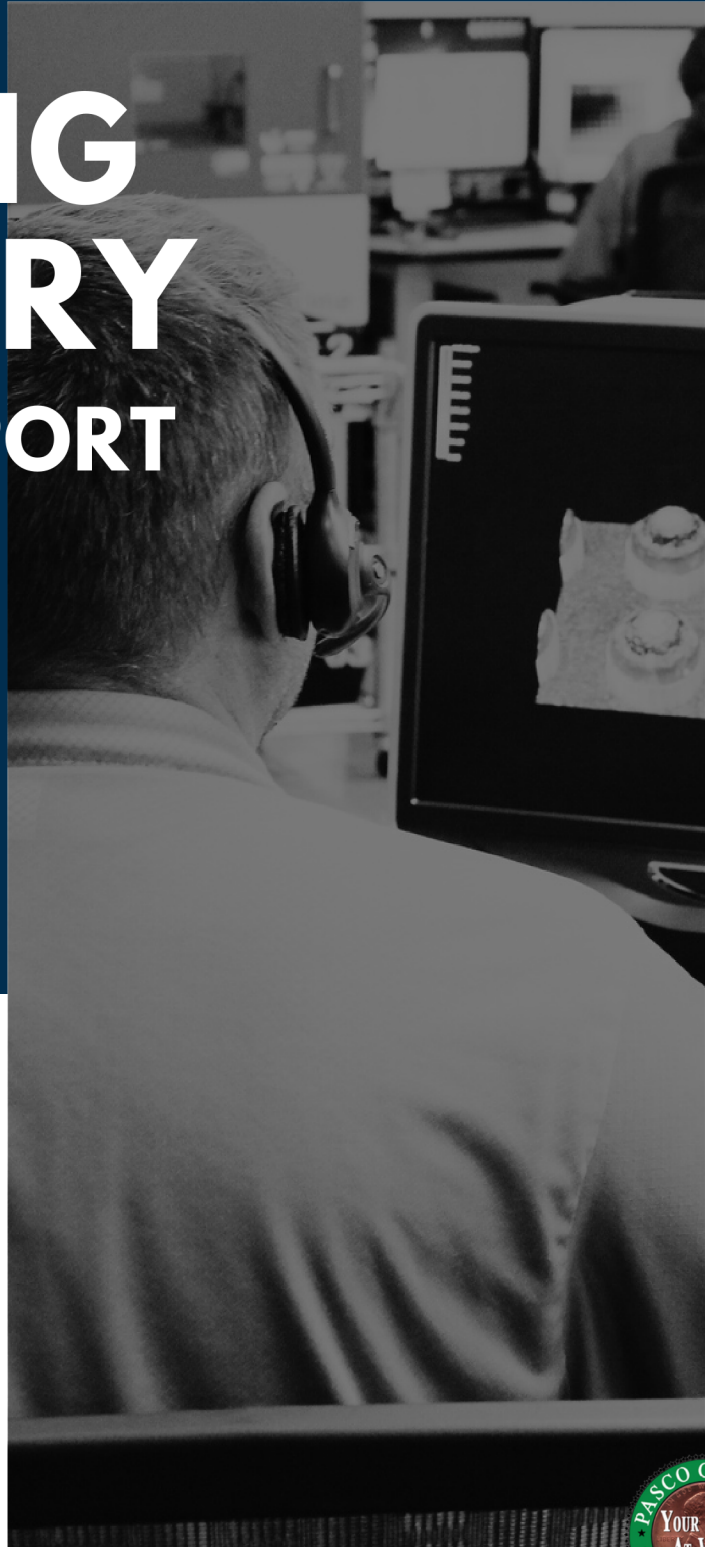




PASCO EDC
NORTH TAMPA BAY, FLORIDA®

EXISTING INDUSTRY ANNUAL REPORT 2024



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NAVIGATING CHALLENGES, EMBRACING OPPORTUNITIES

INSIGHTS FROM PASCO COUNTY'S BUSINESS LANDSCAPE

INTRODUCTORY SUMMARY

This report serves as a summary of the valuable feedback garnered from Pasco-based businesses through the Pasco EDC Business Retention & Expansion program, WorkforceCONNECT program, and International program. Our aim is to offer a rich dataset of insights into primary industry clusters in Pasco County, tracking changes year after year. Through this, our community partners and stakeholders can gain a nuanced understanding of the ongoing successes and challenges faced by local businesses, fostering collaborative efforts to maintain Pasco County as the premier business destination in Florida.

Throughout 2023, we employed diverse data collection methods, including in-person meetings, Pasco 50 and BizBlast events with Pasco-based employers. These engagements provide us with specific insights into the prevailing trends influencing local businesses, factors propelling their growth, and challenges impeding their progress.



