Environmental Scan for FGCU’s 2004 Strategic Planning Process

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Introduction

The purpose of this report is to provide an environmental scan for the Florida Gulf Coast University (FGCU) strategic planning process. A critical part of the strategic planning process, this scan provides a baseline of demographic, economic and competitive indicators. The scan will conduct a review of the previous needs assessment documents, then provide an analysis of current economic, demographic and competitive indicators. This will be followed by an updated needs assessment as well as a section identifying various impediments. Finally the report will provide a number of concluding points.

Previous Documents

In 2000 FGCU secured a “needs assessment” from MGT of America, Inc. This report was completed using an interview process with community leaders within the Southwest Florida region. Specifically the report is “reflective of the postsecondary education concerns and needs expressed by local business and community leaders in the area.” *(MGT Area Educational Program Needs Assessment Final Report, 2000)* In addition to the interview process the MGT study provided an analysis of the labor markets FGCU serves. The study clearly identified expansion needs both short and long term in a number of areas. In the list below I have provided the broad areas of those programs.

- Business
- Construction / Real Estate Development
- Engineering
- Education
- Healthcare
- Hospitality
- Performing Arts

As a follow up to the MGT study FGCU commissioned a team in January of 2003 to visit the Southwest Florida region and conduct a number of interviews to assess program
development. The study resulted in a document submitted by the team and titled the Koch Report. To complete their report the team spoke with citizens, elected officials, business leaders, environmental advocates, scientists, economic development authorities, real estate / development professionals, students, faculty, staff and university administrators. The discussions were combined with an analysis of the demographic and economic trends of the area. In summary the Koch Report identified five main programming needs for the region they are:

- Engineering
- Nursing
- Construction Management
- Graphic Information Systems
- MBA Track in Real Estate Development

This environmental scan will update demographic and economic data used as a baseline for these two previous documents as well as providing an updated examination of labor trends, competitive market forces and impediments.

**Target Market**

It is important to clearly identify the market that FGCU serves. For the purpose of this and previous reports the target market has been divided into three areas. The primary market for FGCU is comprised of the five-county Southwest Florida region, including the counties of:

- Charlotte
- Collier
- Glades
- Hendry
- Lee

This primary market contains the population centers of the coastal counties Charlotte, Collier, and Lee as well as the inland counties of Glades and Hendry, resulting in an area of demographic and economic diversity.
The secondary market that FGCU serves is made up of the thirteen counties that surround the Southwest Florida region.

- Broward
- Dade
- DeSoto
- Hardee
- Highlands
- Indian River
- Manatee
- Martin
- Monroe
- Okeechobee
- Palm Beach
- Sarasota
- St. Lucie

From the Gulf coast to the Atlantic coast, then north to Indian River and south to the Florida Keys, this market also presents a very diverse demographic and economic opportunity for FGCU.

The tertiary market FGCU serves is essentially northern Florida and beyond. Students from this market come from northern Florida, various states in the US, and numerous countries around the world.

Each of FGCU’s target markets provides a unique opportunity for student recruitment and program expansion. The immediate primary market provides a pool of local students as well as partnership opportunities for the university and surrounding community. As the markets broaden partnering opportunities remain as well as the opportunity to provide a high caliber work force within our state and beyond.

Demographics

Demographically the state of Florida epitomizes fast growth and diversity. Population growth in the state of Florida is amongst the highest in the nation. According to the Census Bureau by
2020 Florida will rank third of all fifty states in terms of population size. Within this time period it is expected that there will be almost six million immigrants into the state two thirds of which will come from other states in the US and one third will come from outside of the US. This immigration in conjunction with normal population growth will provide FGCU with a diverse pool of potential students. Diversity of this population will not just be in terms of origin or race but also in terms of population age. The population of Florida has traditionally been older however the current and future trends will alter that demographic characteristic. Recent migrants to the state are younger and the number of families with smaller children is increasing both in the local area and across the state.

