 years, so went the standard of living.

“We now produce more stuff, but we do it using fewer people, and this is true both in manufacturing and in the military,” says Rick Harper, director of UWF’s Office of Economic Development and Engagement.

Moving forward, the drivers of our local economy will be service jobs that can’t be outsourced, but often don’t pay that well.

Of the top 10 jobs that are predicted to grow locally between now and 2020, five are service-related — customer service, retail sales, janitorial services and food prep.

When jobs offering a “living wage” do come to town, too often employers struggle to find enough qualified candidates.

In March, the Greater Pensacola Chamber, Pensacola State College and George Stone Technical Center partnered to host a job fair for 300 openings at ST Aerospace, an aircraft maintenance company moving to Pensacola.

At the fair, 330 people turned out; only half met minimum requirements for employment.

“Workforce education is one of our pri-



Dr. Earl Crosswright of Pensacola sees about 1,500 patients a year. On an average day, most of the patients he sees have hypertension, diabetes and obesity issues.

mary objectives,” says Chamber President Jerry Maygarden. “We’ve commissioned a gap analysis for what are the jobs of the future. It can be a game-changer.”

It will need to be, as low educational attainment and the poverty that often goes with it have plagued this area for 30 years.

## Education is the key, and the hurdle

The impact of generational poverty on the community’s economic and educational prospects is reflected in measures such as the free- and reduced-price lunch rate — which in Escambia County is 62 percent.

“When I became superintendent it was in the 57-58 percent range,” says Superintendent Malcolm Thomas. “(Now) we have people who have to lean on free- and reduced-rate lunch who never thought about doing that before.”

Look at schools that get poor scores on state standardized tests. Most often they serve low-income neighborhoods.

The Florida Office of Early Learning says on average 33 percent of Escambia 5-year-olds are not ready for kindergarten. Often those children come from poor families.

“Poor kids can learn,” Thomas says. “The way poor kids learn is that poor

parents must understand the value of education. They promote it and they push it. Neither of my parents had a high school diploma. There were times my mother couldn't help me with my homework, but she made me do my work because she understood the value of getting an education."

Then he tells of a recent example in which a grandmother raising her grandson called him on a Friday to ask for his help. Her grandson got a job at a fast-food restaurant and was going to quit school, as he had just turned 16.

Thomas reminded her that the boy could only do that with her written permission. He asked her for time to talk to the principal so someone could talk to her grandson on Monday to persuade him to stay at school.

But Monday came and the student wasn't in school. Then came the letter from the grandmother, signed, giving her grandson permission to drop out.

"Many of these students who are at risk ... their families are at-risk," Thomas says. "They aren't always seeing education through the same lens. I've had them tell me, 'I didn't graduate from high school and I turned out OK.' I tell them the world is a lot more complicated than it was back then."

Also holding the area back — high school graduation rates that are 64 percent overall. The state average is 75.6 percent overall.

Harper says creating a quality labor force that is "trained well across the breadth of the community," and capitalizing on our environmental and cultural amenities, is the key to reversing population decline and improving the job outlook.

The biggest improvement we could make to ensure long-term growth?

"Turning out literate and numerate 4-year-olds who are ready and enthusiastic about learning," Harper says.

## Poor health holds us back

Maygarden, who spent 30 years in the healthcare industry, believes that businesses have to understand the link between poor health, lost productivity and the bottom line. For example, three missed days out of 30 work days is a 10 percent loss of productivity.

Employers look at three things when determining the basic cost of health insurance: the health of a population, absenteeism and productivity.

"We believe a better educated, health-

ier workforce is the single most important attraction for business and industry," Maygarden said.

If that is true, we are starting out behind.

Smoking and obesity cost Escambia and Santa Rosa employers \$800 million in 2013, says David Sjoberg, who heads the Partnership for a Healthy Community.

The costs of an unhealthy workforce are realities that employers must deal with.

It is a reality that has confronted the Santa Rosa School District, one of the largest employers in that county with 2,634 employees.

Karen Rutherford is human services and risk management manager for the Santa Rosa School District.

"It is a problem and the only way to truly lower health costs is to lower the claims," says Rutherford. "We've done some wellness initiatives. We do an annual health screening. We do think we've turned the corner, but it is typically three to five years before you see any benefit from implementing it."

Diseases most prevalent here are heart disease, diabetes and high blood pressure. These are things we have the power to reduce through behavior.

It will be a long row to hoe.

Dr. Earl Crosswright, a native Pensacolian and family practitioner, has been practicing medicine for 21 years. He sees an average of 1,500 patients a year.

In an average day, 70 percent of the patients he sees have hypertension, diabetes and obesity issues, conditions that can cost between \$150 and \$500 a month in medications to manage.

Though Crosswright sees these diseases in older patients, more frequently, they are appearing in young people.

"With fast food and soda consumption we're seeing the weights escalating, and there's a direct correlation with obesity and diabetes and hypertension," he said.

Escambia County Health Department data shows that 18 percent of our students are obese based on their body mass index and another 16 percent are considered overweight.

The story is the same in Santa Rosa County, where 30 percent of students are considered obese or overweight.

Debbie Price, the school health coordinator for the Santa Rosa Health Department, says programs are in place to help build better health habits in youngsters, habits

that hopefully will carry over into adulthood.

The district has been measuring body mass index for students in first, third and sixth grades since 2007, with minimal improvement, Price says. Seeing the fruits of that investment takes years.

Crosswright believes tackling the problem means changing our behavior and culture around food throughout the whole community.

For example, he said, when food is part of our community or church life, add more fruits and eliminate the cookie table. Build parks with equipment that encourages kids to move. Reinstitute physical education classes every day in public schools. Make sure folks at all income levels have access to full grocery stores with a good selection of fresh foods.

Healthy eating is more expensive, something that cannot be discounted in an area with traditionally low wages.

## Our wage reality

A well-educated workforce is undoubtedly a key to raising the standard of living for more residents of Northwest Florida.

Of the top 10 jobs forecast to grow in the two-county area, only half require education beyond high school. But a workforce whose skill sets stop growing after high school is not nimble enough to respond to changes in the economy.

And it certainly isn't likely to draw a paycheck that builds long-term security.

Harper says that 32 percent of the local workforce earns \$32,000 a year or less.

Of those same top 10 jobs, only four — licensed practical nurses, registered nurses, elementary teachers and post-secondary teachers — have average annual salaries above the \$32,000 line.

Or look at it this way.

In 2012, Habitat for Humanity built 211 new single-family homes, making it the most productive Habitat chapter in the nation, says Executive Director Tim Evans.

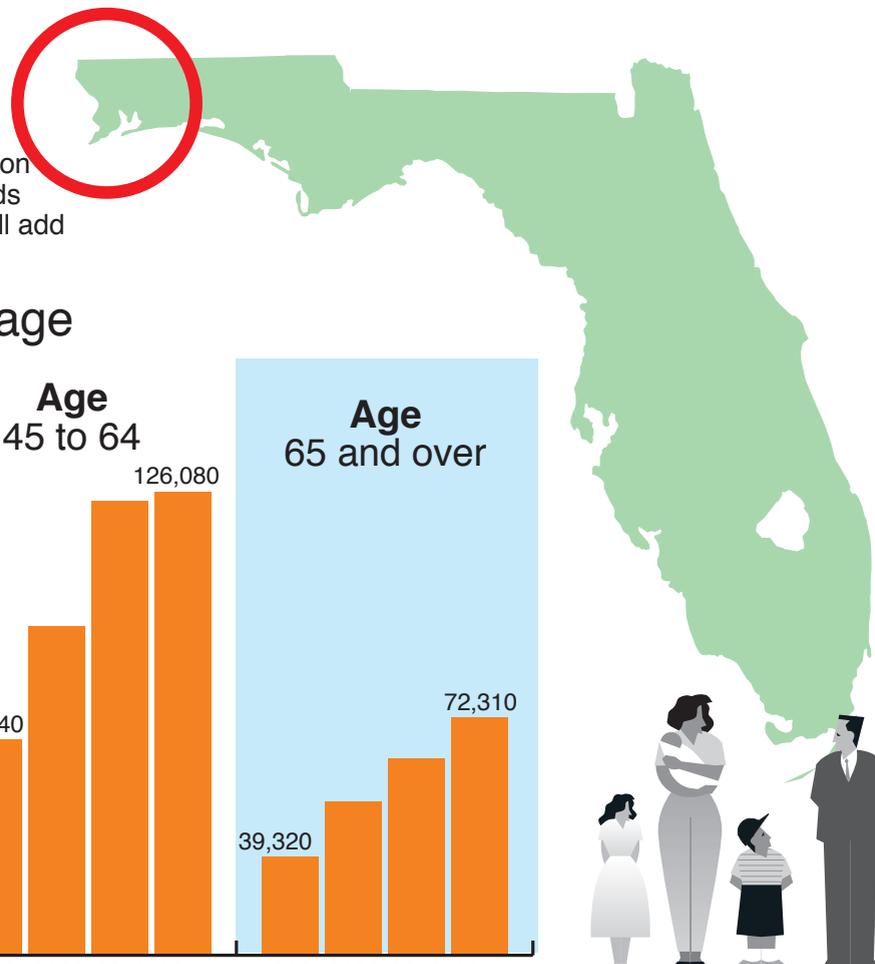
A salary of \$32,720 qualifies a single person for a Habitat house, said Peggy Fowler, neighborhood revitalization initiative coordinator for Habitat. For a family of two, the maximum income is \$37,440.

So if you think that Habitat homeowners are all "low-income people," Fowler said, "our teachers would then be low-income. Our policemen would be low-income. That's who many of our people are."

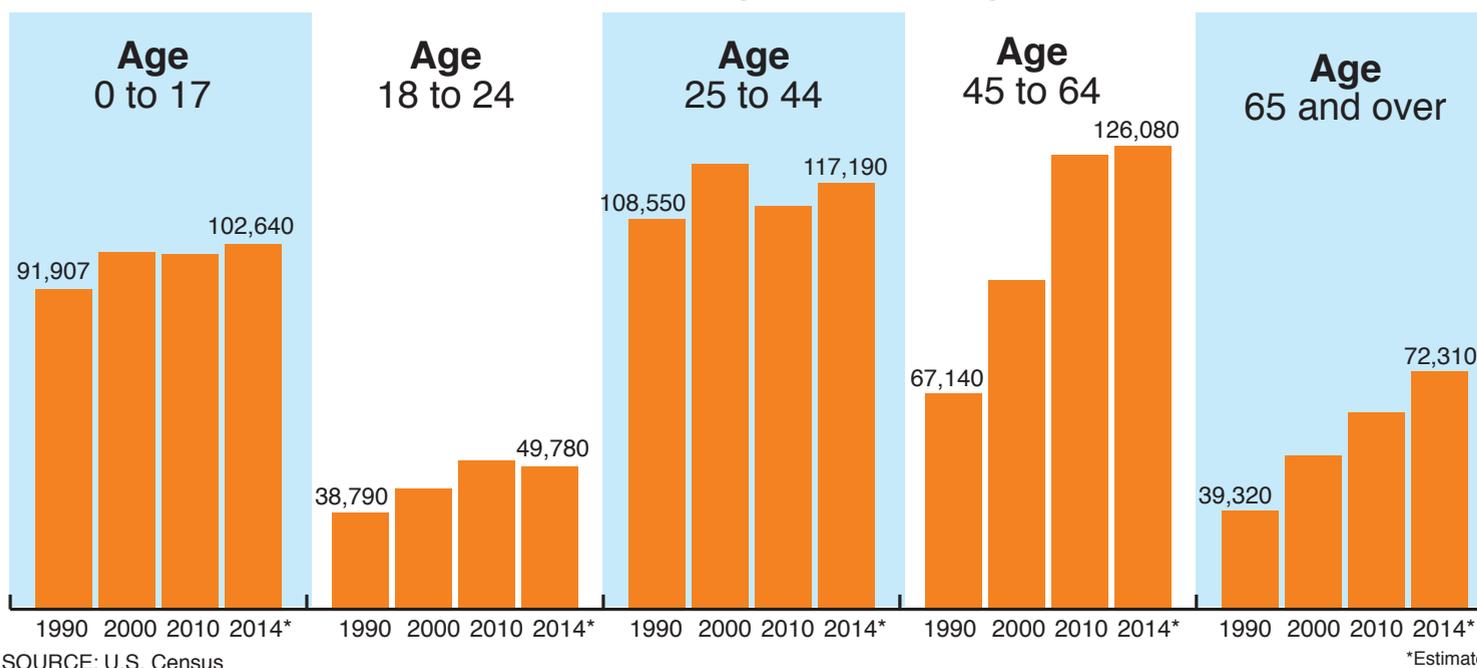


# Who we are

The western gate to the Sunshine State isn't growing as fast as it once did. After steeply increasing every decade between 1970 and 2000, our population essentially stagnated. We had been adding an average of 27,900 households every 10 years from 1970-2000. At the current pace, the two-county area will add fewer households in this decade than it has in the last 50 years.

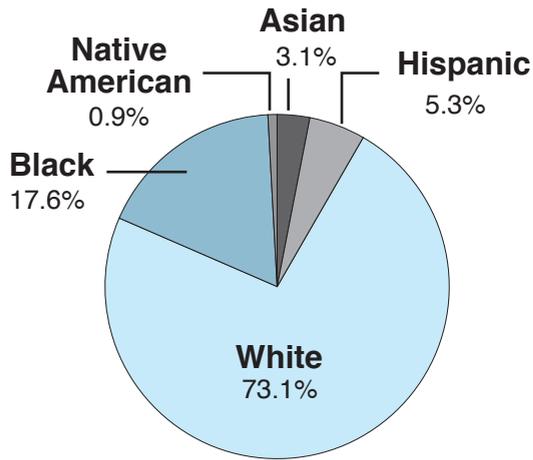


## Population growth by age



## Population by race

Escambia, Santa Rosa counties 2014\*



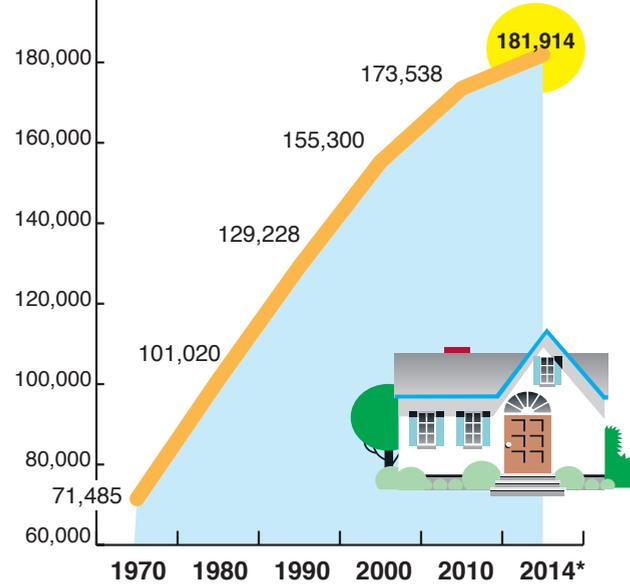
\*Estimate

Numbers do not add up to 100% due to rounding

SOURCES: U.S. Census, American Community Survey

## Number of households

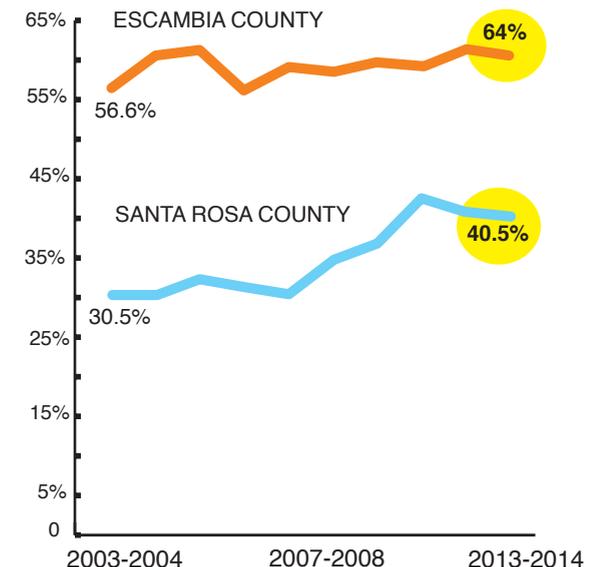
Escambia, Santa Rosa counties



SOURCES: U.S. Census, American Community Survey \*Estimate

## Free and reduced price school lunch

Percentage of students eligible



SOURCE: Florida Kids Count



## Two parent households with children

### ESCAMBIA COUNTY



### SANTA ROSA COUNTY



### FLORIDA



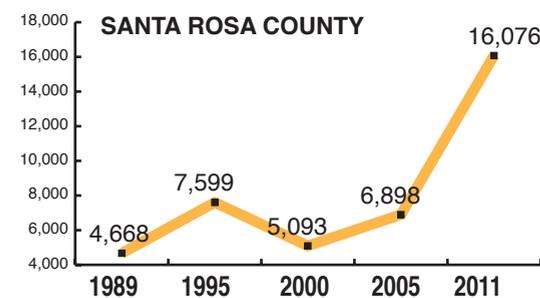
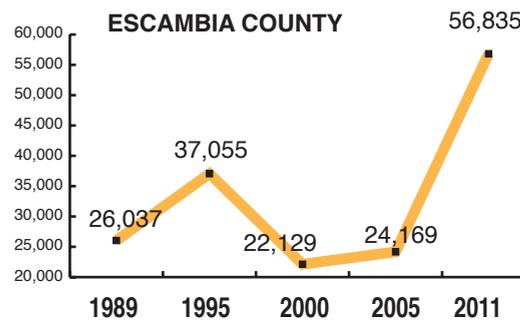
### UNITED STATES



SOURCES: U.S. Census, American Community Survey

## Food Stamps

EBT or Electronic Benefits Transfer



SOURCE: United State Department of Agriculture Economic Research Service

## Social mobility

Escambia, Santa Rosa counties

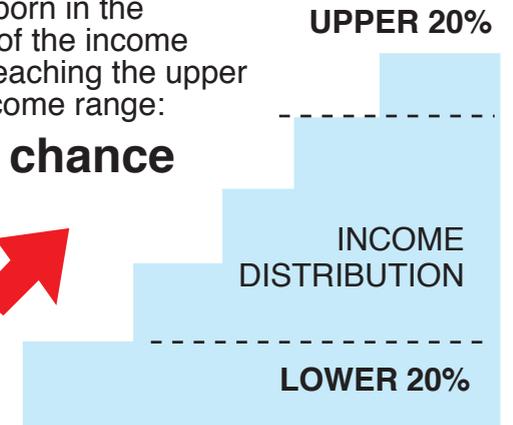


Chances of a child earning more than their parents:

**39.7% chance**

A child born in the bottom of the income range reaching the upper 20% income range:

**6.1% chance**



SOURCE: The Equality of Opportunity Project



Rick Harper, director of UWF's Office of Economic Development and Engagement, says much of Pensacola's wage decline was driven by drops in manufacturing jobs and federal employment.

# A special place, and a crucial time

## Where our economic outlook stands, and how we got here

By Rick Harper  
[rharper@studer.com](mailto:rharper@studer.com)  
Photo by Michael Spooneybarger

In early 2001, then-Pensacola News Journal Executive Editor Randy Hammer sent UWF's Haas Center for Business Research and Economic Development an invitation:

"Pensacola has a long and rich history, but things are changing," he wrote. "Growth and wealth have shifted to the east, and those communities don't have some of the problems that are the legacy of our older city. Help us paint an economic picture of our community. It should be data-driven and tell what's good and what's not so good. For community leaders to work together to make things better, they have to know where to begin."

The Haas Center worked with the PNJ to produce a 64-page report on the region's economy. Put your hand over the 2000 to

2011 period in Chart A on page 19 to see how the data looked as we put together the 2001 project. What was striking then was the decline in labor income for West Florida relative to the national average.

What was even more striking was Pensacola's decline relative to Fort Walton Beach and Panama City in the last three decades of the 20th century. Happily, several things have changed since 2001. The good news has been a rebound in earnings per job that lasted an entire decade. But it wasn't enough to catch us up to where we were before the 1990s.

## What caused job losses?

Much of Pensacola's wage decline relative to the national average over those 30 years was driven by a sharp fall in manufacturing jobs and by shrinking federal employment. While we still produce a substantial volume of paper and nylon products at International Paper and Ascend Performance Materials, we do it using far fewer people — thousands of high-wage manufacturing jobs are gone for good. The federal civilian jobs lost at the Pensacola Naval Aviation Depot are also gone for good, while overall employment to support other military missions has also declined.

To some extent these changes were unavoidable and simply mirror the national experience, although our own manufacturing job loss has been more extreme.

- The number of jobs in manufacturing fell by 56 percent in Pensacola over the 1969-2014 period, while it fell by 36 percent nationwide.

- The number of jobs in federal civilian and military employment fell by 23 percent in Pensacola over that period, while it fell by 20 percent nationally.

Because jobs in other sectors of the economy generally have grown over time, manufacturing and federal job performance look even weaker when measured as a share of the overall economy. Back in 1969, manufacturing and federal employment (military plus civilian) made up 39.4 percent of total employment and paid 49.4 percent of total wages in our two-county area.

By 2014, those shares had declined to 11.5 percent of employment and 25.5 percent of total wages.

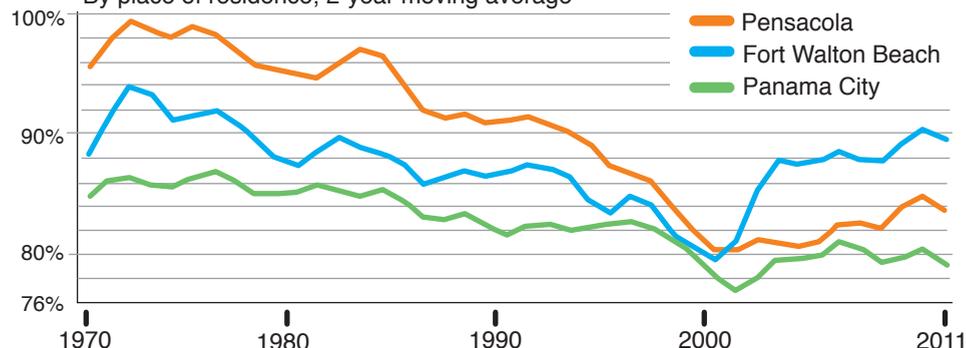
Even though we have fewer military jobs than before, those jobs pay well. In fact, much of the rebound in earnings per job following 2001 has been due to the Bush ramp-up in defense spending.

Nationally, enlisted pay rose 40 percent and officer pay 20 percent over the decade, while private sector wages were stagnant or falling. A statistical look across the 380 metro areas in the United States shows a strong correlation between income growth and the share of military jobs in the local economy. While this is encouraging for a community like Pensacola, it isn't likely to persist in an age of sequestration and base realignment and closure.

## CHART A

### Net earnings per job percent of U.S., 1970 - 2011

By place of residence, 2-year moving average

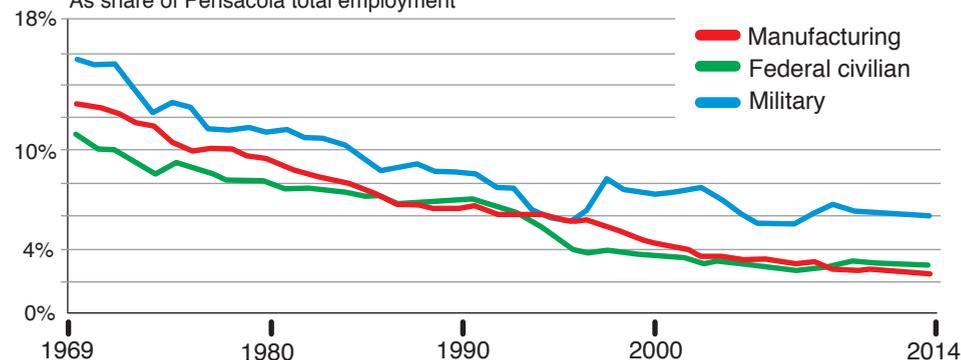


SOURCE: WOODS & POOLE ECONOMICS, 2014  
Net earnings - wages, salaries, proprietor's income, other labor income, residence adjustment, minus social insurance contributions

## CHART B

### Employment in selected sectors, 1969 - 2014

As share of Pensacola total employment

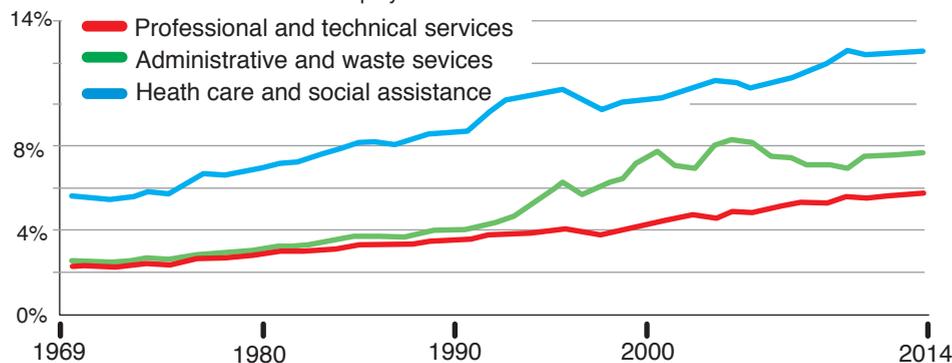


SOURCE: WOODS & POOLE ECONOMICS, 2014

## CHART C

### Employment in selected sectors, 1969 - 2014

As share of Pensacola total employment



SOURCE: WOODS & POOLE ECONOMICS, 2014

## Service sectors have grown

In the meantime, jobs in the service sectors have grown. The health care service sector has doubled its share of the economy. Other services have grown as well, particularly call centers. The accommodation and food services sectors, while large, have not grown as rapidly as health care. Our tourism sector has always been large, and it has held its own in importance in the economy.