93

EXISTING
INDUSTRY
VISITS



117

EVENT
ATTENDEES

MAJOR THEMES

LABOR AVAILABILITY

Notably, there has been an increase in the availability of labor, marking a positive shift for local businesses. During our biannual Spring Pasco 50 event, human resource professionals delved into skill-based hiring practices and the value of badging initiatives, a way of acknowledging achievements or skill acquisition at a more granular level than a college degree. Discussions revealed that while wages have risen steadily, companies are finding it easier to attract talent. However, the challenge lies in the technical skills gap among workers, requiring additional strategic solutions to bridge this gap.

ACCESS TO CAPITAL

A significant challenge reported by businesses is a decrease in access to capital needed for expansion. Rising interest rates and soaring property values in the region have contributed to a slowdown in the pace of growth. Many businesses have postponed construction plans, delayed building additions, and refrained from land purchases. Despite this, there is optimism that interest rates will stabilize and reduce in 2024, prompting businesses to resume their expansion plans.

IMPACT OF INFLATION

High inflation rates have driven up the costs of raw material, labor, and transportation. Businesses across various industries have faced the dilemma of passing on these increased costs to customers, risking losing customers, or lowering profit margins. On a positive note, businesses reported a return to normal supply chain flows, signaling optimism that inflation will ease as we progress through 2024.

Overall, we are seeing the negative effects of the pandemic continue to wane as well as trends focusing on nearshoring and reshoring. Optimism is still strong among the businesses we spoke to, and most expect growth in the mid-to-long term. The subsequent sections will share the quantitative results gathered from our 2023 Existing Industry Survey along with a comparison of the 2022 results.

THANK YOU TO OUR PARTNERS



ADDITIONAL FINDINGS



EMPLOYEE RECRUITMENT AND RETENTION

Employers report *word of mouth* as the most successful method for finding new employees, and they are also still seeing higher than normal rates of employees leaving for higher wages offered at competing firms.



HIRING YOUNG PEOPLE

77% of survey employers would consider hiring a recent high school graduate for a full-time position.



PERCEPTIONS

There is uncertainty in the technical skill sets of recent high school graduates. 21% of companies said they would rank the availability of skilled, recent high school graduates as *good*, *very good*, or *excellent*.



SKILLS GAPS

When asked, *do you perceive any skill gaps in Pasco County's workforce that should be improved*, respondents generally stated employability or soft skills are lacking – particularly, communication, reliability, punctuality, and motivation.



BIGGEST CONCERNS FOR THE FUTURE

Transportation/infrastructure and housing affordability/cost of living were the most reported concerns from employers. Other employer concerns include fast-paced general growth in Pasco County, the increasing homeless population, government regulations and efficiency, and worries that one area of the county will be prioritized over the needs of another.

UPSKILLING OPPORTUNITIES

62% of businesses report an obstacle that limits the ability to provide upskilling opportunities to employees, such as education/training.

TOP OBSTACLES

1. Busy schedules
2. High costs of training and need more information on kind of training available
3. Uncertainty about quality of training available

TOP FACTORS THAT NEGATIVELY IMPACT BUSINESS

1. Worker skills
2. State/federal government regulations and cost of materials

2023

1. Labor force & available quality of workforce
2. Supply chain & rising costs

EXISTING INDUSTRY SURVEY RESULTS



PASCO #15
COUNTY

IN THE NATION FOR
TALENT ATTRACTION
AMONGST LARGE COUNTIES

UP 5 SPOTS FROM 2022*

PLANS TO EXPAND IN THE NEXT 2 YEARS	2023 2022	62% 58.5%	↑
SALES HAVE INCREASED OR REMAINED THE SAME OVER THE PAST YEAR	2023 2022	90% 82.5%	↑
HAVE DIFFICULTY RETAINING EMPLOYEES	2023 2022	21% 56%	↓

EXPECTS TO INCREASE NUMBER OF EMPLOYEES WITHIN THE NEXT YEAR	2023 2022	72% 90%	↓
HAVE DIFFICULTY RECRUITING EMPLOYEES	2023 2022	64% 83%	↓
FAMILIAR WITH TRAINING REIMBURSEMENT GRANTS FROM CAREERSOURCE PASCO HERNANDO	2023 2022	50% 63%	↓
THINKS QUALITY OF WORKERS IN PASCO COUNTY IS VERY GOOD OR GOOD	2023 2022	50% 37.5%	↑

Offers training to existing employees **90%**

Thinks availability of workers is very good or good **50%**

Thinks presence of skilled, ready-to-work recent high school graduates are very good or good **25%**

Balance between job supply/demand is very good or good in their industry **54%**

Are familiar with or have used WorkforceCONNECT's opportunity posting portal, ConnectOPP **32%**

Have confidence that Pasco County's workforce will be very good or good within the next 10 years **91%**

Employees should have an industry-recognized credential/license or other credential of value **38%**

Most successful talent searches utilized CareerSource Pasco Hernando and/or secondary or postsecondary education **15%**

OFFERS ANY OF THE FOLLOWING

Internship.....28%
Workplace tours.....17%
Internal mentorships.....6%
All respondents reported using other career discovery or development programs