In chart 1 below Census 2000 data grouped by age brackets is illustrated for the state of Florida.

Based on the 2000 census approximately 59% of the state’s population is under the age of 45. The traditional college age cohort, those between 18 and 24, comprise 6% of the state’s population and has been the fastest growing within the past five years. The lower population bracket of 19 and under shows a current 25% of the state’s population but has forecasts of
almost 30% growth during the next decade. This bracket presents immediate and future student demands for FGCU on a statewide level.

The census further identified the tremendous growth experienced in the Southwest Florida region. An evaluation of the current age distribution within the primary market is illustrated in chart 2 below:

![Primary Market Population Breakdown](chart2.png)

This population distribution differs from the state distribution in that a slightly larger proportion of the population is over the age of 45. The traditional college age cohort represents approximately 6% of the primary market population. In addition, the under 18 cohort represents 20% of the primary market population. However, the census bureau forecasts that the 15-19 age bracket will increase at 19% over the next 10 years, closely followed by the 0-14 age group at 17%. In the past decade Southwest Florida as a region has experienced significant population growth. The state projects continued growth and increases for the younger cohorts as outlined above. These rates combined with the projected job growth indicate that the demand for higher education will increase at a steady rate in the foreseeable future in FGCU’s primary market. The traditional student, however, is not the only target for FGCU. With such a
large proportion of our population over the age of 25, FGCU can fill the role of providing
educational opportunities for older citizens, both in retraining and career growth opportunities as
well as special interest programs such as the Renaissance Academy.

Census data for the secondary market also indicates tremendous growth over the past decade.
Population breakdown in the secondary market resembles that of the primary market. While the
market as a whole has a slightly younger population many opportunities still exist to meet the
educational needs of the older segments of the population. See breakdown in chart 3 below:

![Secondary Market Population Breakdown](chart3.png)

While population growth rates are not as robust in the secondary market as they were in the
primary market, population increases will occur at average rates at the minimum across all
demographic groups. This in turn will increase demand for both traditional and non-traditional
higher education.

Overall the demographic analysis above indicates that while there is a tremendous current need for
positions in institutions of higher learning, this demand will only increase during the next decade
and beyond. FGCU is uniquely positioned to supply much of the need and will continue to meet this demand as its programs expand.

**Economic Indicators**

This section provides updated information regarding specific Economic Indicators previously examined and critical to the strategic planning process for FGCU. These indicators provide a baseline for current economic conditions and a platform for future economic growth in the region.

Per Capita Income is the first indicator to be reviewed. Defined by the Census Bureau, as the mean income computed for every man, woman, and child in a geographic area per capita income is an average income figure for a population. Chart 4 below illustrates each county within the primary market and compares the figures with those of the state and national average.
The diversity of per capita income in the primary market is clear from this chart. Collier County has a per capita income of $42,050.00, which exceeds by over $20,000.00 the lowest figure for Glades County of $17,769.00. This differential is a function of the following:

- Lower population density;
- Location of amenities in coastal communities;
- Infrastructural availability for businesses and individuals;
- Lower levels of educational attainment; and,
- Higher concentration of jobs in agricultural / natural resource occupations.

Studies by the State of Florida concerning per capita income indicate this diversity is a statewide phenomenon. Comparison of primary market Per Capita figures with the state and national averages show the primary market to be below both figures. If we were to separate the counties by population center the average for the coastal counties would be in line with state and national figures while the inland counties would lie substantially below the state and national averages.

Per Capita Income in the secondary market exhibits a similar diversity seen in the primary market. Chart 5 below summarizes the data from 2002.
In the secondary market the highest per capita income is found in Palm Beach County at $44,658.00, which exceeds the low in DeSoto County of $17,613.00 by over $25,000.00. Again the factors identified in the previous section create this divergence in the secondary market. The average per capita income for the secondary market lies slightly above the state average but below the national average. Focusing the figures again on the population centers increase the averages for costal counties but the inland counties then fall below the state and national averages.

In addition to per capita income unemployment rates in each of the markets are a significant indicator to review. The national unemployment rate is currently approximately 5.5%. The state of Florida reported an unemployment rate in August of 4.5%. This rate has fluctuated slightly since that point in time. Analysis of the unemployment data for FGCU’s target market areas illustrates the diversity that appeared in the analysis of per capita income figures. In the primary market the coastal counties experienced below national / state average unemployment, while the inland counties experienced significantly higher unemployment figures. According to the Agency for Workforce Innovation (AWI) in July of 2004 (the latest figures available) Unemployment by county is listed in chart 6 below:
From this chart it is clear that the coastal areas of Charlotte, Collier and Lee counties all have low rates of unemployment. However, the inland counties of Glades and Hendry are experiencing unemployment rates well in excess of the state and national average. Hendry County for instance has an unemployment rate that exceeds the state and national averages by over 300%. Educational attainment and occupational distribution play an important role in this trend.

In the secondary market there is a similar story. In this market counties such as Monroe and Sarasota have low levels of unemployment and then counties such as Hardee and DeSoto experience unemployment at almost two times the state average. Chart 7 illustrates the unemployment rates developed from Bureau of Labor Statistics data illustrates each counties figure for the past year.
The diversity of this market is clear from this chart. The reason is similar to that in the primary market. Lower population density, lower levels of educational attainment and a higher reliance on agricultural occupations increase the seasonality of employment data.

Overall the unemployment rate in 50% of the counties in FGCU’s primary and secondary markets is at or below the national average. For the remaining counties, with higher unemployment rates, improved educational attainment and business attraction will be a necessary tool to improving the employment opportunities for their citizens.

**Educational Attainment**

In the previous two sections I have identified the key role Educational Attainment plays in the outcomes of certain economic indicators. In order to focus on employment in FGCU’s target markets it is critical to review educational attainment data. The chart below illustrates the
attainment figures for the United States as a whole, the State of Florida and then the primary and secondary markets for FGCU.

![Educational Attainment Chart](chart8)

Chart 8 above highlights attainment in three categories, High School, Bachelors Degree, and Graduate degree level. While Florida as a whole lags slightly behind the national average in all three categories FGCU’s target markets have even lower figures. The most significant deficiency is in Bachelor Degree attainment in the primary market, which is only 69% of the national average. If the counties in the primary market were grouped by population density, for example, the averages would increase to:

- 80% High School attainment
- 22% Bachelors Degree attainment
- 8% Graduate Degree attainment

These figures are more in line with the state and national average. The lower levels of attainment in some counties arrest economic development and stifle efforts by Economic Development Organizations to attract the higher skilled / higher wage rate employment opportunities. In the coming five-year period increasing degree production will gain prominence.
both from employers in FGCU’s primary and secondary markets, as well as from the Florida Governor’s office. Florida’s Governor has identified increased degree production as being a critical part of his plan to achieve economic diversity.

**Employment**

The current occupational distribution in the primary and secondary markets, as identified by The Agency for Workforce Innovation (AWI), falls in to a few specific classifications. In the primary market these classifications rank as follows (by total number of workers):

- Other Services
- Construction and Real Estate
- Professional and Business Services
- Healthcare and Social Services
- Agriculture, Natural Resources and Mining
- Government (including military)

The category of other services encompasses many sectors of the economy from retail to hospitality and tourism. Primary market employment exhibits higher concentrations within the hospitality and tourism industry. The inland counties within the primary market have higher concentration of jobs within the agricultural and natural resource areas followed by government (including military) and manufacturing.

In the Secondary market the rankings of occupations by categories has similar attributes to the primary market. The rankings in order for this market are as follows:

- Other Services
- Healthcare and Social Services
- Professional and Business Services
- Agriculture, Natural Resources and Mining
- Construction and Real Estate

This market exhibits the same diversity as the primary market. Coastal counties with higher population density capture higher wage jobs and Inland counties tend to capture lower wage occupations.
**Trends**

It is critical for FGCU to identify labor trends when considering program expansion. The Bureau of Labor Statistics (BLS) in recent studies indicates that the diversity of the nation’s work force will continue to expand during the next decade. By 2012 workforce participation rates will have increased significantly for older workers, immigrants, minorities and women. Interestingly when estimating the changes in workers by demographic classification the BLS indicates that only two categories will show increased worker participation by 2012: the category of workers aged 45-55 and those who are 55 and above. Each of the categories below these, from 16 thru 44, will show slight declines in worker participation.

The BLS estimates over 21 million jobs will be created during the decade 2002-2012. The BLS is quick to identify that this job growth will be unevenly distributed across industry or occupational groupings. Of the 21 million jobs to be created during this period ninety-six percent of them will be in service related industries continuing our trend nationally away from goods production and in to service industries. Two important factors that will create this growth are consumer demand, and technology. The BLS divides the economy into “super sectors” in order to classify occupations. The following table identifies the super sectors that are expected to experience significant growth within the service providing industries during the period 2002 - 2012.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Health Services</td>
<td>31.8%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>30.4%</td>
</tr>
<tr>
<td>Professional and Scientific or Technical Services</td>
<td>27.8%</td>
</tr>
<tr>
<td>Information</td>
<td>18.5%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>17.8%</td>
</tr>
<tr>
<td>Food Services</td>
<td>16.1%</td>
</tr>
<tr>
<td>Other Services (non Govt)</td>
<td>15.7%</td>
</tr>
<tr>
<td>Trade, Transportation and Utilities</td>
<td>14.1%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>12.3%</td>
</tr>
<tr>
<td>Government</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

Table 1
In addition to the fact that growth in service industries will significantly outpace goods production the BLS identifies the diversity in job growth within the goods producing industries. The only “super sector” expected to show positive growth is going to be construction estimated to grow at 15.1% during the decade 2002 – 2012. The other industries in this category, manufacturing, mining, fishing, forestry, hunting and agriculture all expect to show contraction during the same period.

Overall statistics from BLS suggest that by 2012, 40% of all jobs will require at least a bachelor’s degree with almost 60% requiring some college education. The demand therefore for higher education will continue to grow during and beyond the current strategic planning cycle for FGCU. Knowing many of our graduates migrate across the country upon graduation these figures provide insight to the future demands FGCU will face.

For those students who remain in the Southwest Florida Region occupational growth will have many of the same characteristics as the national growth estimates. It is expected that our population will continue to diversify in terms of age, race and education level. The continued expansion within our region will provide job opportunities in the following areas.

- Educational and Health services
- Professional and Business services
- Technical and Scientific services
- Information Technology services
- Leisure and Hospitality

It is essential to realize that growth in these areas will be in positions requiring at least a bachelor’s degree for entrants. As the demand for workers in these occupations increases over the next decade FGCU has a unique opportunity to position itself as the region’s educational leader in these fields of study.
Growth initiatives in Southwest Florida

Florida’s Governor, Mr. Jeb Bush, has clearly identified the diversification of the Economy of Florida as a key goal during his administration. The state’s strategic plan for the next five years 2004 – 2009 indicates “diversification means:

- Achieving multiple engines of growth in high wage high productivity (value added) clusters
- Raising the quality of economic growth
- Strengthening existing international markets and expanding into new global markets”.

To that end local Economic Development Organizations have been tasked with developing local and regional diversification initiatives, specifically the attraction of high skilled / high wage jobs to their respective areas. During the state’s Strategic Planning process meetings were held in our region to establish a regional priorities list. These sessions identified education as necessary for expansion of the regional economy. The resulting state document highlights the need to focus on educational quality and workforce development as a recurring theme.

The local Economic Development Organizations acknowledge and promote the role that FGCU can play in accomplishing this objective. In Lee County for instance, the Economic Development Office goes as far as identifying the new Biotechnology program at FGCU as a recruiting aid for new business development. In Charlotte and Collier counties the presence of FGCU is a key part of their recruitment efforts. Continued partnerships with these organizations will only enhance the attraction of more highly skilled jobs to the area. Of primary focus is the need to alter the low-tech image of the area. Recent studies of the high tech competency of metropolitan areas across the country ranked the Fort Myers / Cape Coral MSA in the bottom half of the rankings. In order to alter this image FGCU must produce good quality graduates
with marketable skills for inclusion in the increasingly global economy. By achieving this objective FGCU will solidify its position as a regional educational leader.

**Competition**

It is vital for any organization to clearly identify the competition. Within the state of Florida FGCU competes for students with each of the institutions in the State University System (SUS) listed below.

- FAMU - Florida A&M University, Tallahassee
- FAU - Florida Atlantic University, Boca Raton
- FIU - Florida International University, Miami
- FSU - Florida State University, Tallahassee
- UCF - University of Central Florida, Orlando
- UF - University of Florida, Gainesville
- UNF - University of North Florida, Jacksonville
- USF - University of South Florida, Tampa
- UWF - University of West Florida, Pensacola

Each of these institutions offers a variety of programs and is well placed to compete for potential students. FGCU must differentiate as a leading edge institution to attract and retain the best potential student pool. FGCU currently captures 33% of all State University System (SUS) students from the primary market the highest concentration being from Collier County. In addition, FGCU captures 7% of the SUS population from the secondary market, with DeSoto ranking as the highest county in this market. As enrollment figures continue their upward trend it is clear that FGCU can continue to increase this market share.

Locally FGCU also competes with the following institutions:

- Ave Maria
- Barry University
- Edison College
- IMPACU
- International College
- Nova Southeastern
- Southwest Florida College
Each of these institutions provides niche opportunities for traditional and non-traditional students alike. With the impressive population and employment growth projected for this region there are plenty of opportunities for growth at all of these institutions, as well as potentially some interesting partnership opportunities for FGCU.

**Programs**

The following list identifies current degree programs in the SUS in rank order by student enrollment:

- Business
- Education
- Social Sciences
- Engineering
- Health Professionals
- Biological and Biomedical Sciences
- Psychology
- Communication
- Liberal Arts, General Studies
- Visual and Performing Arts

FGCU currently offers a number of these programs and plans expansion of others during the upcoming 5-year strategic plan. After evaluating the current trends in occupational growth and comparing that with programs offered at competing institutions FGCU should consider expansion in the following areas.

- Biotechnology
- Engineering
- Education
- Healthcare
- Hospitality
- Real Estate

Each program identified above corresponds with an occupational area with significant growth over the next decade both locally and nationally. From this list FGCU has already initiated new or expanded programs in the areas of Biotechnology, Engineering, Real Estate and Hospitality. The current plan for this expansion next fall will necessitate expansion in feeder programs specifically in the sciences and business.
Impediments

Now that the universities needs have been clearly identified, it is imperative to identify specific impediments FGCU will face during this strategic planning process. FGCU’s primary impediment at this time is resource constraints that encompass all of the following:

- Increasing numbers of good quality faculty and staff
  - Lower reliance upon adjunct faculty
- Facility expansion
  - New buildings for classrooms, labs and offices
- Technological needs to support teaching
  - Inside and outside of the classroom
- Expansion of support programs
  - Expansion of math and science education
  - Expansion of other courses which will feed the new programs

Secondarily, FGCU like all other universities must face funding constraints. The Southwest Florida Region seems to have economic stability and national indicators are beginning to show more stability and in some cases economic recovery. There are various factors however, that may hamper this recovery locally as well as nationally. Since the completion of this report Florida has suffered damage from four hurricanes, which have substantially altered the economic conditions in a number of counties. The specific impact as of yet is not available due to lags in data collection and processing but it is clear that unemployment figures may rise in the short to medium term. Additionally governments will face increased budgetary constraints from relief efforts and infrastructural repair and or replacement.

In the larger view our global economy continues to experience volatility in oil prices that can negatively impact the world economy. Concerns about terrorism and conflict in various regions in the world can also negatively impact our national economy. On the state level Florida has a mandatory balanced budget amendment to its constitution. The amendment can impact educational funding in a variety of ways either reducing total educational funding for other areas within the state’s budget or by redistribution of the educational dollars between the various
programs. As an example, the passing last year of the mandatory class size amendment forced the state to reallocate funding from the university budgets to the K-12 budget. Nationally budget deficits have returned and seem likely to continue in the short to mid term. As our national population ages funding for education may be displaced by increased funding needs for Social Security, Medicare, National Security and other programs. The bottom line here for FGCU is that government funding sources may decline in the short to mid term.

One area that FGCU has excelled in during its brief history is the successes made in private fundraising. Within the past five years private donations to FGCU have exceeded $125 million, a remarkable achievement. While much of the Southwest Florida area seems somewhat insulated from the fluctuations of the national economy FGCU needs to be mindful that private contributions may not continue at the same level in the future.

Another potential impediment to FGCU’s progress is regulatory pressure from Federal, State and Local governments. These regulations transcend many areas.

- **Funding** as identified above
- **Environment** the need to ensure the campus meets all state, local and federal environmental regulations
- **Accountability** efforts continue to push for assessment in post secondary education, which will pull resources away from teaching and impact program development.
- **K-12 Trends** with respect to student preparedness. In recent years there has been an excess burden on remedial and introductory level courses at all universities.

It is clear that FGCU is positioned to overcome many of these impediments, however, clear focus on the issues that may be more difficult to overcome will be critical to the success of that objective.
Conclusions

Upon completion of this study the following points have been identified:

- Clearly there is a link between higher education and economic growth.
- The population growth and economic growth expected within the primary and secondary markets of FGCU will necessitate expansion at FGCU.
- Regionally and nationally occupational growth during the next decade will occur in occupations needing significantly higher levels of educational attainment.
- Economic development offices and business will rely upon expansion at FGCU to fulfill their needs for a better educated, highly skilled workforce which in turn will increase incomes and standard of living for the local population.
- Clear understanding of the market demands and resource needs in this strategic plan will ensure that FGCU succeeds as the premier educational institution in the region.

FGCU needs to position itself as the region’s educational leader through this strategic planning process. By identifying the market needs and having the required programs in place FGCU will be well positioned to accomplish this objective.
Source listing

1. **Demographic data** US Census Bureau, Washington DC [www.census.gov](http://www.census.gov)

2. **Demographic trends,**
   a. South Florida Regional Planning Council [www.sfrpc.com](http://www.sfrpc.com)
   b. Various Local Economic Development Offices


4. **Employment data** Agency for Workforce Innovation, Tallahassee Florida
   [www.floridajobs.org](http://www.floridajobs.org)

5. **Per capita income** US Department of Commerce, Bureau of Economic Analysis, Regional Economic information 2004


7. **Occupational data** – State of Florida, Agency for Workforce Innovation,
   [www.floridajobs.org](http://www.floridajobs.org)

8. Economic growth within the state and region – [www.eflorida.com](http://www.eflorida.com)

9. **Florida Strategic Plans** – [www.myflorida.com](http://www.myflorida.com)


11. **Economic Development** initiatives Collier County, Collier County Economic Development Commission, Naples, FL [www.enaplesflorida.com](http://www.enaplesflorida.com)

12. **Economic Development** initiatives Charlotte County, Punta Gorda, FL [www.pureeconomics.org](http://www.pureeconomics.org)

13. **University System Data** Florida Department of Education [www.flfdcu.org](http://www.flfdcu.org)
   a. **Capture rates**
   b. **Program rankings**
   c. **Competitive institutions**