Much of the focus in 2001 was in comparing Pensacola to our faster growing neighbors in Fort Walton Beach and Panama City. The conclusions we reached then still hold. Fort Walton Beach and Panama City closed the wage gap with Pensacola between 1970 and 2000; since then, Fort Walton's wage growth has outpaced both Pensacola and Panama City. This is mostly due to wage growth in the military and in defense contracting. There is no other county in Florida where military employment has a larger share of the economy than in Okaloosa.

## Income from wealth and income from government transfer payments

There is more to personal income than wages, alone.

Personal income is measured by wages and other income to labor, income from accumulated wealth (from dividends, interest and rents), and transfer payments from the government, which increasingly over time in the U.S. go to older Americans (as opposed to poorer Americans). Charts D, E and F present these measures.

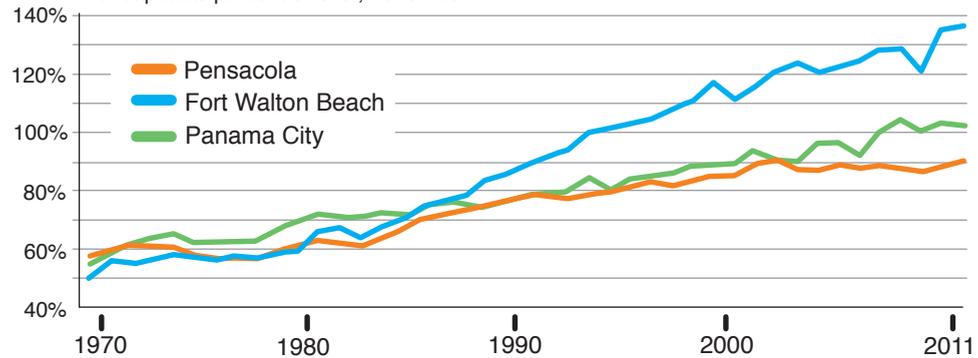
Once other sources of income beyond wages are added to the picture, we get a picture of total personal income. All of the coastal metros look better under this measure than under the labor income measure, but again, Fort Walton comes out on top. In order to explain these differences between metro areas in our Northwest Florida region, we need to look at the components that make up personal income.

Much of the explanation for the rise in total personal income, even as labor income was falling, is the 2013 inclusion of Walton County in what the U.S. Census calls the Crestview-Fort Walton Beach-Destin metropolitan statistical area. Inclusion in a metro area depends on commuting patterns, and the links between Okaloosa and Walton

## CHART D

### Dividends, interest and rent

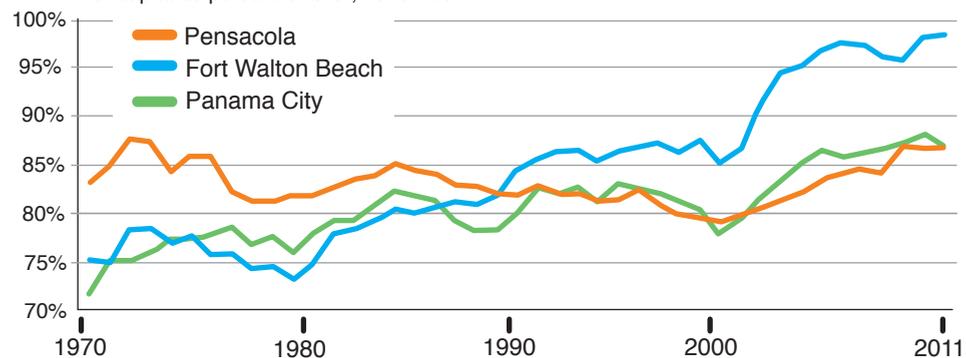
Per capita as percent of U.S., 1970 - 2011



## CHART E

### Total personal income

Per capita as percent of U.S., 1970 - 2011

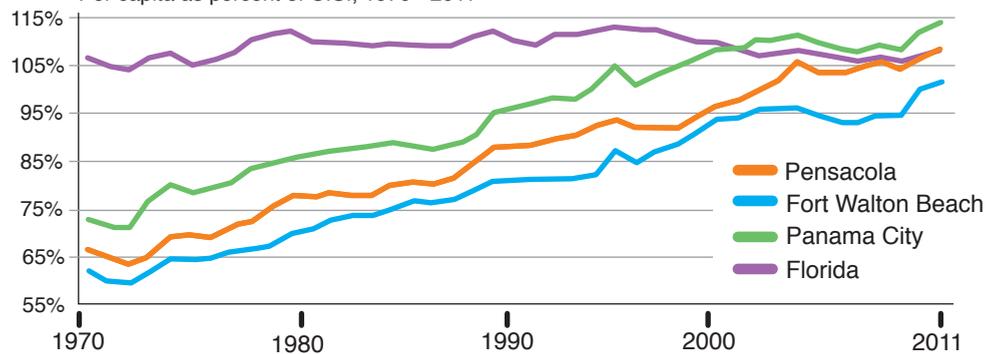


SOURCE: WOODS & POOLE ECONOMICS, 2014

## CHART F

### Transfer payments

Per capita as percent of U.S., 1970 - 2011



SOURCE: WOODS & POOLE ECONOMICS, 2014

counties have become stronger over time. Okaloosa has been home to the most concentrated federal military, civilian and defense contracting employment in Florida. Walton County, which has always had a relatively small population and a robust tourism pres-

ence, has seen a large increase in the number of retirees who call South Walton home.

An influx of wealthy retirees appears to fuel a large increase in earnings flowing from accumulated wealth. While all three coastal metros have improved relative to the nation,

growth has been exceptional for Fort Walton, whose trend diverged from Pensacola and Panama City in the early '80s. Over the 1970-2011 period, per capita income from wealth grew from \$1,409 per resident per year to \$8,818 (in 2009 dollars) in Fort Walton, while it grew from \$1,506 to \$5,810 in Pensacola.

The growing attractiveness of Pensacola as a retirement location, combined with an outbound migration of younger people seeking economic opportunity, has led to the median-age Chart G. That chart sheds some light on why transfer payments in our region have increased, as shown in Chart F.

A large and perhaps not widely recognized phenomenon is that our Northwest Florida demographics are starting to look more like Florida in terms of age. This is important because transfer payments in the U.S. are targeted largely at senior citizens, with the biggest programs being Social Security and Medicare. These are called transfer payments because they are not a payment for current effort. They are instead a means-conditioned payment for work done earlier in one's life.

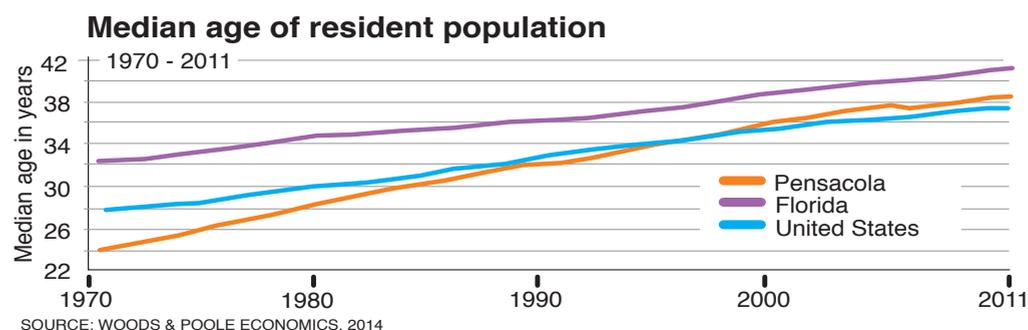
Chart F shows that transfer payments to Floridians have been somewhat unchanged relative to the national average. Florida has always attracted a large number of retirees, but Northwest Florida is now increasingly a destination for older residents, and thus their transfer payments.

## The bottom line

What is the takeaway from the information presented here? The most basic story is actually a good one. Our per capita personal income, which fell relative to the nation for the last three decades of the 1900s, recovered dramatically in the 2000s. It now stands at 87 percent of the national average, which is as high as it has been in any period during the last two generations.

However, that income now comes from different sources than it once did. Our median age in 1970 was 24, now it is 38 — we're 14 years older, while over the same period the median age for Florida and the nation increased by 9 years. Age has its privileges, and one of them is retirement pay and medical benefits funded by the U.S. taxpayer. Moreover, older people are on average wealthier than younger ones, and the dividends, interest and rent that flow to owners

## CHART G



of wealth now flow more to Pensacolians than they did 45 years ago. We've shifted out of manufacturing and government jobs and into services jobs and retirement income.

## What does the future hold?

The reality of the 21st century workplace is that cost-lowering innovation in technology (e.g., automation) and globalization (e.g., containerization) provide relatively few high-wage work options for people doing tasks that can be automated or done offshore. This change has been a disaster for people who decades ago would have earned a reasonable wage on the assembly line and in many other jobs.

But on the upside, higher incomes now flow to those who design and run the automated processes or who can sell their skills across the globe. Just look at NBA teams who have started to play regular season games overseas. And English soccer star David Beckham that wants to build a stadium in Miami. Both high and low-end retailers have expansion plans, while middle-class retailers like JC Penney's and Sears fade away.

Our sense that the middle class faces challenges and that intergenerational poverty is hard to eradicate match our national experience. Recent academic work finds that the United States has not seen improved intergenerational class mobility relative to peer nations, despite decades of spending associated with the War on Poverty. The same factors that spur luxury sales also increase income inequality and limit the growth of a middle-class market that might otherwise buy expensive new products and technologies.

The residents of a community use a variety of assets, including labor, capital assets, good ideas and hard work to create economic

activity and wealth. Some, such as oil and gas reserves, are specific to a particular geographic location — the oil and gas fields of North Dakota have transformed economic opportunity for that area. The reality of the 21st century is that many productive assets can be located anywhere and the skills and abilities of our residents determine how well we perform relative to our neighbors.

The best chance for our local middle class to perform well in the modern economy is to prepare our residents for the high-wage jobs of the future and to create economic opportunity across the board. This calls for:

- Ensuring that as many children as possible show up for their first year of school ready to learn.
- Maintaining high achievement across the K-12 system so that more of our youngsters finish high school either ready for university, for college, or for work.
- Making ongoing workforce training more readily available, since workers switch jobs more often.
- Promoting population growth for our community. Economic opportunity happens when there are new customers and workers, not when there is stagnation.
- Capitalizing on our unique access to areas that are opening to subsea drilling and exploration by promoting services aimed at that industry.
- Promoting visitation and relocation to our historic and beautiful community.
- Supporting growth of quality educational programs at our colleges and university.

If we can provide a community with safe streets, good schools, and the economic opportunity that comes with a growing population, then many of the challenges we face will take care of themselves.



Tauheedah Rasheed changed her family's lives when she was accepted into a Pensacola State College program providing education and other assistance for low-income students.

## Rebuilding our middle class could start here

**What forces can we count on to drive our region's economy?**

.....  
*By Mollye Barrows  
mbarrows@studer.com  
Photos by Michael Spooneybarger*

**T**auheedah Rasheed knows the value of hard work.

A single mother with two young children and then only a high school education, Rasheed could barely make ends meet working in customer service.

"Our lights were never off, our house was always secure," Rasheed said. "But I just want to provide more for my kids."

Rasheed, 32, dreamed of attending college and becoming a nurse. But even with assistance, paying for school and keeping her household running would have been

nearly impossible.

Enter Pensacola State College's Health Profession Opportunity Grants program. Rasheed's dreams came true.

In 2011, Rasheed became a certified nursing assistant. Two years later, she got licensed as a practical nurse, a field that expands her career options and allows her to build a better life for her kids.

"It's going to make a tremendous difference," Rasheed said. "It just gives me a lot of avenues and it has made a positive change in me and in my kids' lives."

Funded by a five-year, \$8.5 million grant through the Affordable Care Act, the program provides education and training for low-income students for jobs in health care that are expected to be in demand.

In a metro area such as Pensacola, where health care is expected to fuel the regional economy for the next several years, this path to success is good for Rasheed — and for Pensacola overall.

Financial services, fueled by Navy Federal Credit Union, along with service-related industries, are other strong sectors in the area's economy, according to data from the University of West Florida's Office of Economic Development and Engagement.

Also set to increase in our job market are service-related jobs — janitors, construction laborers and food preparers — that don't require much education. They pay lower wages.

Manufacturing jobs — once a key contributor to the middle class economy — are diminishing. It is an economic shift that is unfolding across the state and nation.

Job opportunities are expanding at the top for workers with education and skills. At the bottom are low-paying jobs available for workers with little education and skills.

The result is a shrinking middle class that struggles to find good-paying jobs.

Initiatives like PSC's Health Profession Opportunity Grants (HPOG) program can provide job training and help improve the health of the area's economy.

Keith Samuels, technical adviser for the program, said they do more than provide an opportunity for affordable education. They also help some students learn how to succeed.

"They don't think this is where they can be, so it's not their culture," he said. "Sometimes it's just getting them to do something to get their foot onto a college campus."

## Skilled manufacturing

Skilled manufacturing is another area that is expected to grow in the regional job market, especially in the oil and gas industry.

Expected job growth in mining, quarrying and oil and gas extraction, according to the 2012 Economic Census Advance, is good news for Northwest Florida.

"The market for drilling is moving



Buddy McCormick is vice president of Offshore Inland, which runs out of the Port of Pensacola.

toward the central Gulf and Pensacola is right there," said Buddy McCormick, vice president of Offshore Inland, which operates out of the Port of Pensacola.

Offshore Inland doesn't drill for oil and gas in the Gulf, but it helps maintain and service vessels that do.

The vessels are hard to miss at the port.

Ships like Global 1200, a deep-water, pipe-laying ship with 12-story-high cranes, dominate the downtown skyline at the port.

Those ships mean money not only for Offshore Inland, but also nearby businesses.

Offshore Inland started operations at the port in 2008. Officials say they chose Pensacola over Mississippi because it's an easy port to navigate and is centrally located for the drilling lease areas opening up in the Gulf of Mexico.

The lease includes the promise to add at least 100 jobs with an average wage of more than \$43,000 a year.

McCormick is confident his company can fulfill the commitment based on the growing demands of the oil and gas industry.

Dave Ivey is an example of the kind of opportunity the oil and gas industry can offer.

The Munson native spent eight months a year traveling to find work before he latched onto his new gig as a welder for Offshore Inland four years ago.

Now he can support his family and was home this year to see his daughter graduate from Baker High School.

"I get to go home every night and be with my family; that's the main thing for me," Ivey said. "I was missing my daughter growing up and I got to actually raise her the last four years."

More good economic news is on the way, now that a new deal promises to bring about 200 jobs to the port. Offshore Inland is partnering with Houston-based DeepFlex to make flexible pipe used in deepwater industries. Renovations at an existing warehouse at the port will allow the companies to manufacture up to 62 miles of pipe a year.

## Aeronautics and tech

Pensacola city leaders also see potential for growth in the aeronautical industry. It not only provides higher-paying jobs, but many in the local workforce have the skills needed for the positions.

"The potential is great," said City Administrator Colleen Castille. "We already have an experienced workforce that is coming out of the military, so it's not just Pensacola, it's a regional workforce allocation."

In March, about 300 people turned out for the ST Aerospace job fair, a company that performs aircraft maintenance, repair and overhaul. The city is finalizing a deal with the Mobile-based business to build a \$37 million facility adjacent to the Pensacola International Airport. Some 300 jobs are expected to come with it.

Besides aerospace, several other technology-related industries are planting seeds that are taking root locally. They include cybersecurity, computer-generated manufacturing, as well as trade and logistics.

## Finance sector

Local schools and colleges are providing more educational and training opportunities in these areas, but for the most part the finance industry remains one of the most viable industries in Northwest Florida,

thanks to Navy Federal Credit Union.

Navy Federal began operations at the Heritage Oaks Campus in Beulah in 2003 with 11 employees. The original plan included a 300-seat call center. Since then, Navy Federal has expanded to include all major business units. There now are about 3,400 employees, with plans to add 1,500 jobs in three to five years.

In 2012, Navy Federal bought the adjoining 240 acres from 4-H and developed a master plan for future expansion. Phase I includes two buildings, a central energy plant, auditorium, parking structure and recreation area. Construction should be completed by early 2016.

Deborah Calder, senior vice president for Navy Federal, said a quality workforce is one of the reasons the company chose Pensacola.

Navy Federal averages more than 1,000 applicants a month, but there are some concerns about finding the right employees in the future, Calder said.

“Our talent pool right now is great,” Calder said. “What I have to think about is 10 years down the road, what is that talent pool going to look like?” Calder said.

Calder said they had a relocation blitz for current employees and many came from some of the top school districts in the country.

Many chose to live in Pace and Gulf Breeze in Santa Rosa County.

While Escambia County has some A schools, the majority are average or below average, compared to Santa Rosa County, which boasts some of the best schools in the state.

The issue of quality education in Escambia County is too important for local business leaders to ignore, Calder believes.

Without a healthy, educated workforce, economic development will be grim for any industry in Pensacola. Calder wants to see the top 10 industries in the area meet with local educators.

“I worry about that for us from a labor-pool perspective for two reasons,” Calder said. “Our talent will continue to be educated here. Will they still be what we’re seeing today? Then there’s economic development as a whole.

“We want to see other industries thrive in Pensacola because then their kids will be educated here and their spouses and they might come to work for Navy Federal,” Calder said.



At the Port of Pensacola, large seagoing vessels frequently tower over the downtown skyline.

Navy Federal has a strong partnership with the UWF to assist with certificate programs, host virtual classes and tailor curriculum to meet the company’s needs. In fact, the Heritage Oaks site is a satellite campus for UWF.

PSC and vocational schools such as George Stone are also designing some of their programs to meet the growing demands of the changing market.

### Workforce education and support

That focus on workforce development will need to be even stronger in the years to come if the area is to prosper.

Sometimes workforce development means tailoring education to include skills outside the technical requirement of a job. For example, administrators of the HPOG program at PSC found that students often need support in basics such as time and money management.

They often have difficulty planning for the day, much less their future, so administrators set up a network of services and case managers to help with childcare, gas, utility bills and emotional support.

“I think it helps them and our community is going to be richer,” PSC’s Samuels said. “If we can help them break out of (the cycle of poverty), they become a giver to the

community. We can then focus our resources on others who need more help than they will need.”

### Setting priorities as a region

Business leaders including Calder and Jerry Maygarden, president of the Greater Pensacola Chamber, believe the region needs to set priorities to address its most fundamental challenges.

They believe the community needs to create a broad strategy that provides opportunities for middle- and lower-class residents.

Helping residents like Rasheed succeed helps the entire Pensacola community.

Rasheed is the first in her family to earn a college degree. She works two nursing jobs and no longer relies on government assistance. She is saving money to buy her first house.

And she is showing her children a better way to live, something she gives credit to the HPOG program for helping her do.

Rasheed recalled other women in her classes who once were living in public housing but now, with more education and better jobs, have transitioned to bigger dreams and better lives.

“The goal is not to get there and stay there,” Rasheed said. “It’s about getting there, getting a little help, and moving on.”

# Community-building events help spread success

## Pensacola Network fosters strong business relationships

By Mollye Barrows

[mbarrows@studer.com](mailto:mbarrows@studer.com)

Photo by Michael Spooneybarger

**R**obin Reshard wants to hear your story. She calls it being nosy, but it's a curiosity born from a genuine interest in people and a desire to see them succeed.

"I like people," Reshard said. "I think people have amazing stories that connect them at a basic foundation."

You can find her at DeVilliers Square in Pensacola, the fourth Friday of every month, encouraging others to share their stories as part of the Pensacola Network.

The professional networking event was launched by Reshard and her husband, Lloyd, to strengthen relationships in the African-American business community.

"It is for anybody and everybody who has good in their hearts for building up the African-American community," Reshard said.

Lloyd Reshard successfully ran a similar networking opportunity in Fort Walton for years. The Reshards saw the same need for connection in Pensacola and started the Pensacola Network a year ago. Now they draw about 100 people to each event.

"We have a lot of resources that are available to us and when you don't know about them, it's harder to succeed," Lloyd Reshard said. "What's rewarding to me is if someone finds something they didn't realize was there, and they become successful. They get a scholarship or they get a job, that's the reward. It's like our way of giving back."

Guests pack the meeting hall in the heart of Pensacola's historic Belmont-DeVilliers neighborhood, a historically diverse and culturally rich area. Reshard, who also runs her own production company, recently produced a documentary about the community.

"There was an African-American business alliance here in the 1800s," she said,



Robin Reshard speaks with Escambia County schools Superintendent Malcolm Thomas at a network event.

"so there were black folks getting together around business ideas and building economic development and community development long before we came on this plain. Doing this is nothing new to any community."

At each event, there's time to mix and mingle, then Reshard often interviews a special guest. She hopes to spark conversations that help people.

Reshard believes open dialogue is the key to connection.

"Diversity in business is good business practice, so this is not solely for getting one particular community together," Reshard said. "When you see who comes to our networking, it's not just black folks, it's not just white folks, it's not just business folk, it's not just college folk. It's a blend of all that. They are all coming together and understanding the good."

In many ways, Reshard is a community educator at heart. She credits her parents.

Growing up in rural Arkansas, her mother was a teacher and her father was a real estate purchasing agent. They kept Reshard and her seven siblings busy with everything from sports to volunteering.

"They raised eight children and I don't care how much money you have, eight children will eat it up. They really had to make use of their limited resources to get

us where they thought would be best, so they connected us to people," Reshard said. "I met governors and potentates. I met pimps and prostitutes and all of them were important to building the community."

Building community remains a priority for Reshard. She moved to Pensacola in 1993, to teach at the U.S. Navy cryptology school at Corry Station. She has been here ever since, working to make a positive impact through a variety of creative channels.

She has written two published books in addition to some unpublished plays and a movie script, two motivational CDs, and a documentary. She has two more documentaries in the works. She also hosted a public affairs show on WSRE for several years called "Connecting the Community," and continues to host and produce several web series, including one for the Pensacola Network.

Reshard's many projects keep her busy, but the opportunity to see people connect and find success makes it all worthwhile.

"I want people to fulfill their purpose. I want Pensacola Network to be a vehicle to help them achieve that purpose, whether it's for business or personal," Reshard said. "I want the Pensacola Network and all of the people, organizations and companies that come there to help them on their way."

# Pensacola's job forecast table

This forecast compares the number of jobs in the two-county metro area in 2014 to the number expected in 2020.

The table is divided into three sections:

- The first section shows the top 11 occupations ranked by the expected growth in the number of jobs.
- The second section shows the seven occupations that are gaining employees at the highest percentage growth rate.
- The last section shows expected growth for the 12 occupations that today employ the most people.

The "location quotient" shows the share of the job in the local workforce relative to the share of the job in the national workforce. The national average equals one.

For example, there are 22 percent more customer service jobs locally compared to the nation. There are 11 percent as many software developers as we would have if our job makeup exactly matched the national average.

Median and average earnings per hour represent the local economy; the education level shows the level of education needed for entry-level positions.

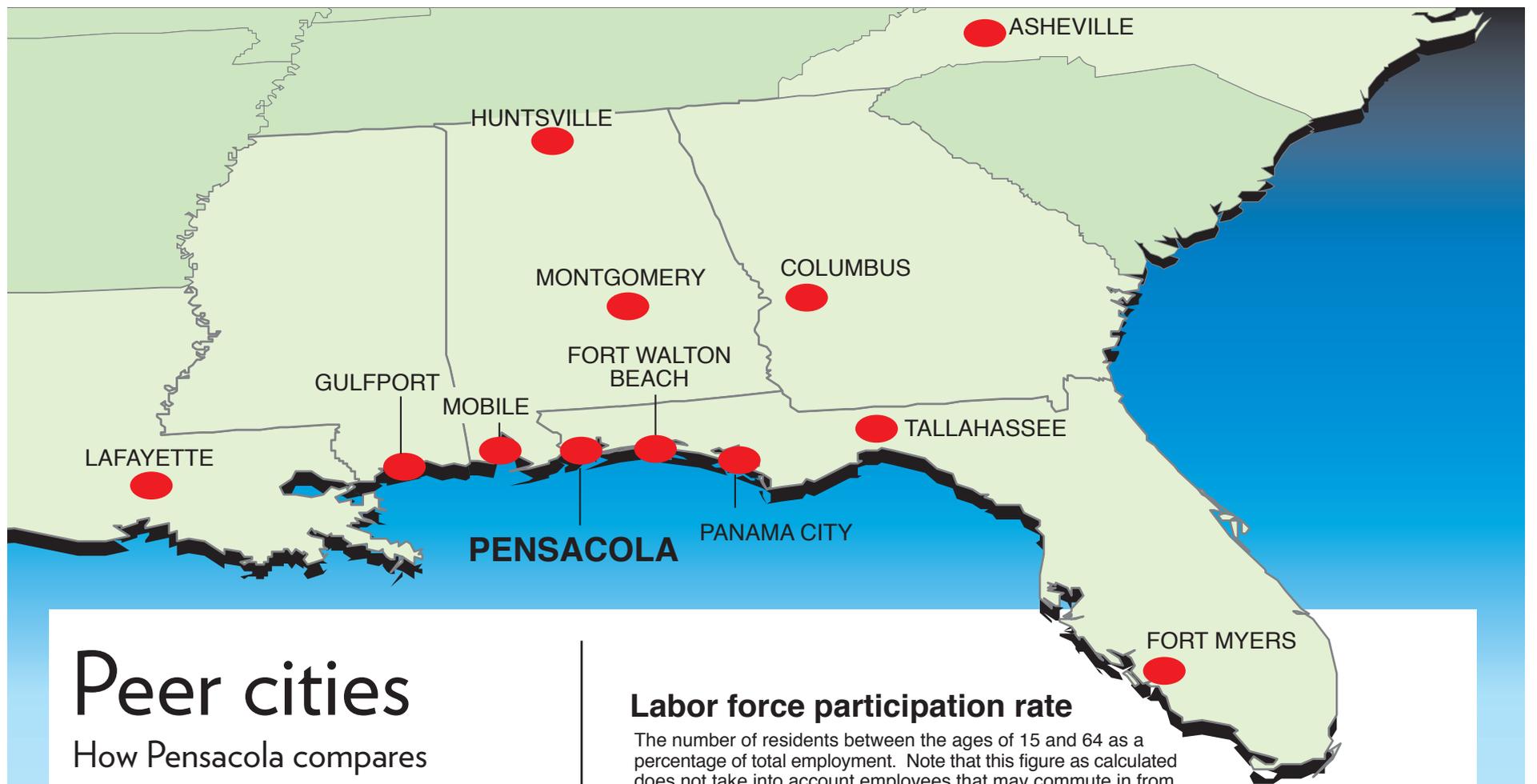
## OCCUPATION DATA

Economic Modeling Specialist Inc. occupation employment data are based on final EMSI industry data and final EMSI staffing patterns. Wage estimates are based on Occupational Employment Statistics (QCEW and Non-QCEW Employees classes of worker) and the American Community Survey (Self-Employed and Extended Proprietors). Occupational wage estimates also affected by county-level EMSI earnings by industry.

## STATE DATA SOURCES

Florida Department of Economic Opportunity.

Description	2014 Jobs	2020 Jobs	Change	Percent Change	Location Quotient	Median Hourly Earnings	Avg. Hourly Earnings	Education Level
Customer service representatives	3,627	4,031	404	11%	1.22	\$12.23	\$12.43	Short-term on-the-job training
Retail salespersons	7,324	7,703	379	5%	1.33	\$9.91	\$11.42	Short-term on-the-job training
Nursing assistants	2,169	2,415	246	11%	1.17	\$10.99	\$11.26	Postsecondary non-degree award
Registered nurses	4,670	4,904	234	5%	1.37	\$25.77	\$25.66	Bachelor's degree
Janitors and cleaners	2,249	2,472	223	10%	0.75	\$9.24	\$10.03	Short-term on-the-job training
Food preparation and serving workers	5,015	5,207	192	4%	1.28	\$8.77	\$8.85	Short-term on-the-job training
Construction laborers	1,272	1,423	151	12%	1.18	\$11.97	\$13.14	Short-term on-the-job training
Postsecondary teachers	1,516	1,661	145	10%	0.82	\$26.84	\$31.57	Doctoral degree
Licensed practical and licensed vocational nurses	1,195	1,340	145	12%	1.26	\$18.01	\$18.61	Postsecondary non-degree award
Elementary school teachers	2,174	2,304	130	6%	1.28	\$23.31	\$23.81	Bachelor's degree
Secretaries and administrative assistants	3,553	3,680	127	4%	1.13	\$13.55	\$14.08	Short-term on-the-job training
Software developers, systems software	59	79	20	34%	0.11	\$42.02	\$41.28	Bachelor's degree
Information security analysts	20	26	6	30%	0.21	\$38.16	\$41.15	Bachelor's degree
Editors	34	42	8	24%	0.28	\$22.65	\$24.46	Bachelor's degree
Personal financial advisors	70	86	16	23%	0.30	\$25.34	\$33.48	Bachelor's degree
Meeting, convention, and event planners	61	73	12	20%	0.60	\$15.97	\$15.44	Bachelor's degree
Market research analysts and marketing specialists	181	215	34	19%	0.34	\$29.55	\$32.43	Bachelor's degree
Child, family, and school social workers	131	154	23	18%	0.36	\$16.07	\$17.47	Bachelor's degree
Military occupations	12,941	12,925	(16)	0%	5.28	\$15.58	\$16.97	N/A
Cashiers	5,236	5,331	95	2%	1.24	\$8.94	\$9.28	Short-term on-the-job training
Waiters and waitresses	4,156	4,183	27	1%	1.37	\$8.88	\$9.50	Short-term on-the-job training
Office clerks	2,906	2,973	67	2%	0.73	\$11.64	\$12.24	Short-term on-the-job training
Stock clerks and order fillers	2,563	2,566	3	0%	1.13	\$10.38	\$11.23	Short-term on-the-job training
First-line supervisors of retail sales workers	2,358	2,475	117	5%	1.53	\$17.75	\$20.14	Work experience in a related occupation
Bookkeeping, accounting and auditing clerks	1,893	1,996	103	5%	0.86	\$14.57	\$15.00	Moderate-term on-the-job training
Cooks, restaurant	1,801	1,889	88	5%	1.36	\$10.70	\$11.18	Moderate-term on-the-job training
Teacher assistants	1,783	1,842	59	3%	1.13	\$11.32	\$11.55	Short-term on-the-job training
Correctional officers and jailers	1,722	1,807	85	5%	3.11	\$16.80	\$17.46	Moderate-term on-the-job training
Maids and housekeeping cleaners	1,707	1,803	96	6%	1.21	\$9.13	\$9.54	Short-term on-the-job training
Receptionists and information clerks	1,678	1,719	41	2%	1.29	\$11.65	\$11.84	Short-term on-the-job training
<b>Total</b>	<b>175,499</b>	<b>183,295</b>	<b>7,796</b>	<b>4%</b>		<b>\$16.88</b>	<b>\$18.06</b>	



# Peer cities

## How Pensacola compares

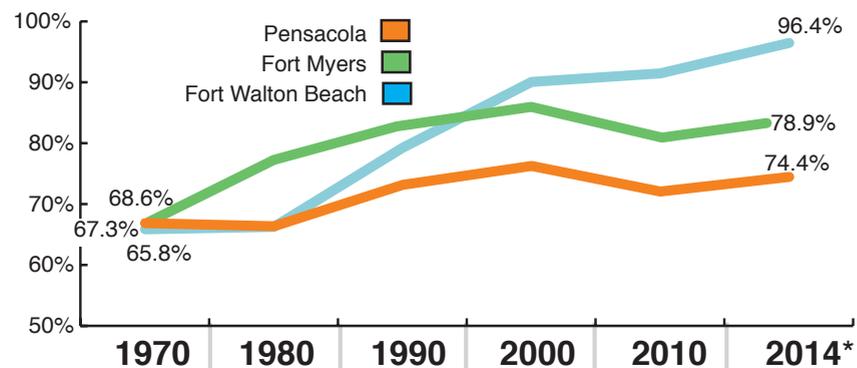
The Studer Institute selected 11 metro areas to compare with Pensacola. Fort Walton Beach, Panama City and Mobile were included because of their location and size in relation to Pensacola. We also looked for metro areas in the Southeast that are similar in population and economy. Several metro areas in the tables have military installations and draw tourists and retirees.

The labor force participation rate shows the number of jobs in the metro area divided by the number of adults who reside there. The rate could be high because there may be fewer older or younger people per adult. In Fort Myers, for example, the rate is lower because a large population of retirees brings down the ratio. Fort Walton Beach, on the other hand, has a relatively small number of retirees compared to other areas (although that is changing as more retirees move to Destin and South Walton), and the higher-paid defense contracting jobs bring in workers who live outside the metro area.

Other contributing factors could be a high number of people dependent on an income earner (more children or more retirees), and a large “gray” or “casual” labor market where many people provide services on a cash basis, with some of that income not reported. Pensacola’s low measured rate is likely attributable to both of these reasons, as well as to some of our working residents holding jobs in other metro areas.

## Labor force participation rate

The number of residents between the ages of 15 and 64 as a percentage of total employment. Note that this figure as calculated does not take into account employees that may commute in from outside of the geographic boundary of the MSA.



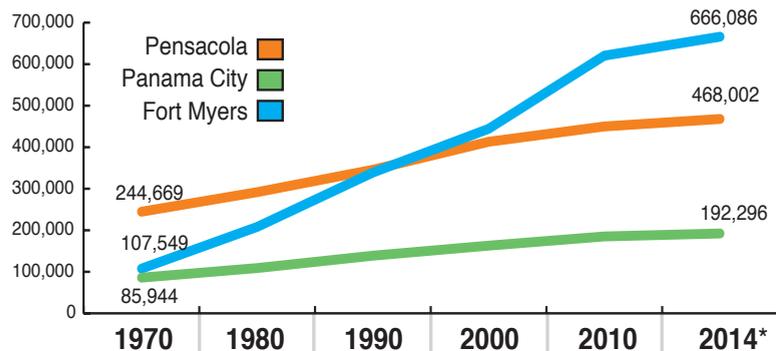
	1970	1980	1990	2000	2010	2014*
<b>Pensacola</b>	67.3%	66.3%	73.1%	76.2%	72.0%	74.4%
<b>Fort Walton Beach</b>	65.8%	66.2%	79.2%	90.0%	91.4%	96.4%
Panama City	66.3%	68.6%	80.3%	80.0%	82.7%	85.2%
Tallahassee	66.7%	71.0%	85.9%	86.2%	79.2%	80.3%
<b>Fort Myers</b>	68.6%	77.3%	83.3%	84.4%	76.0%	78.9%
Gulfport	73.7%	71.7%	74.5%	86.5%	82.9%	82.9%
Mobile	63.0%	70.7%	74.1%	83.5%	83.5%	86.2%
Montgomery	76.5%	76.7%	84.9%	89.5%	87.4%	88.1%
Lafayette	61.1%	77.2%	75.7%	84.2%	89.8%	92.7%
Asheville	70.0%	73.5%	86.5%	89.7%	85.3%	88.6%
Columbus	74.8%	71.4%	79.9%	88.8%	88.1%	89.8%
Huntsville	76.0%	76.0%	93.0%	96.0%	92.0%	94.0%

\* Estimate

Graphics by Ron Stallcup, rstallcup@studer.com

## POPULATION

The number of persons living within the geographic boundary of the MSA. It includes the civilian population, military population, college residents, institutional populations and estimates of undocumented aliens.

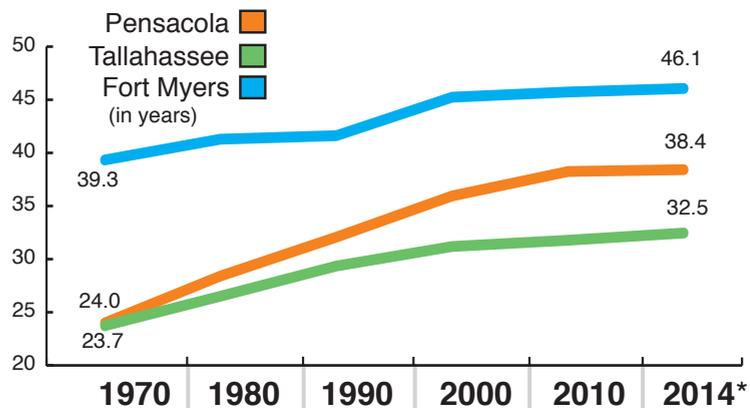


	1970	1980	1990	2000	2010	2014*
<b>Pensacola</b>	244,669	291,810	345,706	413,085	449,984	468,002
Fort Walton Beach	104,947	132,134	172,290	211,955	236,101	248,669
<b>Panama City</b>	85,944	108,989	138,809	162,959	185,151	192,296
Tallahassee	158,834	213,074	261,192	321,336	367,915	384,432
<b>Fort Myers</b>	107,549	208,127	339,012	444,311	620,450	666,086
Gulfport	242,197	301,121	312,471	365,397	371,520	382,332
Mobile	318,473	366,057	379,167	400,073	413,116	419,331
Montgomery	239,490	286,382	306,042	347,080	375,203	389,871
Lafayette	297,624	361,444	383,397	425,158	467,550	492,517
Asheville	246,640	283,713	309,502	370,615	425,567	442,960
Columbus	254,840	259,775	266,931	282,431	295,639	309,851
Huntsville	228,664	243,611	294,353	343,972	419,380	438,881

\* Estimate

## Median age

The age that divides a population into two numerically equal groups - i.e. one half of the population is younger and one half is older than this age.



	1970	1980	1990	2000	2010	2014*
<b>Pensacola</b>	24.0	28.4	32.1	36.0	38.3	38.4
Fort Walton Beach	23.6	28.2	31.9	36.9	39.4	39.5
Panama City	26.1	29.6	33.1	37.7	39.9	40.3
<b>Tallahassee</b>	23.7	26.5	29.4	31.2	31.8	32.5
<b>Fort Myers</b>	39.3	41.3	41.6	45.2	45.7	46.1
Gulfport	23.4	26.8	31.6	34.8	36.8	37.1
Mobile	25.4	27.8	32	34.5	36.7	37.2
Montgomery	26.2	28.3	31.8	34.2	36.0	36.2
Lafayette	23.5	26.1	30.3	33.2	34.6	35.2
Asheville	31.7	33.8	37.9	40.3	42.7	43.5
Columbus	23.5	27.0	30.4	32.8	34.5	34.5
Huntsville	24.7	28.6	32.0	35.8	37.6	38.1

\* Estimate

# Peer cities

## How Pensacola compares

Fort Myers is the largest metro area in this group with a population of 666,086. In 1970, it was half the size of Pensacola.

Now there are six Fort Myers residents for every one resident who lived there in 1970.

Pensacola's population growth was much slower than Fort Myers, but it is nearly triple that of Mobile. Inland Columbus, Ga., with a heavy reliance on military, and some tourism, grew only 22 percent over the 44-year time period.

Fort Myers also has the highest median age, at 46.1 years. Asheville is a close second. Its median age has grown only by 17 percent, while Pensacola and Fort Walton Beach led the pack with increases

in median age of 60 percent and 67 percent, respectively.

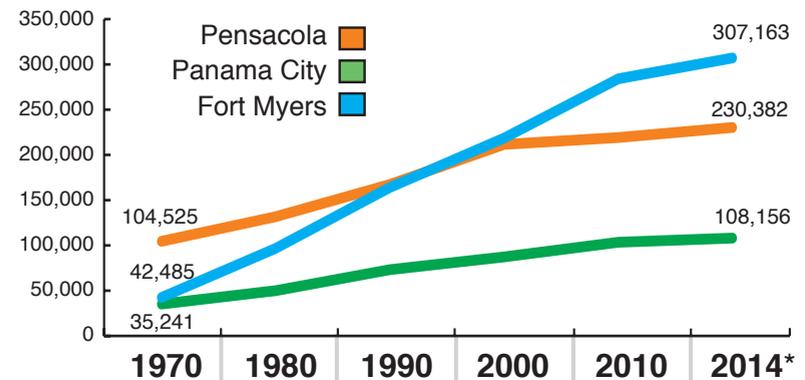
This aging has implications for the importance of income from federal government transfer payments such as Medicare and Social Security.

Employment increased at a greater rate than population in all of the metros as more women entered the workforce, especially in Lafayette and Mobile. However, in some metros, a relatively greater share of the older and of non-working populations slowed that employment growth rate. This is true in Fort Myers and Pensacola.

NOTE: All metrics represent the Pensacola Metropolitan Statistical Area (MSA), which includes all of Escambia and Santa Rosa counties.

## Employment

The measure of the number of full-time and part-time jobs by place of work.



	1970	1980	1990	2000	2010	2014*
<b>Pensacola</b>	104,525	131,667	167,252	211,619	219,205	230,382
Fort Walton Beach	43,343	60,452	91,625	128,428	145,546	156,774
<b>Panama City</b>	35,241	50,036	73,231	87,305	103,529	108,156
Tallahassee	68,043	104,810	156,015	200,309	212,490	220,473
<b>Fort Myers</b>	42,485	96,757	164,023	218,689	284,120	307,163
Gulfport	109,737	142,302	154,160	211,288	206,620	208,259
Mobile	121,226	167,989	181,718	217,774	229,305	235,647
Montgomery	109,721	142,171	170,903	207,472	221,811	229,305
Lafayette	106,399	181,103	186,876	235,648	282,919	302,212
Asheville	107,388	135,097	171,956	215,322	235,329	247,511
Columbus	122,625	125,644	142,033	166,255	175,190	184,703
Huntsville	107,132	126,605	191,463	225,094	264,676	276,231

\* Estimate

# Peer cities

## How Pensacola compares

The increase in average earnings per job was the greatest in Lafayette, La. and Columbus, Ga. The economies in those metro areas are driven by energy production and the military. Inflation adjusted earnings per job increased by 87 percent in both metros over the 44-year period.

Of a dozen metros during the same period, Pensacola performed the worst as military and manufacturing jobs were replaced by lower-paying jobs serving the needs of retirees and tourists.

Those changes are not unique to Pensacola; jobs in the military and manufacturing have declined nationwide.

Pensacola outpaced growth in the national average earnings per job because of military pay raises during the past few years.

However, the peer metros saw more growth in total personal income per capita than Pensacola.

The difference, however, is smaller than for average earnings per job because retire-

ment income replaced earnings from labor.

Because we started the 1970 – 2014 period with higher personal income per capita than all but two peer metros, even with weak growth we still outrank four of those communities in 2014.

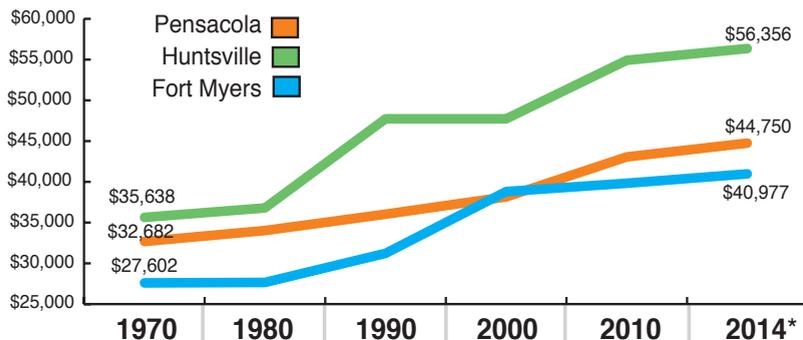
Mean household personal income growth has been roughly on par with that of Huntsville, Ala., and Asheville, N.C., but well below that of Lafayette and Fort Walton Beach. The effects of shrinking household size appear in communities where retirees are moving, such as Asheville and Pensacola.

Average household income in Lafayette reflects growth of the energy industry in that community's economy.

Fort Walton Beach's income growth reflects the impact of the 2005 Base Closure and Realignment Commission process, which brought that area more military jobs relative to other military communities.

## Average earnings per job

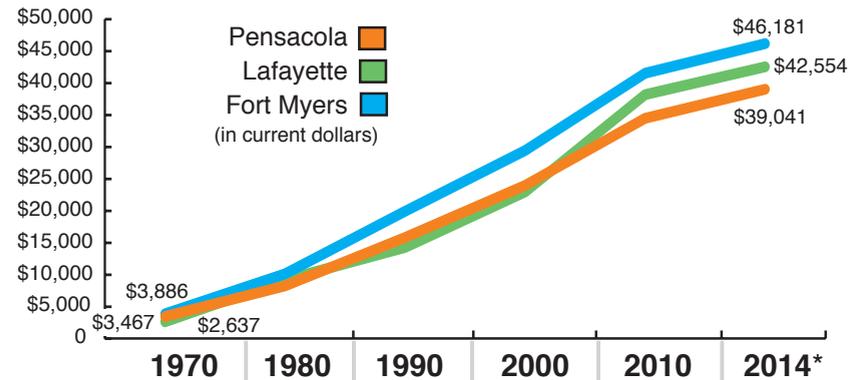
Earnings are defined as the sum of wages and salaries, other labor income and proprietors' income. Average earnings are calculated by dividing the total earnings by place of work by the total employment in the area.



\* Estimate

## Total personal income per capita

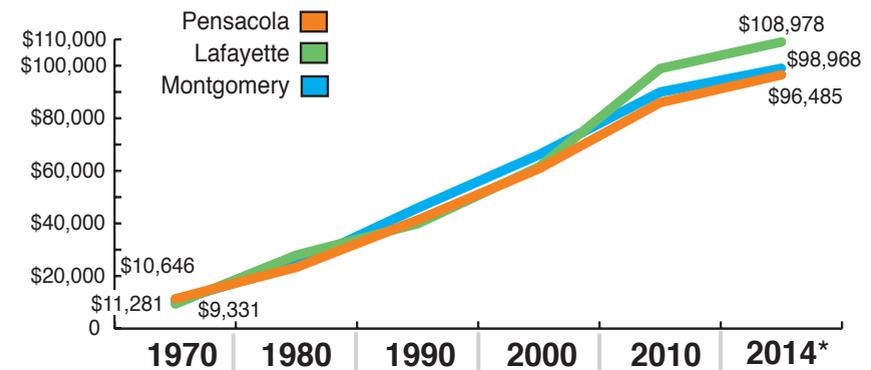
Personal income is the income received by all persons from all sources by place of residence. Personal income per capita is calculated as the personal income of the residents of an area divided by the population of that area.



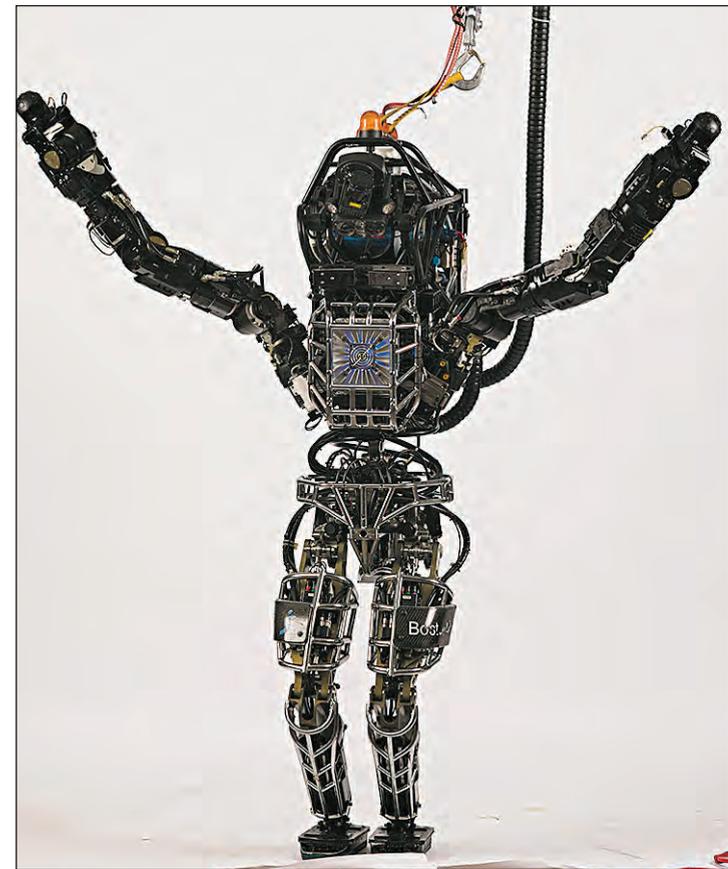
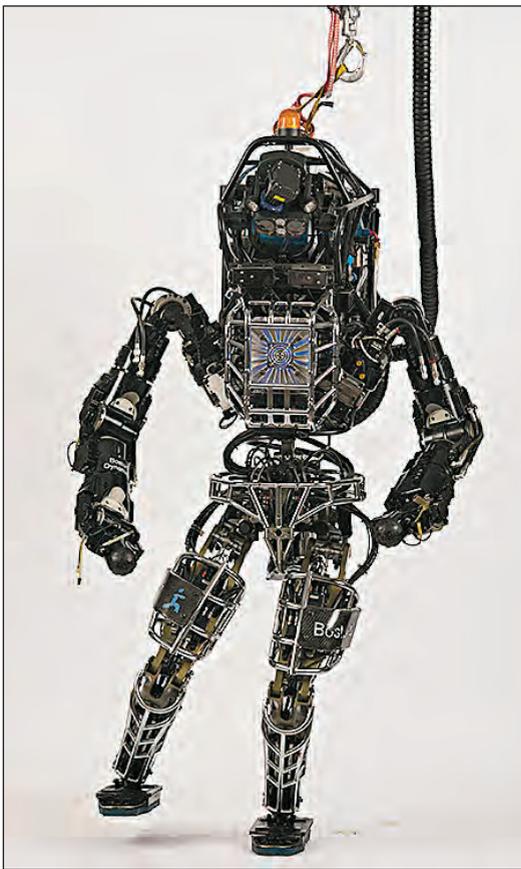
\* Estimate

## Mean household total personal income

Mean income is the average income earned per household within the geographic boundary of the MSA. It is calculated by dividing the aggregate personal income of all households by the number of households in the area.



\* Estimate



One of Pensacola's advantages in the tech sector is the presence of the Florida Institute for Human and Machine Cognition, which is widely recognized for its research and innovation in robotics.

# Pensacola-area tech sector is on the move

## Region is strengthening its foothold in the tech world

By Mollye Barrows  
Photos by Michael Spooneybarger

Getting a 350-pound robot to walk like a human is half art, half science. It's the kind of thing the robotics lab at the Florida Institute of Human and Machine Cognition specializes in.

"We're trying to build in the intelligence to balance and move," said Doug Stephen, a researcher who designs software for "Atlas," a humanoid robot built for disaster response.

More than two dozen researchers at the lab are grateful for the opportunity to work on "Atlas." And they're glad to do it in Pensacola.

"Research and jobs in the community is what we're doing here," said Johnny Godowski, another IHMC research associate. "We're proud to be doing that in a community that appreciates it."

Building the technology sector and providing more opportunities like those at IHMC is critical to expanding Pensacola's economic footprint.

"The beauty of tech businesses is that we're clean, we have high-paying jobs and we bring resources," said Julie Sheppard, general counsel at IHMC. "Wherever we can grow our own companies here, that's what we need to do."

The Pensacola area has a foothold in the growing technology world thanks to:

- The growth of IHMC, which is becoming an internationally recognized hub for robotics research and innovation.
- The presence of companies such as AppRiver, a leading provider of email and

security services, and Avalex, which designs display and mapping systems for use by the military and law enforcement worldwide. They are just two companies that could have relocated to more urban areas, but have made a commitment to building Pensacola's tech-community footprint.

- A quality of life that makes Pensacola an appealing place to live.

Brice Harris, associate director of the University of West Florida's Office of Economic Development and Engagement, says tech-based jobs can be the third leg to our economic stool.

"We already have two, military and tourism," Harris said. "The advanced technology and manufacturing industries have the potential to (diversify our local economy) if we make wise choices."

Local tech industry leaders say attracting more talent and tech based companies is key to growing the tech sector.

“I think the biggest issue we’ve got right now is that people don’t know the area,” said Jim McClellan, director of marketing at AppRiver.

## Tech talent

From its Gulf Breeze headquarters, AppRiver serves 47,000 corporate customers around the globe. The company recently opened offices in Atlanta and Austin because of bigger talent pools.

“We’ve got a thriving tech sector here that’s brewing,” McClellan said. “We care about it, we worry about it, and we are very interested in expanding our tech importance here.”

Vernon Niven, a 51-year-old entrepreneur, has worked in software his entire career. He moved to the Pensacola/Gulf Breeze area 20 years ago for his family and the lifestyle.

“We just loved the place,” he said. “We could live anywhere we want so we said, ‘Let’s go to the beach!’ That was 1994 and we’ve had a home here ever since.”

Niven’s latest enterprise is NeedTagger, a social media-monitoring tool that helps market his clients to potential customers.

He’s able to work from home part-time, a benefit of the software business. But most young people starting out want to live where there are more opportunities, he said.

“Most people who have software engineering degrees will work in the metro areas where they can move around from company to company for the first couple of years, from project to project,” Niven said. “When you get to Pensacola, the risk is very high if they lost a job, they’d have to move. That’s probably the biggest obstacle for us.”

The Center for Innovation and Entrepreneurship, a business incubator formed by the Greater Pensacola Chamber and Pensacola State College, is designed to help grow technology-based businesses.

The CIE takes up the third and fourth floors of the college’s downtown center, offering office space, support services and business coaching, all at a reduced rate.

Frank White’s “thank.hu” is housed

there. It uses technology and sales savvy to help businesses thank their clients with the right gift.

White believes if any one of the dozen or so businesses now simmering at the CIE hits it big, all of Pensacola will benefit.

“I think the one thing we need is for just one company to make it and to make it on a significant scale,” White said. “That will spin off such wonderful benefits for the rest of us here in terms of talent recruitment and convincing people to come here.”

The CIE’S mission is to help build the technology sector in Pensacola and make it attractive for entrepreneurs.

“Just because Silicon Valley has a lot of successful engineers, doesn’t mean Silicon Valley is the only place where engineers can thrive,” said Daryl Tucker, senior analyst for College Frog, another CIE company, which provides an online platform for accounting students to post their resumes.

## Getting the word out

Despite the challenges, industry leaders and entrepreneurs are taking steps to show there is vitality in Pensacola’s tech climate.

The CIE and IHMC have co-hosted two Startup Weekend events in the last year, each drawing 100 or so people. Startup Weekends are organized online and draw entrepreneurs, angel investors and business gurus together for a 54-hour marathon of brainstorming and collaborative business planning.

White was a part of those events and believes the networking and synergy will foster success.

“For me, the goal is that in 20 years, when we have 40 of Startup Weekends, we will have an economy that resulted from a couple of big wins from it,” White said.

Strengthening the ties that bind the local technology sector is also the aim of Innovation Coast, a not-for-profit network of technology and knowledge-based companies.

AppRiver is collaborating with other local tech industry leaders including Avalex and the IHMC to support it.

Innovation Coast showcases companies and professionals along the Northern Gulf Coast from entrepreneurial start-ups to established leaders. Harris is executive director.

“We want to provide social networking for tech industries,” UWF’s Harris said. “We want to see a cluster of tech companies emerge and attract new companies as well as talent. The tech sector is more likely to be successful if a potential employee sees a number of opportunities.”

Organizers have hosted a number of social events, but their signature event this year is the Innovation Awards.

The business plan competition offers \$215,000 in cash and prizes. The first prize is \$100,000; second is \$50,000 and the third prize is a year’s worth of free space in the CIE. Microsoft is also giving the applicants free software and will select three finalists for a software makeover.

The competition is a partnership among Innovation Coast, Space Florida, and the Florida Small Business Development Center, which will coach the top 20 companies, offering help with anything from strengthening business plans to finding angel investors.

The showcase and awards are planned for Nov. 6-7 on Pensacola Beach.

The IHMC’s Sheppard is vice chairwoman of Innovation Coast. She hopes the competition not only will boost the local tech sector but also raise the area’s profile.

“We’re really trying to network and help each other and help the community, so kids who are going away to get degrees can come home and know they will be able to find a place to work.”

She also hopes Innovation Coast, which launched just two years ago, becomes a resource for businesses and professionals and the community at large.

The network already has formal relationships with UWF and PSC, with hopes of creating more educational opportunities, including tailoring curricula to support tech industries.

“We want to make sure we are doing everything we possibly can to help them recruit talent here,” Sheppard said.

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*“The tech sector is more likely to be successful if a potential employee sees a number of opportunities.”*

Brice Harris, UWF Office of Economic Development and Engagement

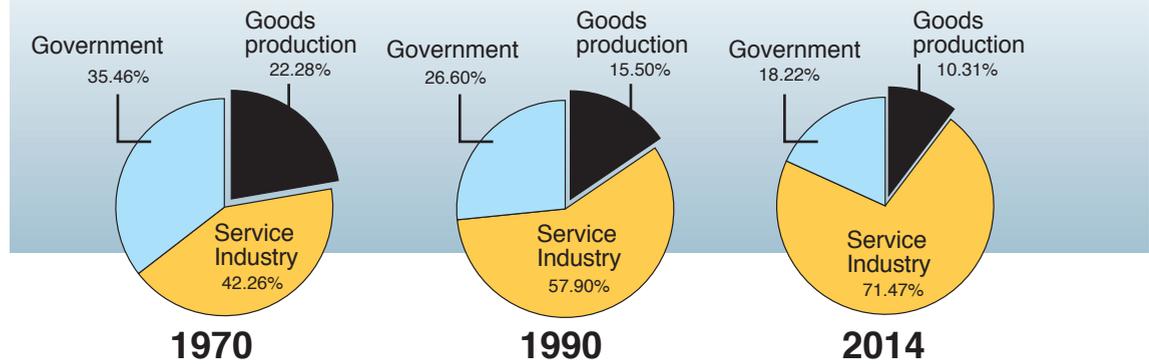




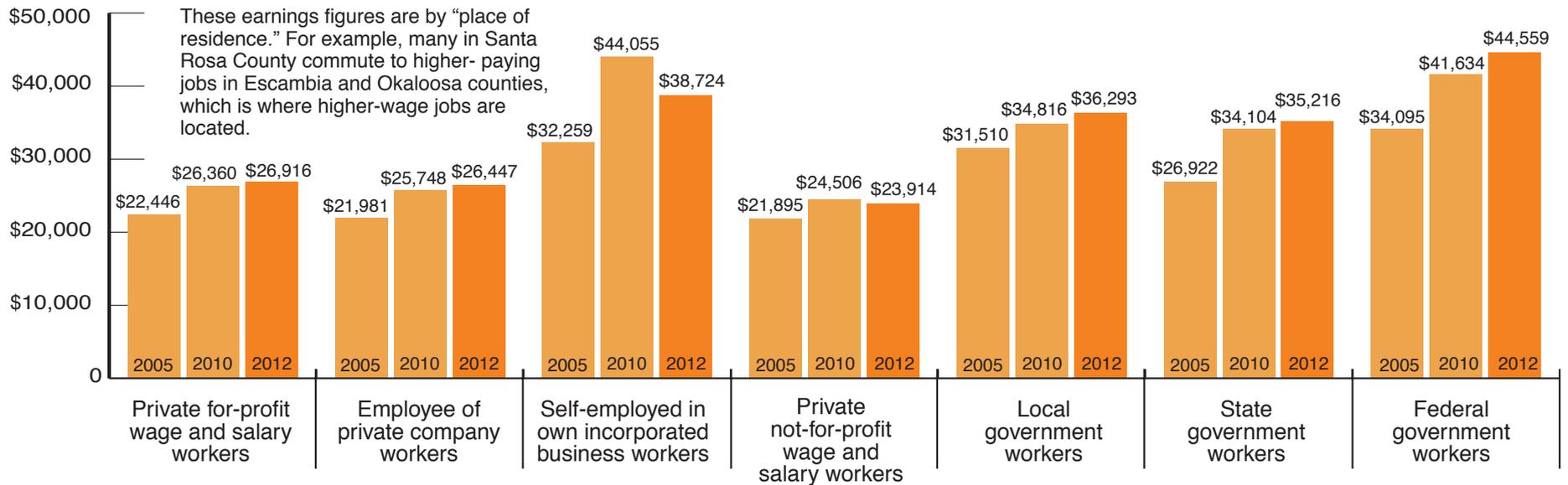


# How our jobs compare

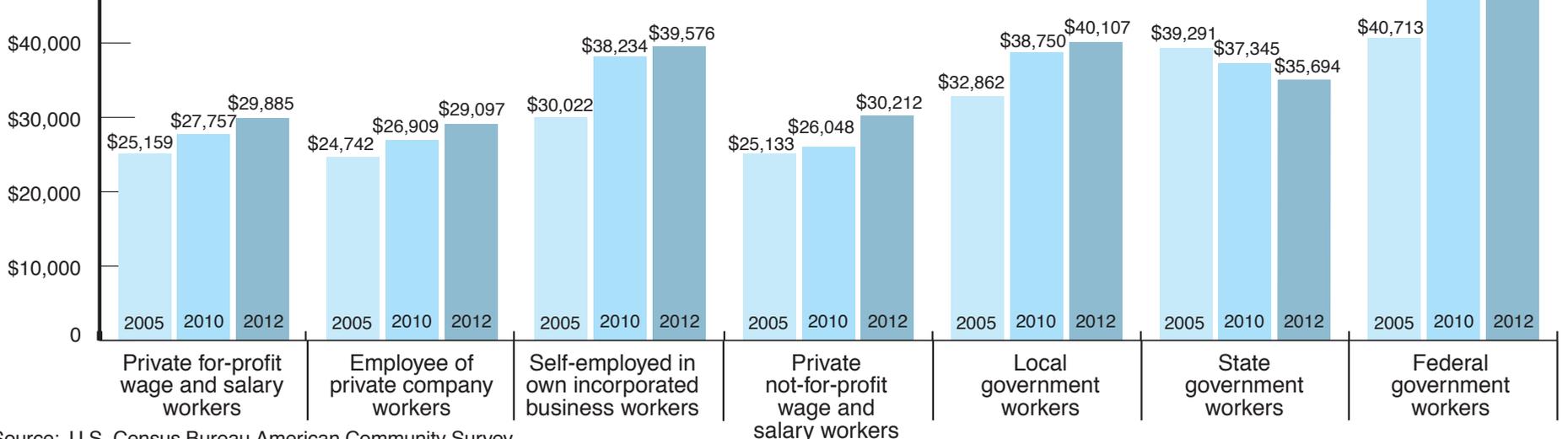
## Where do we work



## Median earnings: ESCAMBIA COUNTY

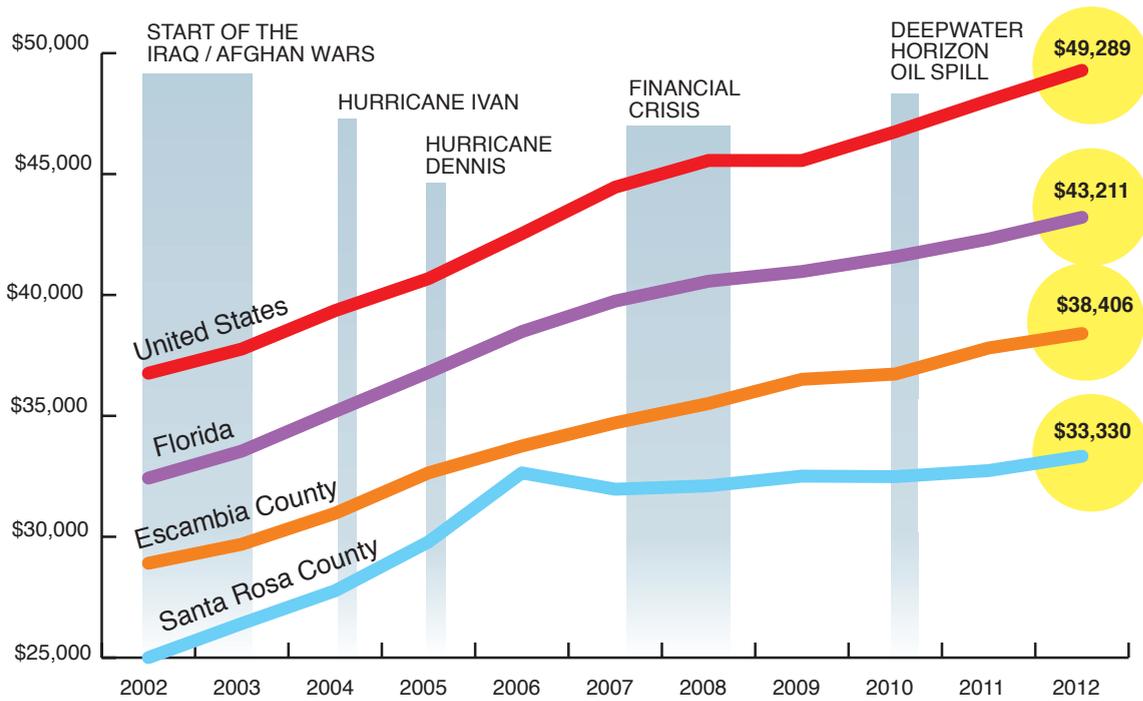


## Median earnings: SANTA ROSA COUNTY



Source: U.S. Census Bureau American Community Survey

## Average annual wage



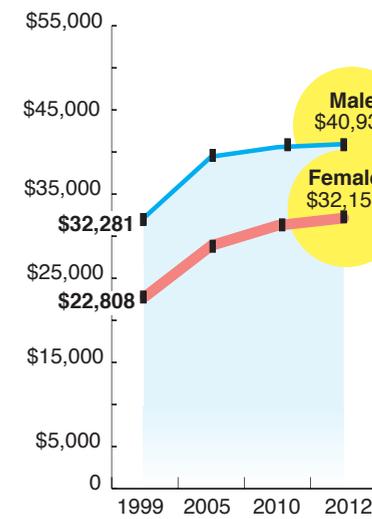
SOURCE: U.S. Bureau of Labor Statistics



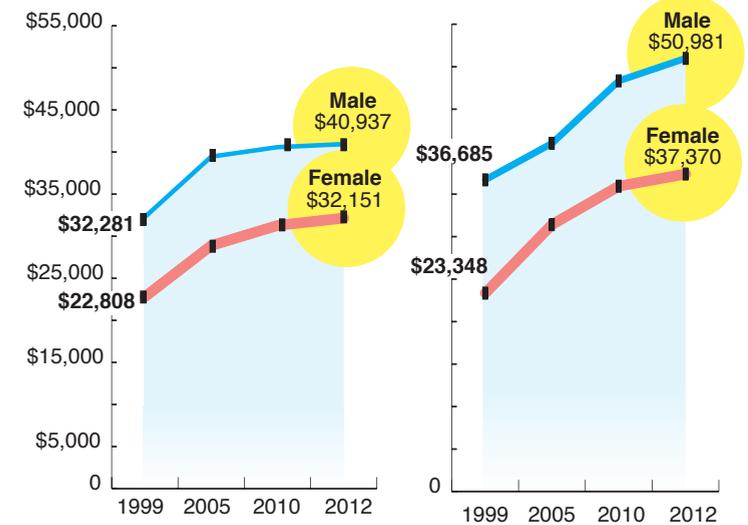
## Median income by gender

Worked full-time, year-round in past 12 months

ESCAMBIA COUNTY



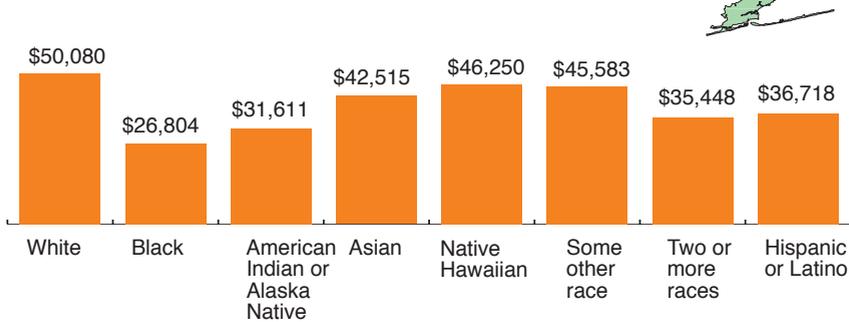
SANTA ROSA COUNTY



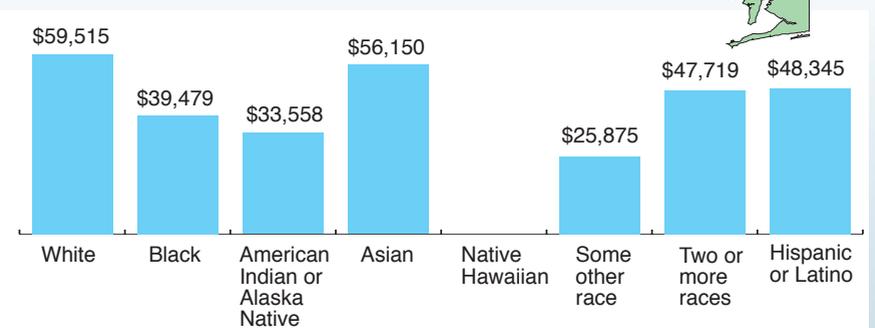
SOURCE: U.S. Census Bureau American Community Survey and 2000 Decennial Census

## Median income by race

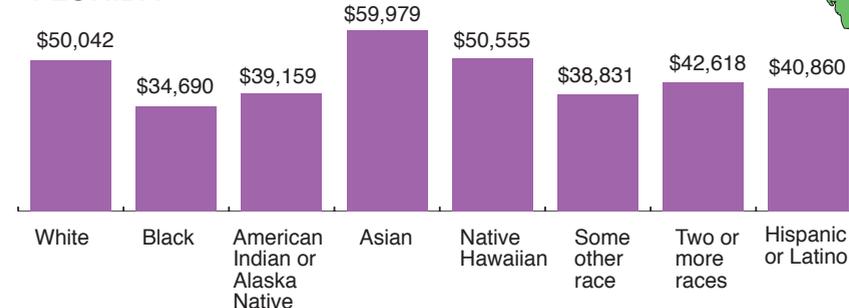
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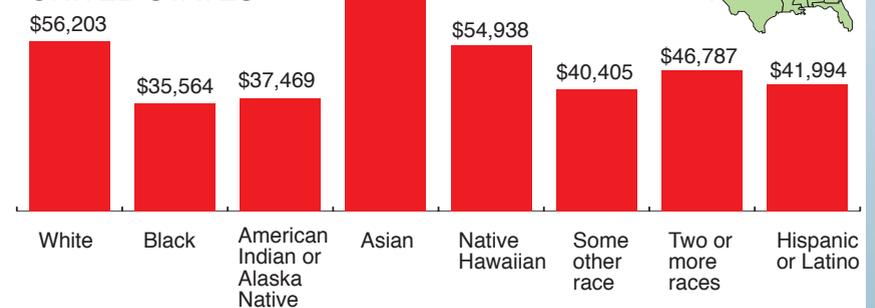
SANTA ROSA COUNTY



FLORIDA



UNITED STATES



# Mobile has cast its lot with industry; should we?

## What lessons can we take from another port city?

By William Rabb

Photos from Alabama State Port Authority

Graphic by Ron Stallcup



This aerial photo shows the Port of Mobile. The city has had success in attracting large manufacturers.

When officials from the Mobile Area Chamber of Commerce visited Pensacola recently, they oohed and ahhed about Pensacola's thriving downtown business district, as well as the waterfront ballpark and its array of nearby restaurants and nightspots.

These same Mobile officials were quick to remind the locals, however, that Mobile has had its share of successes of late, particularly attracting huge manufacturing plants.

The Alabamians were in town at the invitation of Greater Pensacola Chamber President Jerry Maygarden. And that exchange has turned up the heat on a long-simmering debate, as Mobile seems to land one broad-shouldered industry after another: European aircraft manufacturer Airbus, with 1,000 jobs; the 2,000-job AM/NS Calvert steel mill, one of the largest and most advanced on the continent; not to mention other aerospace, ship-building and chemical industries in the Mobile area.

While pleased with the blossoming downtown and signs of growth in Escambia and Santa Rosa counties, Maygarden and

others working on the area's economic development realize that a strong downtown, spinoff companies and white beaches are not enough to sustain the future.

So the question becomes: Why can't we land more shiny, new manufacturing or high-tech employers over here?

The answer is, says Maygarden, we're working on it, but a lot of work remains.

Broadly, there are four ideas that Mobile has embraced more than the Pensacola area has, and these are the difference between them and us — offering bigger incentives, building targeted industry clusters, investing tax dollars in public education, and investing in skilled workforce training.

These findings are based on state and federal data, and interviews with dozens of local and regional officials, manufacturing company leaders, economists and university professors.

For decades, Northwest Florida "was fat and happy to rely on tourism and the military," said Jennifer Landrum Grove, Gulf Power Co.'s workforce development coordinator. But while we weren't looking, Mobile, always a

blue-collar town, expanded its love affair with jobs that required sweat, steel and skills.

"As an outside observer, I can say that whatever Alabama is doing seems to be very successful," said Michael Huggins, interim dean of the College of Arts & Sciences at the University of West Florida.

If the Pensacola area doesn't move more in that direction, our pool of qualified workers "will be swallowed up" by southern Alabama's growing industrial base, said Tony Fiorentino, president of Marianna Airmotive, a Cantonment company that builds and refurbishes components for the C-5 Galaxy, the Air Force's largest cargo plane. "It's going to drain us."

The Panhandle already is facing a critical shortage of skilled workers, including plumbers, metal fabricators, electricians and more, according to the Northwest Florida Manufacturers Council. The 12-county region from Escambia to Franklin counties will need at least 3,400 new and replacement workers in the next five years, but only about 860 will be produced through existing schools and training programs, council projections show.

South Alabama, on the other hand, has

*"Florida for a long time pretty much gave up on getting kids into skilled trades."*

Jennifer Landrum Grove, Gulf Power Co.'s workforce development coordinator

gone whole hog to provide skilled workers for its manufacturing base, and that makes it a good place for Escambia to look for ideas.

## Manufacturing is Mobile's advantage

Mobile County is a fair comparison for the Pensacola area, with similar demographics, education levels, and pockets of poverty and population size. By almost every measure, Escambia County's economic numbers are slightly better than Mobile County's and have been for years:

- Per-capita income in Escambia is slightly higher.
- Median household income is almost \$44,000, about \$1,000 higher.
- The percentage of residents with bachelor's degrees, and the percentage that finished high school, is a full three points higher here, according to 2013 U.S. Census data.
- Unemployment in the Pensacola metro area for April, the latest figures available, was 5.6 percent, significantly better than the Mobile metropolitan area, according to the U.S. Bureau of Labor Statistics.

Over the last five years, the Pensacola area has added more than 5,000 jobs, while the total number of employees in the Mobile area has remained essentially flat since the end of 2009, according to UWF's Office of Economic Development and Engagement, which analyzes federal data.

In one category, Mobile County has far outpaced the Pensacola area: Manufacturing.

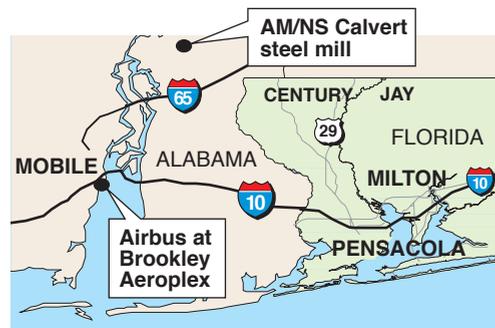
Census data show that manufacturing shipments in Mobile were six times the number here, topping \$12 billion in 2013. Manufacturing employment has rebounded in Mobile in recent years, almost reaching levels not seen since the early 2000s, according to the U.S. Bureau of Labor Statistics analyzed by the UWF Office of Economic Development and Engagement.

As labor costs rise in China, and North American energy costs drop, more and more of those manufacturing, assembly and related operations are coming stateside, economists say. Mobile County has perfectly positioned itself to capitalize on that trend.

"Mobile and Alabama love their heavy industry and skilled trades. But Florida for a long time pretty much gave up on getting kids into skilled trades," said Grove, who has studied workforce needs for years. "We thought we wanted all kids to go to college,



A state-of-the-art marine terminal at the Port of Mobile. The Alabama State Port Authority and APM Terminals invested \$300 million in the terminal, which opened in 2008.



and have more knowledge workers in Florida."

Mobile County and Alabama have made three major pushes in recent years:

- Massive incentives packages for manufacturing companies, including tax breaks, direct subsidies and government development of industrial parks known as megasites.
- Changes in public education, with tax increases for schools, and a major push for more non-college career paths for students.
- More emphasis on workforce development and skilled labor, including state-funded training for companies, and a statewide marketing campaign to steer more youth into skilled trades.

It all began in 1993 when Mercedes-Benz built a state-of-the-art manufacturing plant in Vance, Ala., near Tuscaloosa, said James Cover, an economics professor at the University of Alabama. "The entire state was changed by this plant."

When Mercedes agreed to locate in Alabama, thanks in large part to the most-expensive incentive package then seen in the United States, "it changed the entire perception of the state among people

## OTHER LESSONS

- 1 Industries flock together. So, in recruiting, our sights are set on hubs. **Pages 38-39**
- 2 How much do we lag in incentives? **Page 40**
- 3 How do we measure up in education and workforce training? **Pages 41-43**

in heavy industry," Cover said.

The \$600 million Airbus plant, now under construction in Mobile, is the culmination of that two-decade-long industrial offensive in Alabama, Cover and others have said.

Escambia and Santa Rosa counties now find themselves playing catch-up, wondering what we can do to attract similar operations here.

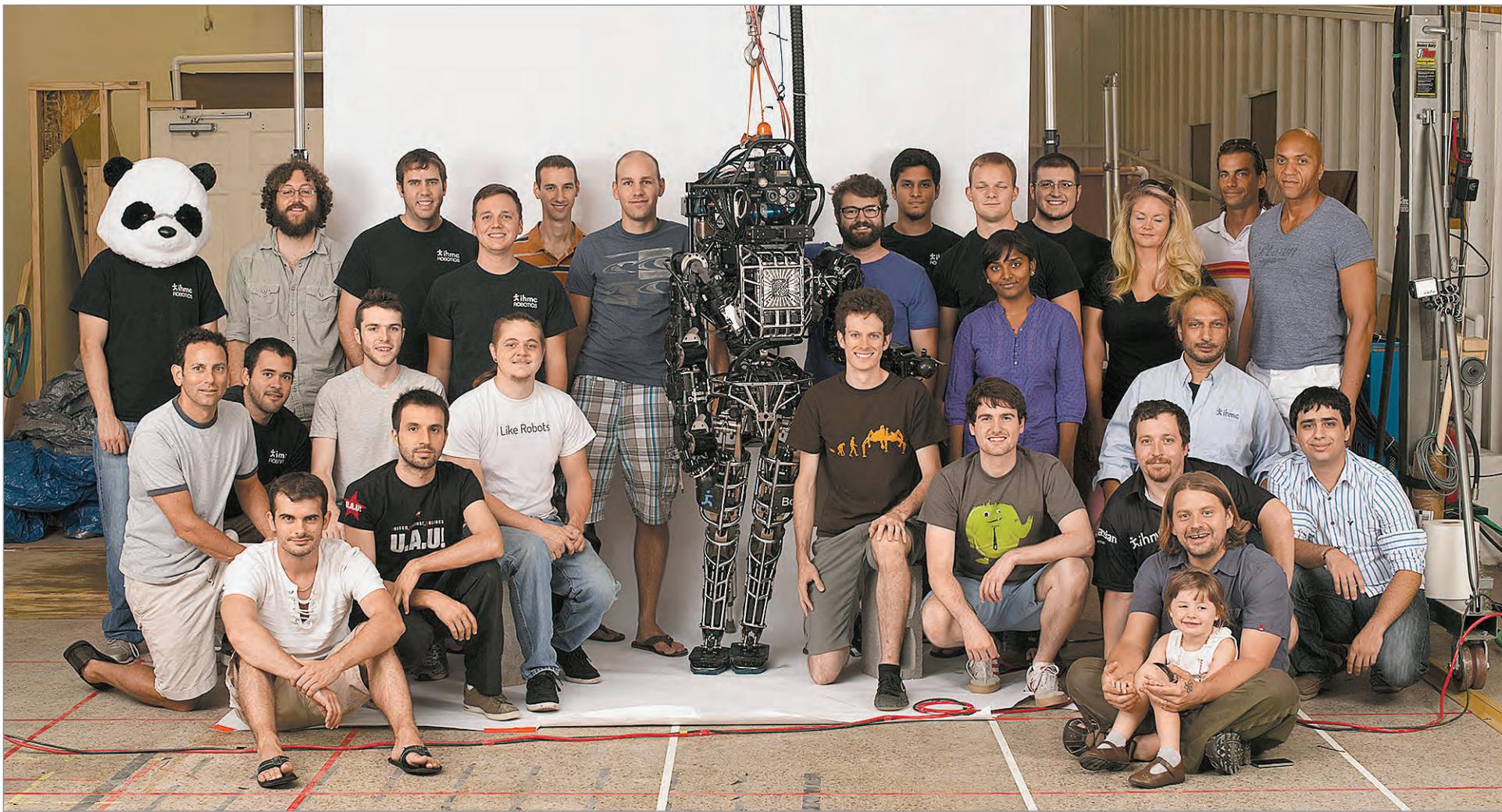
"Why can't we get an Airbus here? For one thing, I don't have any place to put them," said Scott Luth, senior vice president for economic development at the Pensacola Chamber.

Indeed, Airbus and 75 other commercial and light industrial operations in Mobile are built on a closed U.S. Air Force base, Brookley Field. When Brookley closed in 1969, and eliminated almost 10 percent of the jobs in Mobile, it took the Port City years to bounce back.

"By 2001, we still had not recovered from the closing of Brookley," said Carolyn Akers, a longtime education leader in Mobile.

Since then, though, the Mobile area has made the changes that have put it on the map for heavy industry and aerospace.

For the Pensacola area to offer a similar aerospace industrial site, with a 9,000-foot runway and barge access, would require closing Pensacola Naval Air Station — or building something similar.



The robotics team at the renowned Florida Institute for Human and Machine Cognition. IHMC is a great advantage as Pensacola looks to attract technology organizations.

# Our sights are set on industry clusters

## Pensacola wants to create aerospace, technology hubs

By William Rabb  
Photos by Michael Spooneybarger

Clusters of industry work, economic experts say, because they feed off each other and build a critical mass of skilled workers and suppliers that support each other, easily attracting similar operations.

Pensacola city and Chamber officials

say they are actively pursuing a number of clusters, including aerospace and technology industries. ST Aerospace is a prime example, said Scott Luth, vice president for economic development at the Greater Pensacola Chamber of Commerce.

That success story is partly the result of a decision that airport authorities made to not build a parallel runway, but open up more land for commercial development.

Another example is an unnamed aerospace supply corporation that will be the first company to build in the Pensacola Technology Campus downtown, vacant for more than three years.

The supplier's 70,000-square-foot facility will be funded largely by Space Florida, the

state's aerospace economic development agency, and could eventually house up to 300 workers, according to news reports. Other companies are in the works, but local officials say they can't disclose them at this time.

But nearby Baldwin County, Ala., is building a 3,000-acre industrial park, known as a megasite, near Bay Minette. The site, not far from another huge park in north Mobile County, is nestled between Interstate 65 and a rail line and is aimed at attracting suppliers for Airbus and for the automobile manufacturers that now dot the landscape across Alabama.

Baldwin County officials made the site possible by spending \$32 million in 2012 to purchase the land. Such a site will undoubt-

edly lead to spinoff companies and jobs for Pensacolians, but it's also more competition for attracting industry to the Panhandle, Luth said.

Pensacola has worked similar site deals, but on a much smaller scale. Escambia County spent almost \$2 million to buy 600 acres in Santa Rosa County so it can be swapped with the U.S. Navy for a helicopter-training field.

The Navy's existing field in Beulah can then be used for a commerce park that will house another expansion for Navy Federal Credit Union's burgeoning campus. That park could eventually hold as many as 4,000 jobs, according to news reports. Other sites are in the works and can't be disclosed, chamber leaders said.

But can Pensacola do more to carve out a niche?

The Palm Beach, Tampa and Orlando communities built biomedical clusters around research universities and the existing supply of scientists and grad students.

University of West Florida is considered a regional university and has only one doctoral degree program, in education. That means it does not have the science and engineering graduate and post-doctoral students that some high-tech companies need, nor does it have the tech incubators and venture capital pipelines that major research universities put in place long ago, said Michael Huggins, interim dean of the College of Arts & Sciences at UWF.

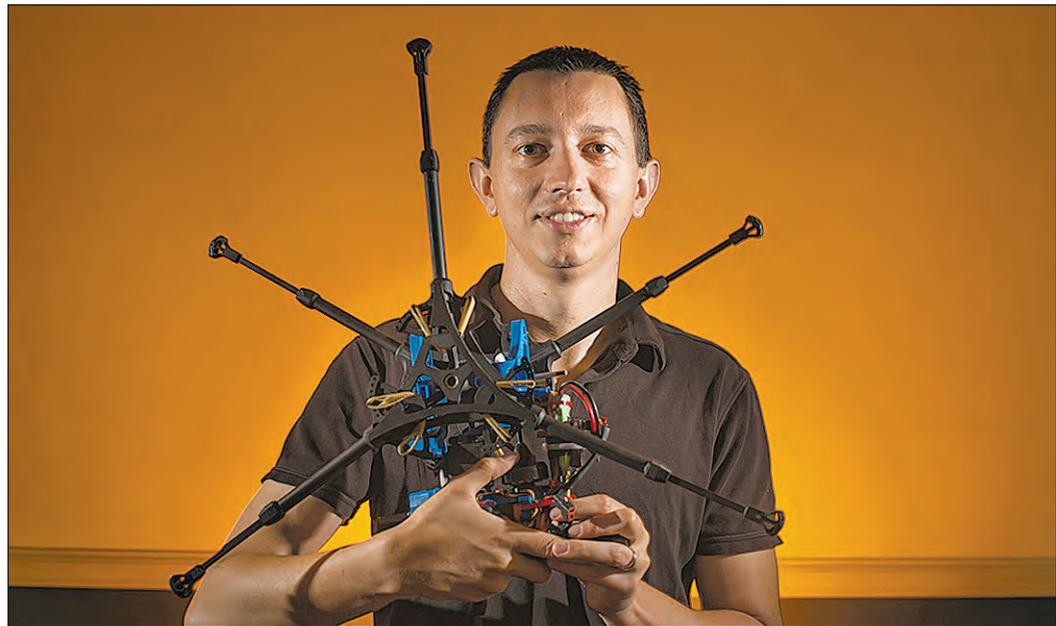
"That's just not who we are," Huggins said. "Our focus is getting undergraduates ready for the job market, or for a graduate school that is at the research level."

### A robotics hub?

The Florida Institute for Human and Machine Cognition, famous for its groundbreaking research into robotics, is one great advantage Pensacola has. What would it take to build a cluster of robotics companies around IHMC?

"We would welcome the chamber to exploit our presence in Pensacola to help attract new technology organizations," said IHMC Director CEO Ken Ford. "That said, recruiting top-level technology companies is not easy and the old-school incentives are rarely effective."

Instead, Ford suggested providing



Sebastien Cotton started Robotics Unlimited to market a running robot developed by Cotton and his team at the Florida Institute for Human and Machine Cognition.

better support for homegrown firms and spinoff companies.

IHMC has one such spinoff. Robotics Unlimited, started by IHMC researcher Sebastien Cotton, has developed a running robot, which can move along the ground on two legs at up to 20 mph for two hours. It will be marketed as a toy or as the perfect pacing device for long-distance human runners. So far, the company has raised about a third of the \$150,000 it needs to get started on manufacturing, said Cotton.

"It would be great to see more incentives for startup tech companies," Cotton said. "That is one of the big issues, finding funding for starting companies like ours."

Besides Space Florida, the state also offers the Florida Institute, which provides up to \$300,000 in seed money for commercialization of public research. But those organizations make awards to only a few companies each year.

With a larger, local pool of startup funding, it would not be hard to attract more top scientists and engineers to the Pensacola area, Cotton said.

"We love it here." And Cotton should know about nice places to live: He's from the south of France and has had opportunities to work all around the globe.

### Private sector support key here

To a large extent, the private sector has nurtured the fledgling tech industry in the Pensacola area.

Innovation Coast, a group organized by Avalex Technologies, email and web security provider AppRiver and other local technology companies, is hosting the Innovation Awards this November, with a top prize of \$100,000 going to the entrepreneur with the best business plan for a tech-based startup. Winners will receive expert coaching and exposure to other potential investors.

"The idea is to build a critical mass of tech people here," said Tad Ihns, founder and CEO of Avalex, the Gulf Breeze-based firm that makes high-definition recording and surveillance equipment and software for the military and law enforcement. "Without that critical mass, it's hard to attract enough top people and capable workers."

Instead of giving a big incentive to lure one company with, say, 600 jobs, the Innovation Coast group advocates helping 60 smaller companies with at least 10 jobs each. To market the area, the group supplies contact cards to hotels, encouraging vacationing tech people to consider locating here.

"There are so many great things in this community," Ihns said. "But if we don't raise our profile, people aren't going to notice."

# We lag in economic development subsidies

## How much are we willing to spend to recruit industries?

By William Rabb

Photo by Michael Spooneybarger

State and local officials agree that Alabama has had success in attracting big-name manufacturers in part because, unlike Florida, it can pull from an extra source of revenue — the residential income tax.

With that base, Alabama has offered handsome infrastructure spending and other subsidies. In the case of Airbus, the subsidies amounted to \$158 million, or \$158,000 per job, according to state data and news reports. For the AM/NS Calvert steel mill in Mobile County, local and state governments guaranteed an eye-popping \$1 billion in incentives, according to some estimates.

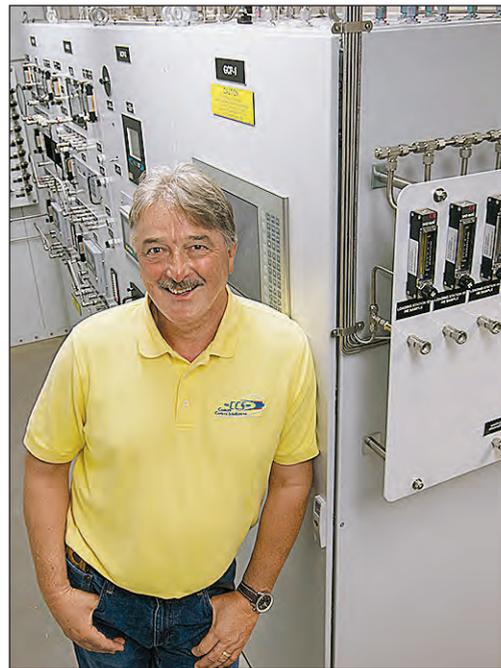
Over the past two decades, economic development subsidies in Escambia and Santa Rosa counties have amounted to a mere \$33 million — about \$3,650 per job created, according to data from the Florida Department of Economic Opportunity and from Good Jobs First, an advocacy group that has tracked subsidies nationwide from a range of state and local sources.

Half of that incentive money has come from the state.

“Historically, Florida does not play in the big leagues with incentives,” said economist Rick Harper, director of the Office of Economic Development and Engagement at the University of West Florida.

For some companies, those low amounts of subsidies just weren’t enough to make a difference.

“They can keep them; I’d rather spend my time going after new customers than going after that amount of tax breaks,” said Manfred Laner, president and CEO of Custom Control Solutions, which makes sophisticated control panels for oil compa-



Manfred Laner, president and CEO of Custom Control Solutions, is among companies where small subsidies make no difference.

nies, power plants and NASA.

Laner has yet to pursue the paperwork for \$45,000 in incentives that were promised after his company expanded to a 100,000-square-foot facility at Ellyson Industrial Park in Pensacola.

The local incentives game may be changing.

To lure ST Aerospace, one of the world’s largest aircraft maintenance and repair companies, for example, the city, county and state this spring pledged more than \$30 million for a new building and other infrastructure for the 300-job operation. That’s more than \$100,000 per job, a ratio that approaches some of Alabama’s megadeal incentives. It’s unclear if that is the beginning of a trend. Less than a fourth of the money is coming from local governments. Much of it will come from the Florida Department of Transportation and funding set aside by the state’s Oil Spill Recovery Act.

The ST Aerospace deal was more expensive than most, said Scott Luth, vice

president for economic development at the Greater Pensacola Chamber of Commerce, because it involved building a hangar from scratch on prime airport real estate.

Unlike some states’ megadeals, the City of Pensacola will keep ownership of the structure and lease it to ST for a bargain-basement price, Luth said.

“That’s the incentive: the lease price,” he said.

So, if Northwest Florida were to continue down the fat-wallet incentives route, or decide to go even bigger with Alabama-sized incentives, it would require hefty spending and big tax breaks by city, county and state governments.

To match an Airbus-type incentives package, for example, local taxpayers would have to be willing to put up a third to half of the bill. That would amount to as much as \$260 per capita in tax breaks and spending for a company — about eight times what historically has been laid out per capita in Escambia County, according to Florida incentives data.

“It’s very difficult to provide incentives on that scale,” said Jerry Maygarden, president of the Pensacola Chamber. Maygarden has seen his fair share of incentive packages as a former Pensacola mayor and state legislator.

But it’s not unheard of in other parts of Florida.

Most of the state has historically shied away from offering huge incentives packages: With beautiful beaches, warm weather, no personal income tax and robust population growth, Florida felt it didn’t need to offer further bait, Harper said.

But in a few of the most-populated counties, mostly in South Florida, the story is far different. In the last 20 years, state and local coffers there have offered almost \$2.5 billion in economic development incentives in just 10 counties, databases show.

That’s the vast majority of Florida’s total subsidies over the last two decades and is almost exactly what the entire state of Alabama has offered in that time. About half of the incentives came from local governments, the other half from the state, records show.

## SUBSIDY SNAPSHOT:

### What kind of jobs did Florida get for its money?

When Florida as a state has gone for incentives, those breaks have not focused on blue-collar manufacturing jobs.

Most of the \$2.5 billion in incentives spent in the last 20 years in South and Central Florida were used to attract prestigious medical research institutes (and one digital animation studio that went bust, costing St. Lucie County taxpayers millions of dollars in direct subsidies).

Since 2005, St. Lucie County and the state together have offered \$82 million to land the Torrey Pines Institute for Molecular Studies, and \$118 million for the Vaccine and Gene Therapy Institute. Altogether, those moves have provided about 400 high-paying jobs. Over the last 15 years, St. Lucie and the state have incentivized at an average of more than \$176,000 per job, databases show.

In nearby Palm Beach County, the county commissioners in 2008 allocated \$89 million to help build and operate a branch of the world-renowned Max Plank Institute, a biomedical research facility. The state matched that amount. Five years earlier, the county and the state offered up almost \$600 million to lure the Scripps Research Institute. About half of that money came from a one-time windfall of federal Medicaid dollars.

# What if we spent as much on our schools as we do on incentives?

By William Rabb

Go big or stay home, the saying goes. In that spirit, if public education is, in fact, a problem in Escambia, as so many local leaders seem to believe, then perhaps it's time to do something about it — and something big at that.

Instead of giving up \$158 million for one manufacturer with 1,000 jobs, as Mobile and other areas have done, what if the Pensacola community made a bold commitment to spend a similar amount on public education?

It's not such a far-fetched idea. Palm Beach County committed \$89 million in local dollars for a research institute, and it was matched by the state. If Escambia pledged the same amount per-capita, it would come to about \$20 million. With matching funding from the state, plus some federal and private dollars, it's not inconceivable that this county could find \$100 million to spend.

That amount of money would hire an extra 250 teachers for 10 years, for example. While there's been much hand-wringing about parents in some impoverished Pensacola neighborhoods not having their children ready to learn, often-cited studies by Marzano Research Laboratory in Colorado show that effective teaching in the schools can, in fact, have a great effect on student achievement.

With millions more in funding, Escambia School Superintendent Malcolm Thomas wouldn't hire many more teachers, but he says he would invest heavily in three areas:

- Extension of the school day from 6.5 hours to at least 7.5 hours. Florida's school day is one of the shortest in the nation. In 2012, the state required 100 of the lowest-performing schools to add an extra hour for reading instruction. After a year, three-fourths of the schools had improved reading scores on the Florida Comprehensive Assessment Test, according to a study done for the Florida Legislature. In Escambia, six

elementaries were put on extended days. Four of those showed slight improvements in reading comprehension from 2012 to 2013 for grades 3-5, district data shows. Two schools showed slight declines.

- Professional development for faculty — training teachers to be better at what they do, particularly in using technology in the classroom and in ways to engage students in more hands-on learning. Instead of asking kids to memorize an algebraic formula, for example, students would design something that requires the use of algebra to solve a problem.

- Incentive pay and bonuses for the top-performing teachers and principals.

- A laptop or computer tablet for every student, and more integration of the technology into all aspects of learning.

Other community activists in the Pensacola area have said that gains will come through community-wide and volunteer efforts, especially ones that aim to have more young children learning to read on time.

Every Child a Reader in Escambia, known as ECARE, is recruiting 130 volunteers to spend time reading with needy children. The goal is to someday have mentors to help students throughout the county, said Ashley Bodmer, executive director.

Others suggest hiring more family and community liaison workers to visit homes and determine where children and parents need help the most, or setting up community centers in impoverished neighborhoods, or beefing up Head Start centers, with books and computers for children, and skills training, parenting classes and more for parents.

“We can't think of education as a school responsibility or a state responsibility,” said Jennifer Landrum Grove, Gulf Power Co.'s workforce development coordinator. “It's a community responsibility. The whole community here has to own it.”

The good news, she said, is that 10 years ago, this community wasn't even talking about these issues as much as we are today.

# Fix education; high-income jobs will follow

Better education is the goal, but how do we get there?

By William Rabb  
Photo by Michael Spooneybarger

In Pensacola, our economic prospects are all about education.

When asked what our area needs more than anything to develop more high-quality jobs and a vibrant economy, many Pensacola leaders stress improved education, particularly early education, for students in the lowest-achieving sections of the county.

"We're not going to have the high-income jobs we want here until more children show up to first grade ready to learn," Rick Harper, director of the Office of Economic Development and Engagement at the University of West Florida, said at a recent economic symposium.

But few local leaders seem to know how to achieve that goal, other than a vague notion of having parents in low-income areas more involved in their kids' development.

*"15 to 20 percent of our kids are not ready for kindergarten."*

Malcolm Thomas,  
Escambia superintendent

"I think there are some best practices out there, but I don't think we have found the key yet," said Jerry Maygarden, president of the Greater Pensacola Chamber of Commerce.

Without changes, this area could be slipping into a permanent two-tiered society of haves and have-nots, Harper said.

While Mobile County has plenty of have-nots, here's what that community and



Claire Hedgepeth uses a magnifying glass to investigate along with others in a pre-K class at Myrtle Grove Baptist Church Pre-School Learning Center. Many educators consider pre-K essential to get kids ready to learn. Almost 72 percent of the 4-year-olds in Escambia participate in voluntary pre-K programs.

others have done to improve school readiness, graduation rates and skills training.

## Funding support

By the late 1990s, Mobile County's public school system was in perilous condition. With many white families moving to private schools and to Baldwin County, tax support was dwindling. The schools were so short of funding that the superintendent threatened to close high school football programs.

"And he would have done it, too," said Carolyn Akers, a longtime education leader in Mobile.

The threat to football galvanized the community. The Mobile Area Education Foundation, with Akers at the helm, also got involved, building a grass-roots coalition and an intensive "Yes We Can!" campaign. In 2001, county voters agreed to raise sales and property taxes, generating more than \$28 million in annual revenue.

"That gave us a stable footing to start addressing our needs," Akers said.

Next, the school district moved to transform five failing schools, dismissed

much of the faculty and administration at those schools, and gave \$4,000 bonuses to high-achieving teachers to work there.

Eventually, teachers said the bonuses made little difference: It was having supportive, forward-thinking leadership at the schools that helped them reach the neediest students, officials said.

Mobile County schools also invested heavily in teacher development, training teachers in reaching under-performing kids, and placing more emphasis on skilled trades, as well as science, technology, engineering and math, according to school officials and news reports. County voters in 2011 voted to renew other property taxes, keeping \$55 million annually going to schools.

## Career academies and more

The district worked closely with local business and industry to determine what skills were needed most, said Martha Peek, Mobile's schools superintendent since late 2011.

Eight of Mobile County's 12 high

schools now have signature career academies, specializing in career paths from engineering to aerospace to manufacturing to teaching to medical fields. Graduates earn career-readiness certificates.

“For years we were dancing with business and industry; now it’s time to hug,” Peek said.

Almost all students take advanced placement exams to determine who should enroll in higher-level classes. For suspended students, the district offers afternoon classes when most other kids aren’t around. Older kids who have been held back may attend twilight school in the evenings, with other students their age.

The changes appear to have paid off, at least by some measures. Mobile County’s four-year graduation rate for high schoolers has climbed steadily in recent years, reaching 75 percent last year — almost 10 points higher than the 64.2 percent rate in Escambia County for 2012-2013.

Escambia school leaders are quick to point out that they have taken almost all the same steps that Mobile has. The most noticeable difference between the two districts appears to be in teacher pay.

The average teacher salary in Mobile County is about \$10,000 more per year than in Escambia, state data show. Escambia schools also offer 61 career academies in all high schools — almost five times the number just six years ago. A construction academy at Pine Forest High School, for example, has received high marks, but it always needs more lumber and other materials, said Escambia Schools Superintendent Malcolm Thomas.

Thomas stressed that the differences people claim to see in Mobile and Pensacola-area schools may be an illusion.

“Florida has a higher standard than almost every state on grades and graduation requirements,” he said. “If we lowered our standards, we could have higher rates, too. But we take a more rigorous approach and we look bad because of it.”

## Pre-K

Ask an elementary school teacher if pre-kindergarten classes are needed to prepare children to learn, and most will answer with a resounding “yes!”

In that respect, Escambia County may



Shemetri Charley helps a student in her pre-K class at Wee Kare Academy. Wee Kare’s program had a readiness rate of 100 percent last year.

be ahead of Mobile — but maybe not for long. Almost 72 percent of the 4-year-olds in Escambia participate in voluntary pre-K programs, according to the Florida Office of Early Learning. That compares to a 50 percent rate in Mobile County. Mobile officials hope to raise that figure in coming years.

“Universal pre-K — that is our goal,” Mobile’s Akers said.

Some states, including Oklahoma and Georgia, have instituted mandatory pre-K for all 4-year-olds. Some of those programs have produced significant gains in school readiness, studies suggest.

Like most school initiatives, results depend on the quality of the program, how well trained the teacher is, and what the teacher-to-student ratio is.

Thomas said he would not implement mandatory pre-K for everyone, but would assess all 4-year-olds in the county. Children needing help would have to attend all-day programs, he said. The all-day programs would also serve as day care, allowing parents to work.

“Right now, 15 to 20 percent of our kids are not ready for kindergarten,” Thomas said. “And that’s the ultimate prize, increas-

ing the number of kids who are ready to learn when they enter school.”

## Workforce development

Other community leaders say all of the emphasis shouldn’t be on early education. Companies considering locating here are asking Jennifer Landrum Grove, Gulf Power Co.’s workforce development coordinator, “why so many kids are going to college, and to the wrong kind of college.”

Thomas acknowledges that there must be a bigger push locally and across Florida to get more students into skilled trades.

“Not every kids needs to go to college,” he said. “There’s a desperate need out there for brickmasons, plumbers, welders.”

The Florida Legislature’s course requirements may have hamstrung schools to some degree, requiring vo-tech students to take algebra II and chemistry, he said.

Before ST Aerospace agreed to touch down in Pensacola, this area had no FAA-certified aircraft mechanic training schools. Now, both Pensacola State College and George Stone Technical Institute are building programs to fill the needs of ST and future aircraft service companies. But more may be needed to keep up with a growing demand, company leaders said.

Alabama has leaned heavily on the skilled-labor-training angle, spending as much as \$40 million a year to train companies’ workers through the Alabama Industrial Development Training agency, compared to just \$12 million from a similar program in Florida.

The AIDT branch in Mobile now has a highly visible center right next to the interstate and is a clearinghouse for skilled-labor jobs. The state also advertises frequently on television, with commercials featuring “Dirty Jobs” TV star Mike Rowe urging young people to go into trades that require only two-year degrees or less.

To steer more youth into fields that require only an associate’s degree or training certification, Grove advocates more scholarships and grants for those students and asking corporate leaders to advertise the need for those types of workers.

“Everyone wants their child to go to college and have a sexy job, but let’s not forget that the backbone of an industrial economy is skilled trades,” she said.



Hannah Gainer prepares for Pine Forest High School's graduation. Hannah overcame first-semester troubles to make it to the end and praises the help she received from Pine Forest educators.

## Last year, 1 in 3 Escambia students didn't graduate

**Grad rates have risen, but county still has a way to go**

By Reggie Dogan  
rdogan@studer.com  
Photos by Michael Spooneybarger

**O**n a sunlit June afternoon, Hannah Gainer beamed as she zipped up her scarlet gown.

After a senior year filled with perils and pitfalls, Hannah graduated from Pine Forest High School.

Without a diploma, Hannah knew she

would have had limited opportunities after high school.

Hannah forged ahead and embraced the help she got from her principal and guidance counselor.

She raised a first semester F in geometry to a B.

After four tries, Hannah nailed the Florida Comprehensive Assessment Test.

Hannah worked extra hard to earn her diploma, but she gave high praise to Principal Frank Murphy and guidance counselor Kelli Lowe, for prodding, pushing and pulling her along the way.

"What they did for me was unbelievable," said Hannah, 17, who plans to attend Pensacola State College and dreams of

becoming a fashion designer. "For them to do these things means a lot to me."

High school completion is, obviously, an important step in a teenager's life.

But in Escambia County, more than 35 percent of students didn't finish high school with their graduating class in 2013.

It was worse for black students, as only 51.4 percent completed high school that year, compared to 71.2 percent for white students, according to data from the Florida Department of Education.

On the bright side, Escambia County's high school graduation rate has risen incrementally in recent years, from 56.2 percent in 2009 to 64.2 in 2013. But the sad truth is that for one out of three high

school seniors — and nearly half of black students in Escambia County — there is no diploma after 12 years of school.

The result is a generation of young people with limited options and limited earning capacity who lack basic skills needed to enter the world and take care of themselves.

## Measuring stick

**A**t a time in which accountability and transparency are watchwords for virtually anything government does, it is easy to understand the appeal of graduation rates.

In Escambia County, the aberrant graduation rate has been a thorn in the side of school administrators for years.

“We are the professionals and we should be able to fix it, but the reality is that we can’t do it by ourselves,” said Carolyn Spooner, director of the district’s high school education. “We have to have the parental involvement, we have to have the community involvement. It is a collaborative effort and if we don’t have that, then it is an uphill battle.”

It’s a battle that’s being fought across the state and nation.

The high school graduation rate is an important measure of the success of a community’s education system and the quality of its workforce.

Numerous studies show unemployment rates are lower and lifetime earnings are substantially higher for high school graduates than for those who don’t finish.

Scott Luth, senior vice president of economic development for the Greater Pensacola Chamber of Commerce, said graduation rates are one of many factors companies weigh before moving to a community.

“Having a high school diploma impacts earning potential and the type of jobs they can get,” Luth said. “Higher wage-earners’ income trickles down in the economy.”

The graduation rate measures the percentage of students who completed school within four years of starting it. It includes standard diplomas but excludes GEDs, both regular and adult, and special diplomas. Starting in 2010-2011, the U.S. Department of Education adopted a new calculation method to develop uniform and comparable graduation rates across the country.

This rate currently is used in Florida’s accountability system in the high school

*FACT: The typical high school graduate will earn more, be less likely to rely on public money for health care and welfare and be less likely to be involved in the criminal justice system.*

grades calculation.

Escambia’s graduation rate has remained below the national average over the past decade. In 2013, the national graduation rate rose to 80 percent, its highest level in history.

The percentage of students in Florida earning a high school diploma stood at 75.6 in 2013, up from 74.5 percent in 2012.

## Cost is clear

**T**he litany of reasons for low graduation rates run the gamut — high absenteeism, poorly engaged students, inadequate parental education, work or family responsibilities, behavior problems, attending a school with low achievement scores.

Regardless of the “why,” the cost is clear — and heavy.

Educated workers are the basis of economic growth. They are critical sources of innovation and productivity given the pace and nature of technological progress.

Studies show that the typical high school graduate will earn more — 50 percent to 100 percent increase in lifetime income — and be less likely to rely on public money for health care and welfare and less likely to be involved in the criminal justice system.

Because of those better incomes, graduates contribute more in tax revenue over their lifetime than non-graduates.

In today’s competitive economy with high unemployment rates, prospective employees need all the credentials they can get.

Having a high school diploma is a necessity. Malcolm Thomas, superintendent of Escambia County schools, understands the dilemma schools face in trying to prepare students for an evolving, complex workforce.

The manufacturing jobs for unskilled workers are no longer available, and students today absolutely need, at the very least, to finish high school, learn a trade or go to college to prepare them for the modern job market, Thomas said.

“What we expect out of students in the first grade today is no way near what we expected out of a first-grader in my generation,” Thomas said. “As a community we have to realize we always have to keep learning. I don’t think we have that sense as a community.”

In neighboring Santa Rosa County, the graduation rates are consistently higher than Escambia and the state’s averages.

Santa Rosa’s graduation rate has steadily inched up, from 72.9 percent in 2009 to 78.9 percent in 2013.

Black students in Santa Rosa graduated at a rate of 74.1 percent, compared to 78.3 percent for white students.

Thomas hears the question of why Escambia schools lag behind Santa Rosa’s.

“To start with, we don’t look alike,” he said. “Just look at the demographic differences.”

Thomas pointed to Santa Rosa’s higher per capita income, less poverty, less diversity and fewer single-parent households.

The poverty level in Escambia as measured by the number of students who qualify for free or reduced-priced lunch reached a staggering 64 percent in 2013, up from 57 percent nearly a decade ago.

In Santa Rosa, about 40 percent of students qualify for free or reduced-price lunch.

To qualify for the program in the 2011-12 school year, a family of four’s annual income was \$29,055.

To highlight the degree of poverty in Escambia County, Thomas pointed out that more than a third of his schools have 80 percent or more of their students eligible for free or reduced-price lunches. Only one school in Santa Rosa County has 60 percent of students who qualify for the lunch program.

“If you want to be an A or B school, the No. 1 factor of all characteristics is to have less than 30 percent of students with free and reduced-price lunch,” Thomas said. “If you want to have the probability of being an F school, have 70 or 80 percent of students on free and reduced lunch.”

## Making progress

**E**scambia County’s Pine Forest High School, in the Bellview area west of U.S. 29 on Longleaf Drive, has pockets of poverty among its student body. More than 70 percent of students there qualify for the

lunch program.

Students graduated at a rate of 60 percent in 2013, about four points below the county's average.

Pine Forest Principal Frank Murphy knows that poverty can affect a school's grade and graduation but he refuses to use it as an excuse.

Murphy put plans in place that helped boost the at-risk graduation rate eight points in one year, from 52 percent in 2012 to 60 percent in 2013.

"We spend an enormous amount of time on senior credits and communication with parents and students so that it is very clear what they need in order to be graduates," Murphy said.

Murphy is putting in the work and using creativity to motivate and inspire students to achieve.

"A lot of what we did ... was just through hard work and dedication, the love that we put forth for our students," Murphy said. "I know every school has that; we just like to put a personal touch on it."

The personal touch includes assigning counselors to entering freshmen deemed at-risk and tracking them throughout their high school years.

They build relationships. They collect data and pinpoint deficiencies to improve. If a student is not proficient in math or reading, the counselors ensure that the student gets tutoring in the subject.

It means identifying seniors who need to make up courses through credit recovery. It also means going over each senior's transcript in detail, making sure everyone has an opportunity to graduate.

It's that kind of attention that helped push students like Hannah Gainer toward a diploma.

Murphy assigned guidance counselor Kelli Lowe to make at-risk students her pet projects. She gave lessons and techniques on taking the End of Course exams and the FCAT. She tracked students using data and report cards, transcripts and courses. She

scheduled conferences with parents.

Murphy realized the vital role that educators play in providing extra help for at-risk students who may not have a lot of support in their homes.

"We cannot shut doors on children regardless of what neighborhoods they come from," he said.

"We are servants of the community, and if we were to sit back and not do anything on behalf of these children, we are in the wrong profession."

Things may have turned out differently for Dusty Wiggins if she had found the help that Murphy provided his students at Pine Forest.

Wiggins quit school in her senior year at Washington High School in 2012.

Wiggins said she rarely missed a day, her grades were good, but she struggled with reading and passing the FCAT because of dyslexia.

One day, without consulting the principal or guidance counselors, Wiggins dropped out of school, a decision she came to regret.

Now a mother, Wiggins, 19, said she's able to make ends meet and bring home diapers working as a cashier at a tool and equipment store.

She wants to get a GED and become a nursing assistant.

"If I had stayed in school maybe I wouldn't have a kid," said Wiggins. "I thought it was stupid, but everyone makes mistakes and hopefully I'll learn from them."

### Cream of the crop

A stone's throw from Pine Forest High School sits West Florida High School of Advanced Technology. It is the gem of Escambia's high schools.

The students are considered the cream of the crop. They have a rigorous application process, and then are chosen from a lottery. Once selected, they must sign a pledge to work hard, stay in school and away from trouble.

Only 38 percent of students are eligible for free or reduced lunch. West Florida is an

A school with a 91 percent graduation rate in 2013.

Its mission is to prepare students for entry into chosen career fields or college through a combination of learning by meshing academic and technical skills.

It's like a vocational school on high-tech and profession-driven steroids.

The school offers 12 academies, from aerospace engineering to sports medicine.

Even with the highest graduation rate in the county, Principal Eric Smith wants to aim higher.

"It's always heartbreaking to lose one," Smith said. "Out of that 91 percent it hurts us to lose that 9 percent. But there are a great number of them who come back and finish."

Like Smith, Thomas laments when any student fails to graduate.

While the 64 percent graduation rate leaves a dark cloud over the district's morale, Thomas finds bright spots to highlight:

- Advanced Placement and dual enrollment participation has increased 33 percent. In 2013, the College Board recognized the district for leading the state in increasing AP enrollment.

- Career academies increased from 13 in 2008 to more than 60 in 2014. Academy choices are available at every middle and high school in the district.

- Every new teacher is provided a master teacher as a mentor to model and ensure that the new teacher has a chance to become a quality instructor.

"We're changing the destinies of kids," Thomas said. "We have an opportunity, and if we don't do it, I don't think anyone else will."

Looking down the road, Thomas hopes to improve graduate rates, but he knows the requirements to graduate will get tougher.

Next year students will have to earn one credit in algebra and one in geometry. They also must have courses in biology and a rigorous science course, such as chemistry.

To help in the effort, the district offered summer school for at-risk eighth-graders for the first time this year.

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*"We're changing the destinies of kids. We have an opportunity, and if we don't do it, I don't think anyone else will."*

Malcolm Thomas, Escambia County superintendent



Pine Forest High School prepares for a commencement. The school boosted at-risk students' graduation rate by eight points in a year, going from 52 percent in 2012 to 60 percent in 2013.

The students spent the summer at the school they would attend in the fall, learning the ropes and getting a head start in the classroom by taking a course to earn a credit.

During the school year, if a student is failing, he will be eligible to make it up in a night class or online.

To keep students in school, disciplinary action will be curtailed for violations involving cell phones and dress codes to reduce the number of 10-day suspensions.

If a student is suspended, he or she can make up work to stay on track in class.

### Working together

Some education reformers believe schools can increase graduation rates and prevent students from dropping out by replacing larger schools with smaller learning communities where low-income students can get more attention and in-

struction from dedicated teachers.

Evidence gathered over the years seems to suggest that some of the better approaches need to start earlier. For example: Preschool for 3- and 4-year-olds, who are fed and taught in small groups, followed up with home visits by teachers and with group meetings of parents.

Thomas was aware of the deficiencies in the district when he was elected superintendent in 2008.

"I knew I was going to face a big elephant, and how do you eat him?" he said. "One bite at a time."

Thomas believes to improve graduation rates requires the entire community.

When policymakers, parents, educators, business leaders and other important education stakeholders work together and focus on programs and reforms that are proven to make a difference, everyone can

ensure that Escambia County schools rise to the top, Thomas believes.

He wants fewer people sitting on the sidelines criticizing and debating statistics and numbers, and more people rolling up sleeves to go to work to help.

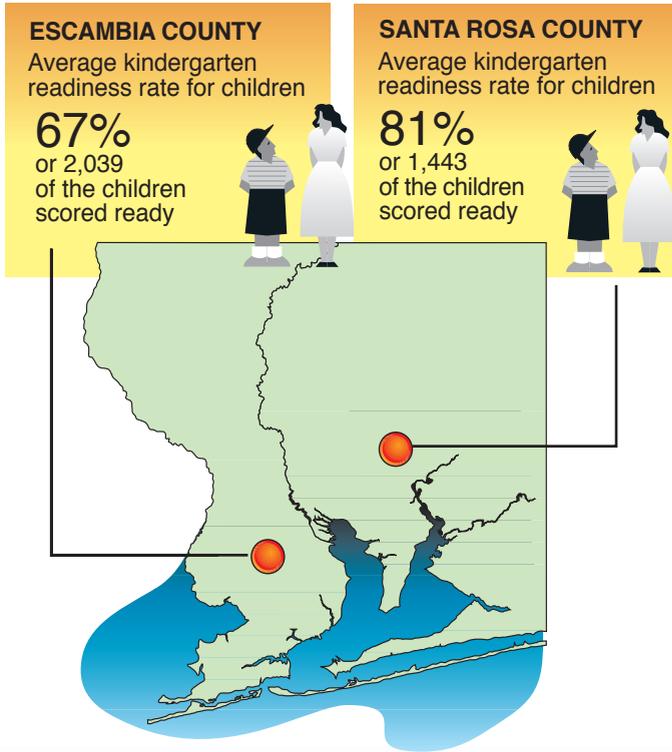
"We have to quit throwing rocks and making everyone feel like they're the biggest losers in town," he said. "I will accept my responsibility for my role in the School District. If it's bad news I'm going to own up to it. If it's good news I'm going to share that, too."

For students like Hannah Gainer, the good news is that under difficult circumstances and with diligence and dedication, she got her diploma.

"It was a top priority for my family and me," she said. "It's so hard to make it today and you really can't get a good job without a diploma."

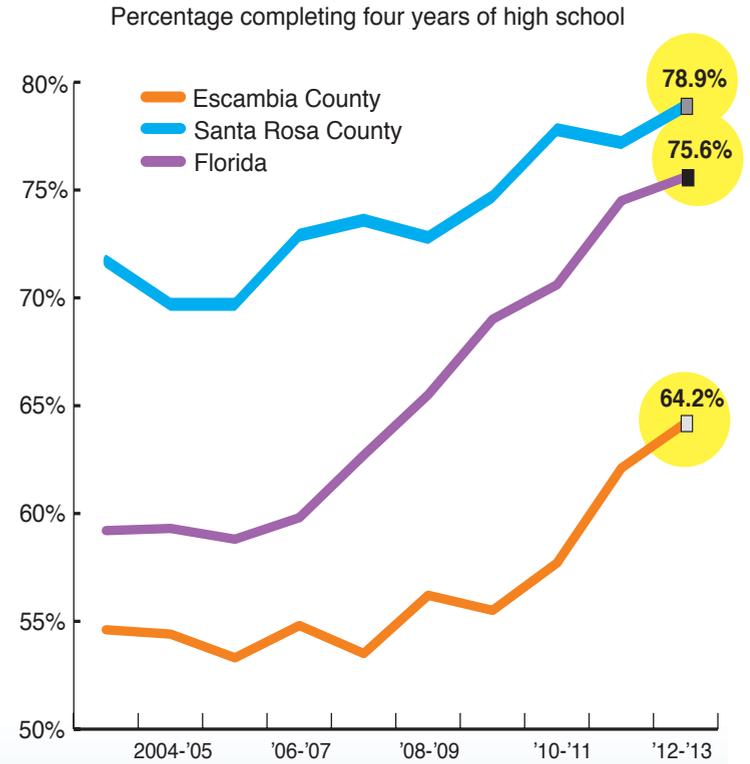
# Making the grade

## Kindergarten readiness



SOURCE: Office Of Early Learning

## High school graduation rate



## SCHOOL STATS

Total number of K-12 students (for 2013-14)

### Escambia

Elementary	20,485
Middle	9,050
High school	11,218
Total	40,753

### Santa Rosa

Elementary	11,907
Middle	6,178
High school	7,814
Total	25,899

Student/teacher ratio (for 2013-14)

Escambia	12.9 to 1
Santa Rosa	14.5 to 1
State average	13.7 to 1

Average teacher salary 2012-13

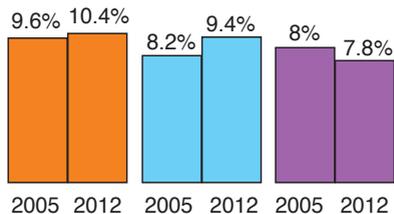
Escambia	\$40,573
Santa Rosa	\$45,005
State average	\$46,583

Sources: Florida Department of Education; National Center for Education Statistics

## Education attainment of adults

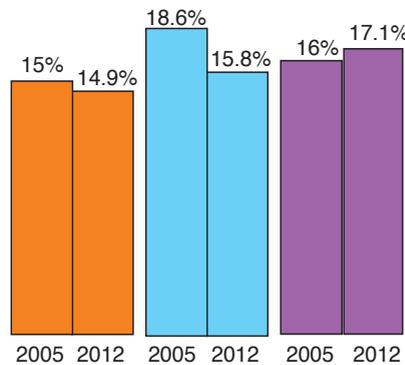
### ASSOCIATE DEGREE

Escambia County Santa Rosa County Florida



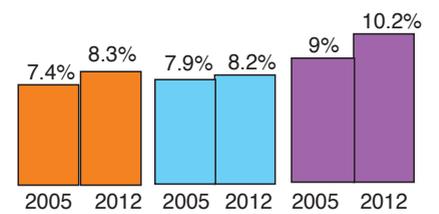
### BACHELOR'S DEGREE

Escambia County Santa Rosa County Florida



### GRADUATE or PROFESSIONAL DEGREE

Escambia County Santa Rosa County Florida



SOURCE: American Community Survey

Graphics by Ron Stallcup, rstallcup@studer.com

# Escambia public schools worked for me

## How one family navigated our school system

By Carly Borden  
cborden@studer.com  
Photo by Michael Spooneybarger



Carly Borden's educational journey began at N.B. Cook Magnet School of the Arts.

*I want to study ways we can improve graduation rates and preschool education.*

Education means different things to different people.

For my parents, it meant leaving a house and a familiar neighborhood on the west side of Pensacola to move to East Hill in search of better schools for me and my brother.

I owe them a lot for that. I not only got a good education, but a great education. But not everyone who goes to school in the Escambia County School District can say that.

I started my freshman year at Washington

High School in 2006. By the time I graduated in 2010, only 55 percent of the students in the district who started their freshman year with me ended up graduating. What's even more discouraging is that only 44 percent of blacks in the district graduated in 2010.

Sometimes I wonder why our school system didn't work as well for some kids who started school when I did.

One of the reasons I'm with the Studer Institute is because I want to better understand why some children succeed in school and others don't. More important, I want to study ways we can improve not only graduation rates, but also preschool education.

As I begin my work and research at the Institute, I've thought a lot about why the system worked for me. Looking back, I can see it was a mixture of parents, community, teachers and drive. I grew up in a close-knit neighborhood with many kids my age who also had involved and supportive parents. That kind of environment was just as important as my schools.

My school journey began at the N.B. Cook Magnet School of the Arts in kindergarten. I was in the initial first-grade class to attend school in the new state-of-the-art building. At Cook, students to this day perform in plays twice a year, before a standing-room crowd in an auditorium.

The popular opinion seems to be that public schools don't measure up. But my decision to

remain in public schools worked out fine for me.

In middle school I found my niche. My eighth-grade gifted language-arts teacher allowed me to study classic works of literature in a way I'd never experienced before. She instilled in me a hunger for knowledge and a drive toward creative expression that I still have today.

After middle school, I chose to attend Booker T. Washington High School. The International Baccalaureate program at Pensacola High School offered a challenging course load, but Washington was a better fit for me.

I remember in ninth grade sitting in an advanced-placement human geography class having to defend my position on an issue. It was a class where we used a Socratic method of debate. My teacher cultivated a classroom where vigorous discussion, strong arguments and enlightened speeches flowed in a way that made each student want to channel his or her inner Cicero.

I got involved with various clubs and organizations, some social and some academic. Most of our teachers were already involved with clubs on campus and urged us to get involved, too. They felt it was a great way to keep students engaged in the school community. And, indeed, it was.

My junior year, a teacher encouraged me to run for office and I was elected student government president my senior year. I learned quickly that coming to a consensus with students, teachers and administrators was not an easy task.

At the time, we had just merged with Woodham High School and the influx of new students not accustomed to our school had created some friction. With the help of the administration, however, we were able to plan events that increased school spirit and made the school community more inclusive.

After graduating from Washington, I was accepted into the University of Florida. I graduated last December with a bachelor's degree.

Despite the criticism that public education receives, it worked well for me. What I can say is that there's not one key or solution to the problems in public schools today. It takes a motivated community, willing students, participating parents and supportive administrators and teachers.

There's no one thing that's going to fix the system, and no one thing that's responsible for the problems. The one thing I know, however, is that if it weren't for my parents, my teachers and my neighborhood, I wouldn't be where I am today.

# Milton High ‘D’ brought hearts, minds together to change it

## Success took group effort

By Reggie Dogan

Photo by Michael Spooneybarger

In 2009, Milton High School almost failed.

The school got a D under the state’s grading system, a drop of a letter grade from the previous year.

Panther pride was wounded.

Instead of complaining and cursing the darkness, they lit a candle.

City and civic leaders organized the City of Milton Education Committee. The Santa Rosa County School District hired a new principal. The principal and his staff rolled up their sleeves and went to work.

In 2010, Milton’s grade soared to an A.

“A lot of folks asked, ‘Hey, what’s the secret?’” said Principal Mike Thorpe. “Well, there is no one secret. We feel like it’s a mixture of a lot of things.”

One of those things, according to Thorpe, was making education personal — literally.

That meant principals spent time poring over data, meeting individually with teachers and students.

That meant teachers not only taught, but also reached out and touched students in nearly every aspect of their lives.

Under Thorpe’s leadership, the school identified key problems.

They targeted under-performing and at-risk students and worked harder to help them; they raised graduation rates and school ratings; they increased the number of students earning dual enrollment degrees or college credits by 130 students in five years.

“You have to do like Mr. Thorpe has done:



One of the major initiatives Milton High School Principal Mike Thorpe started was to focus on working one-on-one with students and teachers to improve the quality of education there.

take those who are struggling and give them a hand,” said Milton Mayor Guy Thompson, one of the founders of the education committee. “We want people to know that we are getting as good an education as anywhere.”

Tim Wyrosdick, superintendent of Santa Rosa schools, said Thorpe’s work and success are emblematic of what’s taking place throughout the county.

“Mike has infinite knowledge of and love for this community,” Wyrosdick said. “He’s able to bring community leaders and groups together for the common good.”

## Making it work

**A**t the beginning of the 2009-2010 school year, Milton administrators and education committee members met once a month to find some quick fixes.

They raised money for a lighted sign on the edge of campus. They bought equipment to increase technology. They held celebration luncheons for teachers.

Milton was the only school in Northwest Florida without tennis courts. The city built the school the best tennis courts in the county. They realized that for the community to thrive, the school had to strive to be better.

“People don’t realize how important it is to have premium schools,” Thompson said. “Milton High School is an important heart-beat to our city and community.”

Randy Jorgenson, staff to the education committee, said the bond among the school, city and community can’t be underestimated.

Good schools attract residents who eat in restaurants, shop in stores and buy houses and cars, he said.

While the committee played an important role in helping the school improve, Jorgenson said the credit ultimately goes to Thorpe and his staff.

“The success of the school is because of the investment of the people who work there,” said Jorgenson, director of planning for the City of Milton.

## The power of leadership

**N**o one person or group takes credit for Milton’s turnaround. The education committee gives kudos to Thorpe. Thorpe points to his teachers, staff and students.

No matter who gets the praise, everyone agrees it started with the leadership change in

2009. Thorpe was the right person at the right time to take the helm at Milton.

Thorpe grew up in Milton. He attended Hobbs Middle School. He played football and baseball at Milton High School. A mixture of brawn and brains, Thorpe excelled in math and science in the classroom.

He dreamed of becoming an astronaut, but a stroke six weeks before his high school graduation changed the course of his life.

He went on to Auburn University but left school to get married. He ended up earning his bachelor’s and master’s degrees from the University of West Florida.

After college, Thorpe taught math at Holley-Navarre and Milton High schools. He taught web design and TV production at Milton, before moving into administration.

When the call came for him to step in as principal, Thorpe was ready.

“Things worked out exactly the way I would have wanted it to be,” he said.

Among the poorest schools in Santa Rosa, half of the 1,740 students qualify for free or reduced-price lunch, which means their families fall below the federal poverty level.

Of the 90 teachers, nearly 40 percent have advanced college degrees. Thorpe put in a plan to take advantage of that talent.

Thorpe and his three assistants divided the teachers among themselves, about 22 apiece. The teachers made each of their students a personal project.

At least three times a year, the principals and teachers met to track students’ progress. They broke down data for every class and student. They kept eyes on attendance and discipline, set goals for every nine weeks, and talked about the students’ trials and triumphs.

Thorpe said he met with nearly 100 students a week to see how they were performing and where they may need help.

If teachers found students struggling in any area academically or personally, the students had one-on-one sessions with principals to discuss the problem and find solutions.

“We have real conversations,” Thorpe said. “We might say, ‘Hey Jimmy, tell me why you are struggling when it comes to cells in biology.’ Kids have to be accountable for their performance.”

School Board member Diane Scott said Thorpe has been a catalyst for change.

“He eats, sleeps and drinks Milton High School,” said Scott, whose District 1 covers the

school. “He’s very engaged with students and that’s contagious.”

Scott recalled that Thorpe made only one request after becoming principal. He wanted a new science wing.

It took five years, but the science wing opens this school year. Students can take dual enrollment classes, upper-level courses, advanced placement calculus and work in labs comparable to what they’ll find in college.

## Focusing effort on at-risk students

**A**s much as Thorpe celebrates the school’s top rating, he’s even prouder of the work they’ve done with at-risk students, especially those who didn’t pass FCAT’s reading and math in the eighth grade.

While Milton’s graduation rate in 2012 was 78.4 percent, the rate for at-risk students was a dismal 54 percent.

That was unacceptable, Thorpe recalled.

The graduation rate for those at-risk students kept Milton from being an A school in 2011 and 2012.

The way the scores are computed, even though students showed improvement and a majority passed the FCAT, the school would drop a letter if fewer than 65 percent of at-risk students graduated with their designated class in four years. During those two years when Milton received a B, the school’s grade was an A, but it was penalized because of the at-risk graduation percentage.

Thorpe poured his energy into raising at-risk students’ graduation rates.

In 2013, the score increased 20 points, to 74 percent.

Milton’s overall graduation rate rose in 2013 to 82.7 percent, nearly three points higher than the county’s rate at 78.9 percent.

Thorpe said administrators and teachers have to understand the issues at-risk students are dealing with to help them achieve success.

“Dealing with poverty is tough. It’s hard for a kid to think about algebra if he’s worrying about if he’s going to get fed at night.”

Thorpe won’t rest on his laurels. He has his sights on ensuring that every student who enters Milton earns a high school diploma.

“Lots of people thought Milton High School would never be an A school,” Thorpe said. “Folks at this school never say ‘never.’ We expect to get a 100 percent graduation rate, and whatever it takes, we quite simply won’t rest until that happens.”

# Are our children ready to learn?

## Too many are already behind before they even start kindergarten

By Reggie Dogan  
rdogan@studer.com  
Photos by Michael Spooneybarger



Isabella Stacy and Claire Hedgepeth read along with audio at Myrtle Grove Baptist Church Preschool Learning Center.

*“If they come to school not ready, it makes all teachers’ jobs much more difficult.”*

Malcolm Thomas,  
Escambia superintendent

Nearly a third of children entering kindergarten in Escambia County aren’t ready for school.

That’s sobering news because the future of Escambia’s economy and workforce very likely depends on those preschoolers and how well they are prepared for school.

The educational window from birth to age 4 is crucial. Preschoolers exposed to a rich vocabulary with a variety of words, who have books easily accessible and adults who read to them are much more likely to become better readers and better students.

Ultimately they become adults better prepared to deal with a changing workforce and an economy built increasingly on workers who have the intellectual flexibility to adapt as the work world changes.

But the sad reality is, too many children in Escambia County aren’t ready when it’s time for kindergarten, and they remain behind through their years in school.

Malcolm Thomas, Escambia County schools superintendent, believes that early learning is the most important component of the education system.

“If they come to school not ready, it makes all teachers’ jobs much more difficult,” Thomas said. “It’s no mystery that in the third grade 15 to 20 percent score the lowest on the FCAT.”

Last year, only 67 percent, or 2,039 of children in Escambia’s VPK programs were scored ready to start school, according to data provided by the Florida Department of Education’s Office of Early Learning. In Santa Rosa, 81 percent, or 1,445 children scored ready to begin school.

## Rating providers

Florida is among 40 states that in the past 10 years started state-funded preschool programs, serving about one-quarter of 4-year-olds.

Ideally, voluntary prekindergarten, or VPK, improves school readiness by providing high-quality preschool.

In 2010, Florida revised its preschool rating system.

A successful VPK is one where 70 percent or higher of students receive a passing score on their kindergarten readiness test.

If the scores drop below 70 percent, the VPK is deemed nonperforming.

Of the 92 providers rated in Escambia County in the 2012-2013 fiscal year, 75 percent had a readiness of 70 or higher. The average rate was 78.6 percent.

Providers in Santa Rosa County fared much better. Of 37 programs, 89.2 percent rated 70 or higher. The average rate was 85.8 percent.

Programs with fewer than four students are not rated by the OLC.

Escambia’s readiness rate for providers averaged 75 percent during a three-year period, receiving 72.9, 75.1 and 78.6 percent respectively.

## Early lessons last a lifetime

Early learning has become the buzz across the country. President Obama has thrown his weight behind high-quality pre-K for all children. New York City recently received a \$300 million commitment for state lawmakers to expand pre-K programs.

It’s been proven that the highest-quality programs can produce up to a year of additional learning. Children see gains throughout their lives — from improved graduation rates and earnings to decreased rates of crime and adolescent pregnancy.

Research shows that children born into poverty hear 30 million fewer words by age 3 than more affluent children, and that can affect test scores and IQ.

It also shows that a quality pre-K



Shemetri Charley watches over her pre-K class at Wee Kare Academy in Pensacola. The Academy is nationally accredited, and its program had a readiness rate of 100 percent last year.

program can improve a student's early language, literacy and math skills during an important time for brain development.

Children who are the most vulnerable — particularly low-income children of color — benefit the most from participation in high-quality preschool.

Those programs have larger impacts on children's development and are more likely to create gains that are continued after the child leaves preschool.

Teacher qualifications such as higher education attainment and background, certification in early childhood or higher pay than average for the field have shown to

improve the quality of some programs.

But research also shows that qualifications alone do not ensure greater gains for children during the course of preschool.

### **Wee Kare Academy's success**

**B**etter preschools had quality and ongoing supports to teachers to ensure that the experiences of children, provided through activities and interactions, were rich in content, stimulation and emotional support.

Wee Kare Academy in Pensacola is considered a high-quality program. It re-

ceived a readiness rate of 100 percent last school year.

Brenda Hardy started the program in 1988 with one part-time child. Now more than 125 children, from infants to 12 years, attend the Academy on 12th Avenue.

The Academy is nationally accredited. Eight of the 20-member staff have worked there for more than 20 years. And each of the eight head teachers has Florida Child Care Professional Certification credentials.

Hardy credits the staff's longevity, stability and parental involvement as keys to the program's success.

"We all are working together as a

team,” Hardy said. “All of us are on the same playing field.”

Kequanda Stallworth has experienced the success of Wee Kare from both sides.

Stallworth, 22, teaches the Academy’s 3-year-old class. She has two children enrolled and she attended the preschool as a child.

“I knew my kids would do OK and be prepared when they finish,” she said. “I’m happy with the foundation they are getting.”

On a warm, sunny spring morning at Wee Kare, Shemetri Charley led a bouncy bunch of 4-year-olds through a series of songs, alphabets and two-syllable words.

In a cramped room covered with posters of alphabets, numbers and children’s art work, Charley transitioned with ease from one lesson to the next.

The 12 pupils sang, clapped and jumped to the tune of “One Little Monkey.”

Charley corralled the class into a circle and dumped laminated index cards on the alphabet rug.

“Let’s go Andarus, let’s go!” Charley said in unison with her class.

Andarus picked up a card and read each letter of another child’s name.

“One of the tricks to learn the alphabet is to learn somebody’s name besides their own,” said Charley, who has been a lead teacher for nearly 10 years. Hardy, the school’s director, said success comes from teachers and parents working together to make a successful child.

“Parental involvement is so important,” Hardy said. “Kids know exactly what to do and when to do it.”

Most of the 12 children in this class will move on next year to kindergarten. Their assessment will determine readiness rate for Wee Kare next year.

### Flawed system

Providers and education officials alike have concerns about the evaluation system for preschoolers.

Bruce Watson, director of the Early Learning Coalition of Escambia County,



Shemetri Charley’s pre-K class at the successful Wee Kare Academy.

says the assessment is flawed.

“I don’t find it to be all that accurate,” Watson says. “It would be much fairer and more equitable if they could find a way to drive the testing back into the VPK process.”

Four-year-olds in VPK are assessed three times over the course of a school year to gauge their progress.

But the final determination of a center’s readiness score doesn’t come from those tests: It comes from tests given to the children within the first month of kindergarten by their new kindergarten teacher.

The evaluation comes from two tests. One is observational in which the teacher watches the child’s interaction with peers, self-control and problem-solving skills.

In the other test children are assessed on phonetics, recognizing letters and the beginning and ending sounds of words.

The timing of the testing concerns Watson because he says it comes at the start of a new school year, at a new school, with a new teacher after being on summer break.

“They don’t take the results of the kindergarten teachers and give them an assessment when they start first grade with a different teacher,” Watson said. “They allow the same teacher to do their post-assessment on the front and back end

but they don’t afford that same opportunity to VPK.”

If a VPK provider falls below 70 percent based on the kindergarten assessment, it is placed on probation for up to three years, has to submit an improvement plan and adopt a new curriculum.

If the program fails to meet standards it is shut down and has to reapply for VPK.

Another issue, Watson notes, is that small differences in the testing pool can make a big difference in a VPK’s rating.

If one or two children in a class of 10 don’t do well, or if one or two of those students end up going to private school for kindergarten and aren’t tested as their public school peers are, the center’s rating suffers.

“It’s really not a formal test as much as it is a subjective analysis,” he said.

Superintendent Thomas agreed that it’s unfair to VPK and public schools that the assessment is given at the start of kindergarten instead of the end of preschool.

“Measure them at the end of VPK,” he said. “For some reason they have pushed that on to the public school.”

### Challenges come with keeping score

Mary Ann Winstead, director of Myrtle Grove Preschool Learning Center,

*“Parental involvement is so important.”*

Brenda Hardy,  
Wee Kare Academy

laments the perils of readiness scores.

In 2012, Myrtle Grove's readiness fell to 63 percent, seven points below the rate considered success. The next year probation was lifted when the scores rose to 77.

In 2012, some of Myrtle Grove's higher-performing preschoolers moved away or entered private school and didn't take the kindergarten test, Winstead said.

The challenge now is keeping the scores up to avoid the perils of probation, Winstead said. That means skimping on extracurricular activities such as music, art and dance to focus more on core academics.

"There's a notion out there that preschool is daycare and nothing needs to be learned," Winstead said. "It takes more people seeing the benefits and sharing the importance of preschool."

Winstead believes that better access to preschool programs will give more children a better chance of being school ready, finishing high school and being career ready.

"Birth to 5 years old is critical," she said.

### Work in progress

Jerry Maygarden, Pensacola Chamber of Commerce president and CEO, said early learning is vital for workforce development. He recalls the Early Learning Coalition saying that about 27 percent of children arrive unprepared for school and never catch up.

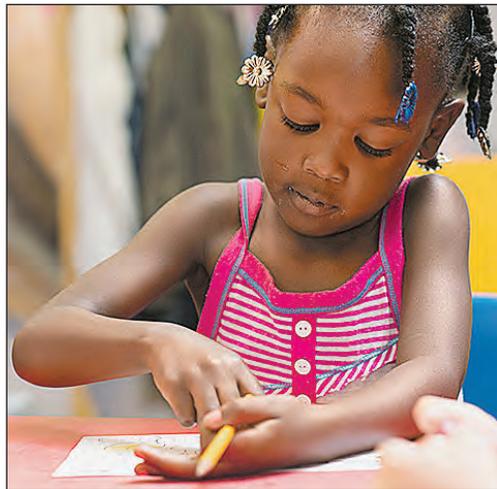
"The No. 1 thing I hear from employers is to send us people ready for work, but a lot of young people don't enter school ready to learn and are not completing high school," Maygarden said. "I always tell people that workforce development begins in prenatal."

Getting the children who need such services to use them is a challenge this community must face.

In Escambia, 28.5 percent, or 1,049 out of 3,681, of 4-year-olds are not enrolled in a VPK program, according to population data provided by the Florida Legislative Office of Economic and Demographic Research.

There is concern about reaching more families of children who would benefit most from VPK.

The number of birth- to 4-year-olds below 150 percent (family of four at \$35,325)



Zareigh Cunningham works in pre-K class at Wee Kare Academy in Pensacola.

of the federal poverty level was estimated to be 6,280. Only 41 percent, or 2,584 children, took advantage of school readiness programs.

That means that more than 3,600 of low-income children who qualify and could benefit from VPK weren't served last year.

To reach more families and get more children to enroll in VPK, Watson said the coalition works closely with agencies such as United Way, Escarosa and the Department of Children and Families.

Watson also uses a variety of publications to advertise, civic and community groups and career fairs.

A campaign to advertise on ECAT buses will hit the streets in the summer, he said.

He realizes more work needs to be done.

"The truth of the matter is 25 percent or so of our children are not ready for kindergarten," Watson said. "Do you know how many kids fail to successfully negotiate the third-grade reading FCAT? It's about 25 percent."

Thomas also has some concerns about the state-sanctioned early learning program.

He believes VPK needs standardized curricula and testing.

While Thomas doesn't advocate that VPK teachers be required to have four-year degrees and teacher certification, he does see a need for more professional development in early childhood education.

There's also the problem with access. The state only funds a four-hour day. That puts a strain on some parents who have to work eight hours and can't pick up their children in the middle of the day.

"Parents may want to participate but can't," he said. "It's easier to leave them with a relative than to enroll in VPK."

Extending hours could increase participation by providing better access, but Thomas stops short of endorsing mandatory pre-K.

He does like the idea of making it mandatory for children who don't meet basic standards or who are considered at-risk.

### Good investment

With more than 100 VPK programs to choose from, Watson wants to help set the high-quality programs apart from the rest. Next year he will implement the Quality Rating and Improvement System.

Programs will be assessed and given star ratings. New programs will get one star and the ones that go above and beyond in every category will receive four stars.

That way, Watson believes, people can determine which programs are doing well and which need improvement.

"It's not just to rate them, it is also to assist them and inspire them to improve," Watson said.

The bottom line is that high quality early education is a strong investment that yields a high return.

Watson says that only \$1 invested is estimated to save at least \$7 in unemployment and criminal justice costs.

"Studies show that children who are not ready for kindergarten are more likely to be incarcerated, have more social issues, use drugs, you name it," Watson said.

"It's not a guarantee but the statistics are what statistics are: If you can get that child ready for kindergarten, you can get him that leg up on life."

*"Birth to  
5 years old is  
critical."*

Mary Ann Winstead,  
Myrtle Grove Preschool  
Learning Center



Studer Institute researcher/writer Reggie Dogan taught school for three years. He left the classroom to join the Institute, where he hopes to help improve the lives of area residents.

# Our best teachers' influence never ends

**In my three years in the classroom,  
I learned as much as I taught**

By Reggie Dogan  
rdogan@studer.com  
Portrait by Michael Spooner

I've always admired teachers.

Through my years of school, I can pinpoint wonderful teachers who had an enormous impact on my life.

When I became a teacher, my admiration became adoration. It brought to light the yeoman's work teachers do for little praise, a pittance of pay and a lot of stress and sacrifice.

During my three years in the classroom, I learned as much as I taught. The teacher became the student. In the best classrooms teaching and learning are reciprocal. One of the

*Imagine if every child had a teacher who recognized  
her uniqueness every day.  
That would be a powerful place for learning to take place.*

most important lessons for me was gaining a deeper appreciation for the value of teachers.

I'm no longer in the classroom, but I hope to continue to teach as much as I learn.

I'm excited to be a part of The Studer Institute. I joined the Institute because I believe in its purpose and goal: to improve significantly the quality of lives for area residents.

That's a lofty goal, but one worth pursuing and dedicating my energy and efforts to help accomplish.

Like most people, I desire to have purpose, do worthwhile work and make a difference. I believe The Studer Institute is the right place to do work that impacts people and makes a difference in the community.

As a teacher, I was able to touch the lives of children and, in some ways, make a difference.

Dedicated and diligent teachers make a difference every day they walk into a classroom. It bothers them when people say they are incompetent and lazy, and when they get blamed for almost every problem, from failing students and schools to dysfunctional families and disengaged communities.

Teachers work hard to see the potential in even their most challenging students. They realize that the right attitude and an occasional pat on the back can make a difference.

Becoming a good teacher is not magic. It takes a delicate balance of passion, energy and creativity.

The best teachers impart high levels of creativity and imagination to grab their students' attention. Once they have it, it is art in motion witnessing students in full participation in the learning experience.

Good teachers know and understand their curriculum and students. They know how to create a learning incubator. This demands a scientific understanding of how the brain learns and how to engage students. But it takes an artist's touch to create a powerful and profound learning environment.

Having a school-aged child helped me become a better teacher. I tried to look at students from both sides of the desk. I began to ask how I would want my son to be taught. I started to give as much as I want my son to receive.

Before I chastised or corrected a student, I'd take a breath and ask, "You're a father, how would you react?"

I realized that I needed to get to know each student as the unique person he or she is. I needed to take the time to see each student's particular combination of habits and gifts.

Imagine if every child had a teacher who recognized her uniqueness every day. That would be a powerful place for learning to take place.

Teachers can and do affect lives for a lifetime. They never truly know where their influence stops. I've never forgotten

the impact my first-grade teacher had on my life. I am forever grateful to my high school English teacher who recognized in me a latent talent for writing and pushed me to pursue journalism in college. Or the retired teacher who, while subbing one day, admired my hard work and drove me around the state of South Carolina to visit colleges and universities.

I can't get my head around the contradiction that places the utmost importance in education but underestimates the value of teachers.

Numerous studies show that the quality education students get is proportionately related to the quality of their teachers. I worked with amazing teachers. They labored under difficult circumstances and monumental pressures.

Anyone who believes that teachers have it easy working 7:30 a.m. to 3:30 p.m. has never spent a day in a classroom. They often arrive at sunup and don't leave until sundown, juggling multiple duties, from managing classrooms to making late-evening home visits.

They have to deal with hungry and homeless students, students with anger issues, mental and physical disabilities, and students whose parents are in prison or nowhere to be found.

I saw teachers use their money to buy supplies for their classrooms or bring extra snacks for the kids who didn't get breakfast each morning.

Despite the master teachers' best efforts, our schools still are falling short and students are failing to make the grade.

There are myriad reasons for the problems, but the sad reality is more than 35 percent of high school seniors don't graduate in Escambia County. It's especially dismal for black students, as nearly half of them don't finish school.

The beginning is no better than the end. Too many children enter kindergarten unable to spell their names. Some are so poorly prepared for school they don't know a single letter of the alphabet, can't speak in complete sentences and face a dismal future without a miraculous intervention and turnaround.

I've discovered over the years that no matter where we live, we all are neighbors in the human race of life. It takes all of us working together to make our cities and communities better and brighter for all of us.

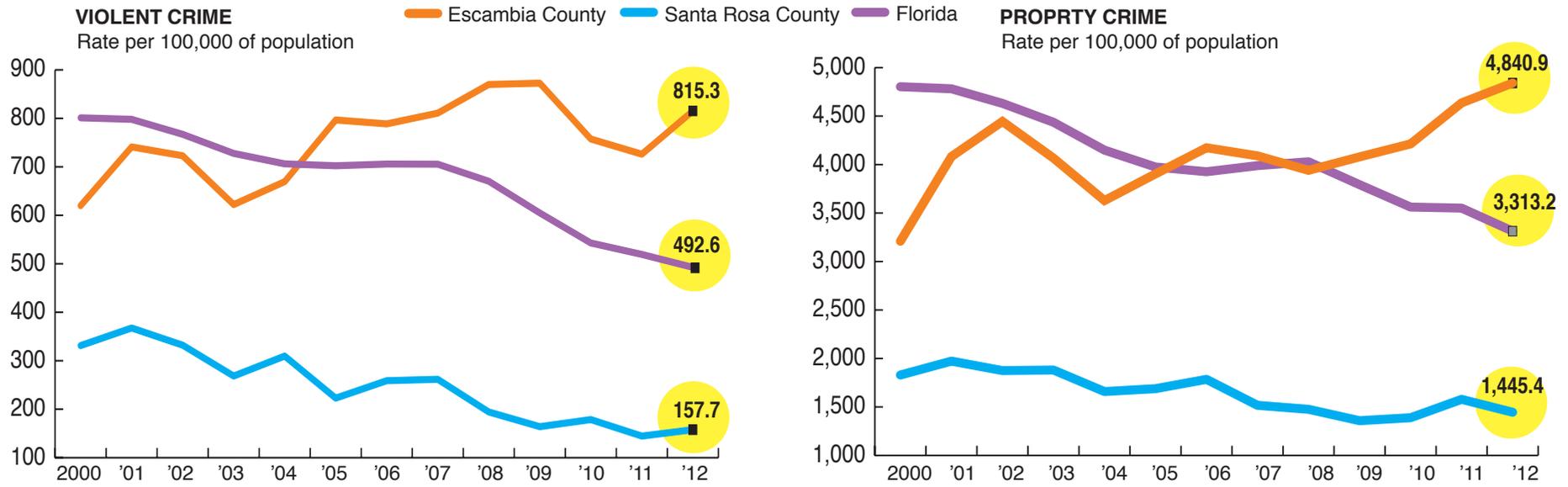
I'm grateful to have left a mark in the classroom and I'm excited about this new opportunity to do as the poet Ralph Waldo Emerson said: "Go where there is no path and leave a trail."

The Studer Institute is going into uncharted territory. We're not sure where the path may lead. We're not even sure what we may find along the way. But with courage, conviction and commitment we seek to go where there is no path and leave a trail.

I hope you will come along with us.

# Quality of life

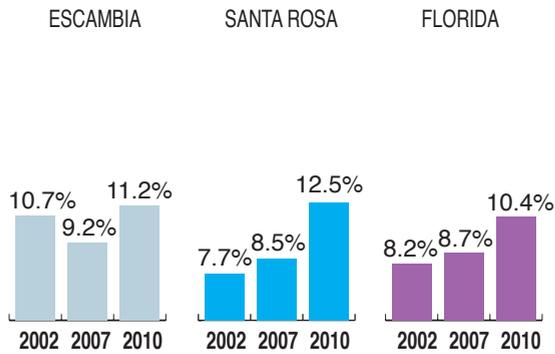
## Crime rate



SOURCES: Florida Department of Law Enforcement, Crime in Florida, Florida uniform crime report, 1995-2012, Florida Statistical Analysis Center

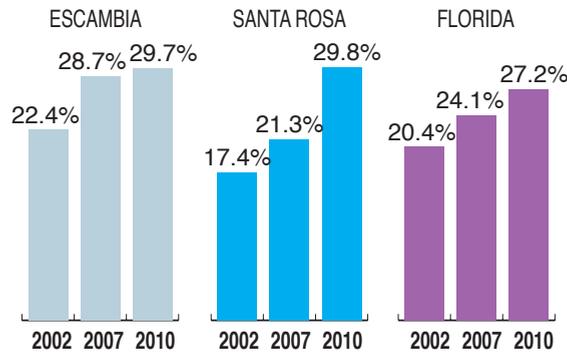
## Diabetes incidence rate

Percentage of adults diagnosed with diabetes



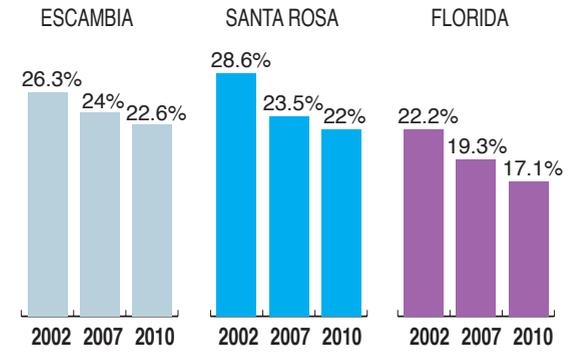
## Obesity rate

Percentage of adults who are obese



## Smokers

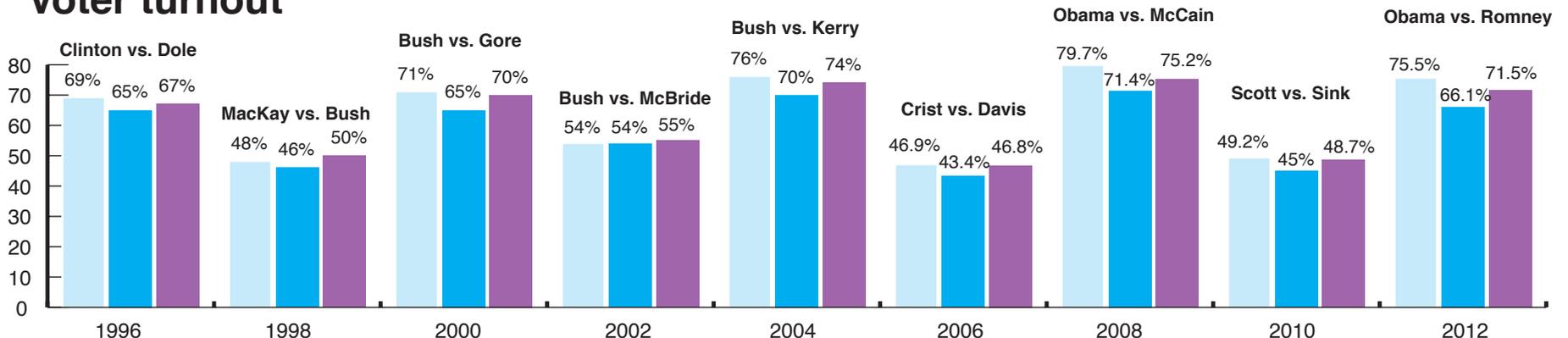
Percentage of adults who are current smokers



SOURCES: The County Behavioral Risk Factor Surveillance System, Florida Department of Health

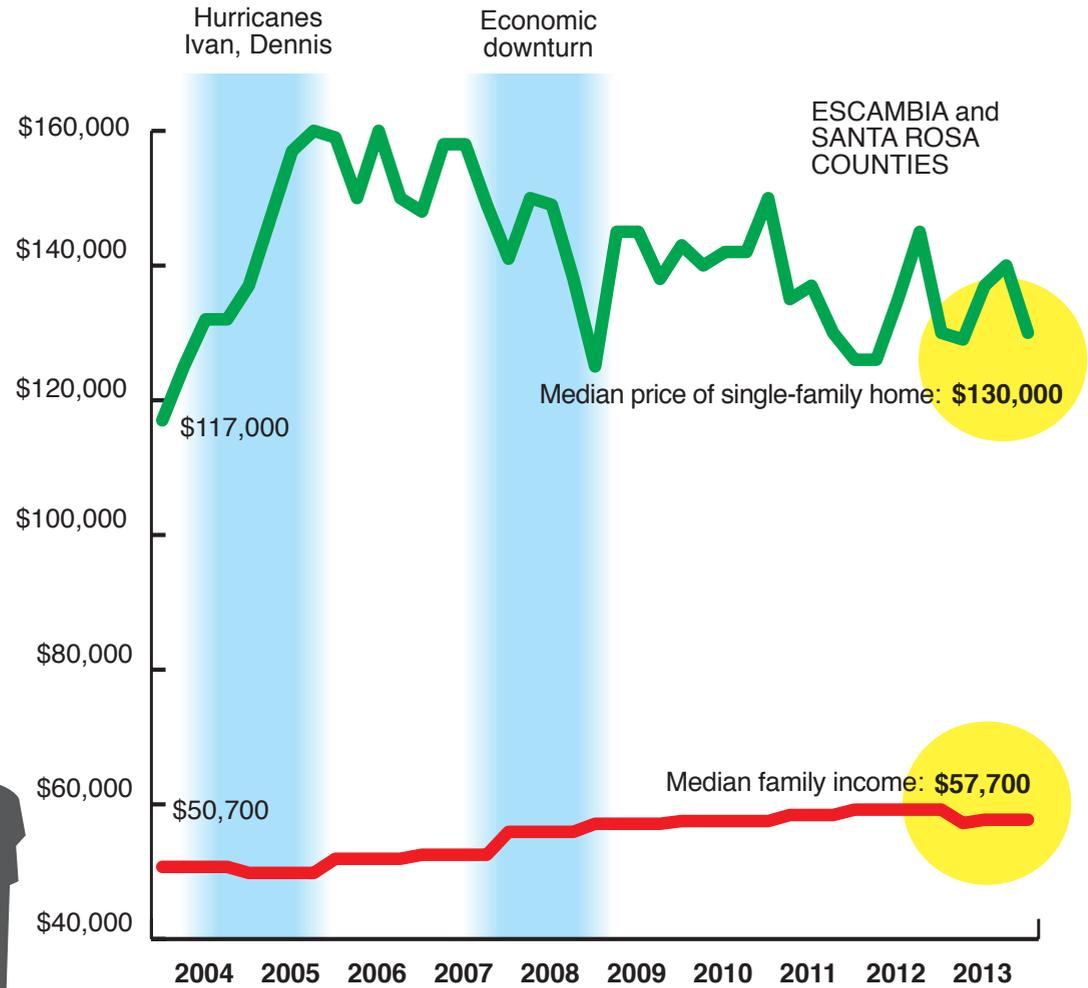
Escambia County Santa Rosa County Florida

## Voter turnout



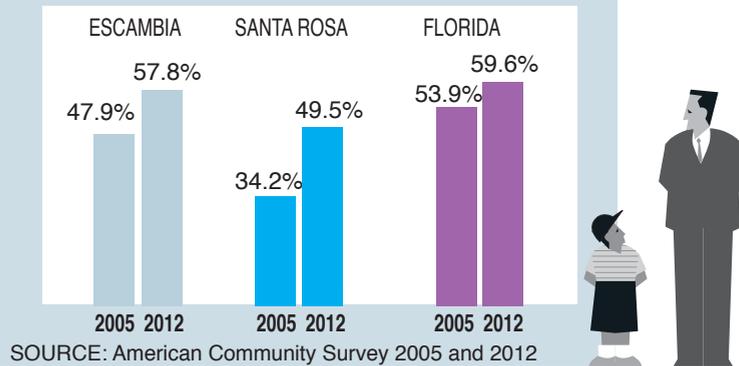


## Housing affordability



## Cost-burden of renting

Percent of people who spend more than 30 percent of monthly income on rent.



SOURCE: National Association of Home Builders

## Cost of child care

Average cost as a percent of median income

### ESCAMBIA COUNTY

#### Families with children under age 18

	Median income in 2012	Pre-schooler only	Infant only	Infant and pre-schooler
Married couple families	\$70,399	9%	10%	19%
Single parent families headed by a male	\$35,335	17%	20%	38%
Single parent families headed by a female	\$21,691	28%	33%	61%

Average cost as a percent of median income

### SANTA ROSA COUNTY

#### Families with children under age 18

	Median income in 2012	Pre-schooler only	Infant only	Infant and pre-schooler
Married couple families	\$73,281	8%	8%	16%
Single parent families headed by a male	\$35,028	18%	16%	33%
Single parent families headed by a female	\$28,578	22%	19%	41%

SOURCE: Office of Early Learning Market Rate Report



# What gets *measured* gets *improved*.

Objective benchmarks are vital to gauging progress and identifying areas that need improvement. In cooperation with the University of West Florida Office for Economic Development and Engagement, the Studer Institute has created this dashboard of 16 metrics to provide an at-a-glance look at the area's growth, educational attainment, economic prospects, safety and civic life. *All metrics represent the Pensacola Metropolitan Statistical Area (MSA), which includes all of Escambia and Santa Rosa counties.*

## POPULATION

468.0k **+4.0%**  
VS. 4 YEARS PRIOR



To prosper, a community needs to grow. Data shows that after steeply increasing every decade between 1970 and 2000, our population essentially stagnated. Inside Pensacola city limits, the population actually decreased from 2000 to 2010.

## MIDDLE CLASS HOUSEHOLDS

65.5% **+0.6%**  
VS. 4 YEARS PRIOR



A healthy percent of people earning middle class wages adds to the economic activity, stability and vibrancy of a community. "Middle class households" are defined here as those that earned between \$20,000-\$99,000 in 2009 dollars.

## MEDIAN WORKFORCE AGE

39.9 **+0.0%**  
VS. PREVIOUS YEAR



It is no news flash that Florida is a state that is grayer than most. But it is critically important to maintain — and increase — a healthy population of "young professionals" to add the intellectual and creative capacity that vibrant cities thrive upon.

## FREE & REDUCED-PRICE LUNCH

55.0% **+3.6%**  
VS. PREVIOUS YEAR



This helps measure poverty in a community. Children living in households at or below 185% of the poverty level are eligible to receive free or reduced-price meals at their schools. On a county level, Escambia's rate is 63.5% while Santa Rosa's is 41.9%.

## LABOR FORCE PARTICIPATION

66.4% **+9.9%**  
VS. 2 YEARS PRIOR



The unemployment rate is often reported as a measure of joblessness, but it leaves out people who quit looking for work. Labor force participation shows how many people who are eligible to work are doing so.

## UPWARD SOCIAL MOBILITY

6.1% **-37.5%**  
VS. NATIONAL AVERAGE



Based on 30-year lookback using IRS data, this measures the chances that a child raised in the lowest 20 percent of household income will move into the top 20 percent of household income in his or her lifetime. Nationally this number is 9.76%.

## REAL PER CAPITA INCOME

\$33.4k **+1.8%**  
VS. PREVIOUS YEAR



Real per capita income represents the total GDP of our area, adjusted for inflation and divided by the population. It is a useful measurement of the average person's purchasing power and economic well-being.

## RENT-BURDENED HOUSEHOLDS

51.2% **+2.2%**  
VS. 2 YEARS PRIOR



How affordable is it to live in a community? This data measures the cost burden of renting in a community by looking at the percentage of people who spend more than 30 percent of their monthly income on rent.

# PENSACOLA METRO DASHBOARD

## COST OF CHILD CARE (% INCOME)

43.5% **-12.8%**  
VS. STATE AVERAGE



This measures average child care costs (for infant and preschoolers) as a percentage of median income for single-parent households. Statewide this number is 49.9%. For many parents, these high costs may lead them to leave the workforce entirely.

## OVERWEIGHT & OBESITY RATE

64.6% **+2.1%**  
VS. 3 YEARS PRIOR



Two out of three people in the Pensacola metro area are either overweight or obese, meaning they have a body mass index (BMI) of 25 or higher. Obesity correlates with a variety of other health problems, like heart disease and diabetes.

## KINDERGARTEN READINESS

82.6% **+1.8%**  
VS. PREVIOUS YEAR



This measures the percentage of 5-year-olds considered kindergarten-ready when evaluated by teachers in the first month of the school year. Kindergarten-ready students tend to have greater success throughout their academic careers.

## VOTER TURNOUT

71.8% **-6.1%**  
VS. 4 YEARS PRIOR



How healthy is democracy in your community? Voter turnout is a measurement that gauges how many eligible voters turned out at the polls in an election cycle. The higher the turnout, the more representative a democracy we have.

## HIGH SCHOOL GRADUATION RATE

69.8% **+2.5%**  
VS. PREVIOUS YEAR



This measures the percentage of students who completed their high school career within four years of starting it. A vast gulf exists between Escambia County's graduation rate (64.2% in 2013) and Santa Rosa's (78.9% in 2013).

## CRIME RATE (PER 100,000)

3,973.3 **-7.0%**  
VS. PREVIOUS YEAR



This measures the number of crimes reported per 100,000 citizens, including both violent crimes and property crimes. After spiking in 2012, crime rates dropped significantly in 2013, but remain above the state average (3,572.9 per 100,000).

## SINGLE-PARENT HOUSEHOLDS

35.1% **+9.3%**  
VS. 7 YEARS PRIOR



This gives a snapshot into the social and economic conditions in which our children are being raised. Children living in single-parent families often face more economic and sociological hurdles than their peers from two-parent families.

## BED TAXES (2% NORMALIZED)

\$534.5k **+13.9%**  
VS. YEAR-AGO MONTH



The tourist development tax, also called the "bed tax," is collected from hotels and other lodging establishments and is a measure of tourism traffic in a community. Due to seasonal variation, we compare to the same month one year ago.

Graphics by Joe Vinson, [jvinson@studer.com](mailto:jvinson@studer.com)

Visit the Studer Institute's online dashboard for more detailed information and analysis, interactive charts, and comparisons to peer MSAs and state averages.

[STUDERINSTITUTE.COM/DASHBOARD](http://STUDERINSTITUTE.COM/DASHBOARD)

# Focus on education, skills and modern economy

By Rick Harper, rharper@studer.com

In important ways, the last dozen years have been kind to our community. We've made up lost ground in personal income and we're adapting to changing demographics. But we're not the working-class, manufacturing and military Pensacola that we were two generations ago.

We are on average older than before, as retirees increasingly choose us over crowded South Florida, and visitors contribute an increasing share of our spending. How do we ensure that the ebb and flow of people looking for economic opportunity and quality of life moves in our direction? The articles in this special report have an overarching focus on people, and how and why they connect with our community.

Here, as in communities around the nation, the modern economy — global and knowledge-intensive — has rewarded those with scarce skills even as it punished many whose skills are not in short supply. The only strategies that will give our residents higher living standards call for full engagement: from teachers, schools, students, residents, businesses, community leaders and politicians.

Education has to come first, and when we get it right, community health and poverty outcomes will improve dramatically. The answer is not all about STEM — science, technology, engineering, math — but it is all about engagement, commitment and education.

You've read about fast-growing technology companies with owners committed to our community. The sector is not yet big



*Rick Harper is director of the University of West Florida's Office of Economic Development and Engagement. Harper's office teamed with the Studer Institute for this report.*

enough to keep STEM-savvy kids in town and attract new ones, although the IT needs of growing firms are making a noticeable positive difference.

A self-sustaining critical mass will come only when the sector is big enough so that tech companies can count on finding skilled workers, and so that tech workers know their current employer is not the only game in town.

Our fastest-growing sectors have been health care, education and the service economy, with a large and healthy tourism sector. But many jobs in tourism are on the lower rungs of the job ladder. Can tourism contribute to a higher quality of life? Land was cheap when Walt Disney flew over Orlando in 1963, the same year that Florida passed laws creating universities in Pensacola and Orlando. He was reportedly impressed not just by the weather, but also by the transportation infrastructure of Interstate 4, the Florida Turnpike and the airport. Demography is destiny, and the University of Central Florida now consistently ranks in the top three U.S. universi-

ties in enrollment.

Both UCF and the University of West Florida have excellent programs that produce well-trained graduates. Enrollment growth is almost the only source of financing for new cutting-edge higher education programs under Florida's funding formula. When combined with sustained quality, the problems of growth are better than the problems of stagnation.

Orlando has become a more diverse and dynamic economy where well-trained graduates can get a job and investors can generate consistent returns year-round.

For a similar growth dynamic to catch hold here and create more widespread economic opportunity, businesses need customers beyond our traditional summer beach season. Many of the articles in the report have shown how people are doing just that.

We like to say that Escambia and Santa Rosa counties are joined at the hip. But we are actually closer than that. Commute patterns tell us that the thin blue lines that separate our counties exist only on the map. High-wage jobs in the Pensacola urban core and at the military bases in Fort Walton Beach support high-quality residential lifestyles and schools of Santa Rosa County.

We should advertise our diverse neighborhoods to curious businesses and potential workforce as one community. Since our residents find that it makes their lives better to commute across the bay, our leaders should find it worthwhile to bridge their differences.

*Education has to come first, and when we get it right, community health and poverty outcomes will improve dramatically.*



## Contributors bios

**01. Quint and Rishy Studer** founded the Studer Institute in Pensacola. They started the Studer Group in 2000 with four full-time employees. Today it employs 205 people and is one of only two consulting firms in the nation to receive the Malcolm Baldrige Award. Rishy is the founder and president of three downtown businesses. The couple also owns the Pensacola Blue Wahoos, a Double-A affiliate of the Cincinnati Reds.

**02. Carlton Proctor** is a freelance reporter and screenwriter. A former reporter for the Pensacola News Journal, he contributed to the Pensacola Metro Report with a series of stories about downtown Pensacola.

**03. Rick Harper** is the Institute's director. He will be responsible for the dashboard indicators and other data series that will describe our community and track its performance. He also serves as University of West Florida's assistant vice president for economic development and director of the university's Office of Economic Development and Engagement.

**04. Claire Campbell** uses her television production and film-making experience to produce video content for the Institute. She spent the past decade working in film and TV in New York City.

**05. Drea Ruiz de Gamboa** is the office manager for the Studer Institute.

**06. Travis Peterson**, who moved to Pensacola in 2000, is the owner of Impact campaigns, a public relations company. He helps promote the Institute's workshops and programs.

**07. Phyllis Pooley** is the Institute's "information and data guru." She worked at UWF Haas Center and now uses her

data and research skills at UWF Office of Economic Development and Engagement and the Studer Institute.

**08. Michael Spooner** is the institute's staff photographer. He does photo, video, audio and multimedia projects. He was a photographer at the Pensacola News Journal and The Tampa Tribune. He's freelanced with national news agencies, including the Associated Press and The New York Times.

**09. Reggie Dogan** is content analyst for the Studer Institute. He worked as a reporter, editor and columnist at The (Rock Hill) Herald in South Carolina and the Pensacola News Journal.

**10. Nicole Webb** oversees marketing for the Studer Institute. She formerly worked at the Greater Pensacola Chamber of Commerce and as a media consultant at Cox Media.

**11. Kim Thomas** is a freelance designer, editor and writer. A former deputy managing editor of the Pensacola News Journal, she designed the Pensacola Metro Report.

**12. Joe Vinson** is the editor of the Studer Institute's website. Joe worked at the Appleyard Agency, creating TV commercials and ad campaigns. He founded the local history wiki Pensapedia and has blogged about local government and other issues at Pensacola Digest.

**13. Will Rabb** is a freelance writer who worked for the Mobile Press Register and the Pensacola News Journal. He contributed to the report with a series of stories that compared Mobile and Pensacola's economy and school systems.

**14. Ron Stallcup** is in charge of production of the Studer Institute reports and graphics. He worked as graphics editor at the Pensacola News Journal. He has produced a Hurricane Guide in one form or another for more than 20 years.

**15. Mollye Barrows Vigodsky** is an investigative reporter and

former award-winning reporter and anchor for WEAR-TV. In 2004, she wrote, "Perversion of Justice," which chronicled the case of two young Pensacola boys convicted of killing their father.

**16. Carly Borden**, a recent graduate of the University of Florida, is in charge of outreach programs to help engage citizens and organizations in the community.

**17. Shannon Nickinson** is the editor of Progress + Promise, a sister website of the Studer Institute. She was the lead writer and editor of the Pensacola Metro Report. She worked as reporter and city editor at the Huntington Herald-Dispatch in West Virginia; and as a metro editor and columnist at the Pensacola News Journal.

**18. Randy Hammer** is the Institute's CEO. He worked for the Pensacola News Journal and under his leadership as executive editor the staff won numerous state and national awards, including finalist for the Pulitzer Prize in 2002 and 2004. He later became president and publisher of the Asheville Citizen-Times in North Carolina.

### NOT SHOWN

**Lisa Long** works with the Studer Institute to develop partnerships and sponsorships for its website, reports, workshop, lecture series and documentaries. She also is the advertising director for blab TV. She worked at Cox Media as a media consultant and local sales manager.

**Charlotte Crane** is the former Pensacola News Journal business editor and writer for the Florida Trend magazine. She proofed the Pensacola Metro Report.

**Carl Wernicke** is senior writer and communications manager for the Institute for Human and Machine Cognition and former opinion page editor of the Pensacola News Journal. He proofed the Pensacola Metro Report.

# We're committed to making lives better for people here

## We start by showing how our community is doing

By Quint Studer

[quint@studer.com](mailto:quint@studer.com)

Photo by Michael Spooneybarger

**T**he Studer Institute exists for one reason: To improve the quality of life for people.

To do this, we will measure performance in key areas; shine a light on people, organizations and methods that work so others may learn from them; recognize areas and people performing well; identify areas that are falling short; and seek accountability of those who make public promises.

A common saying is, "What gets measured, gets focused on." What better to focus on than those measures important to a good quality of life. Let's look at a few examples of how measures — or dashboards — are used.

Imagine that you are driving down the road and the dashboard on the car goes out. Does this create anxiety? Could it create safety issues? The answers, of course, are yes. The metrics on a dashboard help us operate a vehicle in a safe manner, warn us about potential dangers (oil, water, battery) and remind us to buckle up.

What fills a dashboard? Key measurements.

The first thing that takes place when we see a doctor is measurement. From updated insurance information to weight, blood pressure and cholesterol, these vital measures help us know if we need to make lifestyle changes. They also help medical professionals give us feedback on what is good and suggestions for treating the ills we face.

Today, dashboards are used in all well-



*Quint Studer and his wife, Rishy, are the founders of the Studer Institute, a non-profit organization committed to improving our community's quality of life.*

run organizations to set goals and monitor performance. They provide a way to show success, recognize good work and point out areas of concern.

Selecting the right goals is crucial. There are no more important goals in the world than those that most impact our community's quality of life.

Of course, measures are only as good as those collecting the data. This is why the Studer Institute is the right organization to operate the Quality of Life Dashboard. We are a not-for-profit. We are independent. There will be no spinning of data. We will seek out and report the data, utilizing the best sources available.

Those who want the best quality of life will like the dashboard. Even if it points out areas that need improvement, we cannot be afraid to hold up the mirror, take accountability and work hard to make things better.

Until I moved here, I had never heard the statement: "I don't have a dog in this hunt." I came to learn it was used either to note an objective viewpoint or to say it does not matter to me.

At the Studer Institute, we do have a dog in this hunt. I hope we all do. That hunt is to do all we can to attain and sustain the highest quality of life for people.

## What's Next

As Rick Harper notes in his column on page 62, education emerges in this report as our community's top priority.

We are fortunate to have a strong school system in Santa Rosa. Of the 67 school districts in Florida, Santa Rosa's FCAT scores ranked in the top five. Although Escambia has made progress, the district understands it must do better. With 64 percent of its students on a free or reduced-price meal plan, and 43 percent being raised in a single-parent household, Escambia struggles with issues many top-scoring school districts don't face.

The Institute is working with Samuel Mathews, associate professor emeritus at the University of West Florida School of Psychological and Behavioral Sciences, to host a series of community meetings this fall to explore those issues. The Institute also plans to host talks about the new Florida Standards test, which this year replaces the FCAT.

The Institute's next major report will focus on education and will appear in January.

## How you can get involved

If you want to help the community, consider becoming a mentor. To become a mentor, contact:

ECARE

Escambia County, Patty Vaillant, 433-6893,  
[volunteer@escambiareads.org](mailto:volunteer@escambiareads.org)

Youth Motivator Program

Escambia County, Sally Bergosh, 469-5676,  
[sbergosh@escambia.k12.fl.us](mailto:sbergosh@escambia.k12.fl.us)

Take Stock in Children

Escambia County, Sally Lee, 469-5458,  
[slee@escambia.k12.fl.us](mailto:slee@escambia.k12.fl.us)

Take Stock in Children

Santa Rosa County, Angi Brown, 712-2264,  
[brownab@mail.santarosa.k12.fl.us](mailto:brownab@mail.santarosa.k12.fl.us)

## About us

The Studer Institute is dedicated to helping people understand their community. We sponsor research and



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INSTITUTE

the development of benchmarks that allow cities and counties to evaluate the health of their local economy, government and quality of life. Our goal is to create a nonpartisan process that allows citizens to identify the critical issues a community needs to address to move forward.

**View the Pensacola Metro Dashboard on page 60**