PRODUCTS & SERVICES

78% of companies reported their products or services are experiencing growth

WOULD CONSIDER HIRING RECENT HIGH SCHOOL GRADUATES

At least 18-years of age.....77%
Under 18-years of age.....43%

*SOURCE: 2023 LIGHTCAST TALENT ATTRACTION SCORECARD

A LOOK AHEAD

SOLUTIONS TO ADDRESS EMERGING CHALLENGES

MOVING FORWARD

It is important to implement proactive strategies to address the emerging challenges highlighted in this report. Below are five solutions that would help encourage business growth as well as the creation and retention of high-skill, high-wage jobs in Pasco County.:



DEVELOP INITIATIVES THAT SUPPORT ECONOMIC GROWTH

- Collaborate with local government and community organizations to address homelessness and promote inclusive economic development across different regions of Pasco County.
- Engage in dialogue with policymakers to streamline regulations and improve the business environment, fostering innovation and growth in the region.



ADVOCATE FOR PRO-BUSINESS POLICIES

- Support local and state initiatives that help to reduce the cost of doing business in Pasco County. Specifically, policies that would improve businesses access to capital, reduce insurance premiums or would help reduce the cost of raw materials.
- Though the available inventory of large industrial space has grown over the past year, there is still a deficient supply of small to medium sized light industrial inventory. Supporting policies to increase the supply of these smaller spaces would allow small businesses to grow in Pasco County.



IMPROVE PARTNERSHIPS

- Take proactive measures in establishing a streamlined referral process. It is imperative to ensure that businesses seeking collaboration are promptly connected with the appropriate personnel within your organization.
- Continue to solicit employer feedback and engage them in your organization.



EMPLOYEE RETENTION

- Businesses should regularly monitor their wage competitiveness and other benefits offered.
- Conduct occasional employee feedback surveys and address concerns promptly.



INNOVATIVE HIRING PRACTICES

- Encourage businesses to look to high school students and recent high school graduates for entry-level employees. This would allow young people to explore and develop their interests and gain meaningful experience before starting a postsecondary training or education program.
- Utilize agencies as a tool for locating nontraditional talent, such as veterans, individuals with disabilities, and ex-incarcerated individuals.
- Implement more apprenticeship and internship programs to provide hands-on experience to young people and bridge the gap between education and industry needs.



IMPROVE PERCEPTION OF SKILLED HIGH SCHOOL GRADUATES

- Highlight success stories of skilled high school graduates who have excelled in the workforce.
- Engage with local businesses and industry leaders to communicate the value of hiring recent high school graduates and the importance of investing in their development.

By aligning their efforts with these targeted solutions, educational institutions, training providers, and workforce development agencies can empower individuals and businesses to thrive in Pasco County's diversified economic landscape. Together, we can cultivate a skilled workforce, foster innovation, and build resilient communities that are poised for sustainable growth and prosperity.

METHODOLOGY & RESPONDENT PROFILE

TARGET INDUSTRIES

ADVANCED
MANUFACTURING

AEROSPACE, AVIATION,
& DEFENSE

BUSINESS &
PROFESSIONAL
SERVICES

HIGH TECHNOLOGY

LIFE SCIENCES &
MEDICAL TECHNOLOGY

LOGISTICS &
DISTRIBUTION

METHODOLOGY

Pasco EDC's Annual Existing Industry Survey, promoted digitally through various channels, garnered 32 responses from over 1,160 contacts in the database. Of these, 26 responses were from target or primary industry businesses, forming the basis of this report. These industries, accounting for at least 51% of their revenues from outside Pasco County, contribute to a thriving business environment.

Target industries characteristically offer average annual wages to their employees that are above \$50,300, which is the total county average annual wage across all industries. Target and primary industries drive local economic growth by generating jobs and wealth through exporting goods, while non-export companies enhance the residents' quality of life without directly contributing to new revenue influx.

Figure 1 (left) What are target industries? Pasco EDC recognizes six industry clusters that help power our region. Each contributes to a leading business climate in Florida that allows companies and people to do great work and make products that improve lives.

The significance of primary industries lies in their pivotal role in expanding the Gross Regional Product (GRP) of Pasco County by attracting external capital, thereby contributing to diversified revenue streams that ultimately foster overall economic expansion and prosperity. Notably, businesses engaged in exports play a crucial role in adding new financial resources into the region from international markets.

RESPONDENT PROFILE

Respondent businesses have been in Pasco County for an average of 13 years, 80.8% use Pasco County for their headquartered site, and 66.7% own their sites as opposed to leasing. Primarily, 54% of the respondent businesses focus on local or regional markets, 37.5% on national markets, and 8.3% on international markets. Of the respondent pool, 62% saw increased company sales and 78.3% report that their product/service is growing. Additionally, the following charts show the primary industry cluster type and special circumstance makeup of the companies:

