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Wanted: a recovery for high-paying industries

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PATRICK FARRELL / MIAMI HERALD

Respiratory therapists Kristy Rinaldi and Joseph Calvaire work in Baptist Hospital. With a payroll of about 15,000 people, Baptist was at the center of producing high-wage jobs in Miami-Dade County. Overall, hospitals showed strong growth throughout the region.

When Yanette Rodriguez lost her job two years ago in the compliance department of a medical-supply company in Miami, she took a vacation.

With 17 years experience in compliance and accounting, the mother of two grown daughters figured it wouldn't be that hard landing a similar position after her former employer downsized. But last week, Rodriguez and her daughters took the 56th, 57th and 58th places in line for the hiring office of a new Wal-Mart in south Miami-Dade.

"My rent is not going to wait until I get a high-paying job," said Rodriguez, 47. "I'm actually looking for any position available."

Rodriguez's extended hunt for a paycheck to match her former \$40,000-a-year position continues to run into a discouraging trend in South Florida's recovery. While job growth is up, a majority of the new positions come from low-paying industries.

The 2007-09 recession hit high-wage industries particularly hard in Miami-Dade: they accounted for 40 percent of the lost jobs, compared to 23 percent of the decline from low-wage industries. In Broward, the loss was roughly equal.

But the recovery hasn't been as broad-based. More than half of the jobs added to the local economy since the recession began in 2007 came from low-paying industries — including restaurants, retail and hotels, according to

a Miami Herald review of federal employment data. Fewer than 30 percent came from high-paying industries, with consulting, higher-education and hospitals leading the way. “We never really slowed down the hiring process, even during the recession,” said Corey Heller, vice president of human resources for the Baptist hospital system, Miami-Dade’s largest private employer.

Isabel Madrigal, 35, works as a registered nurse in the ICU unit at Baptist’s main Kendall hospital, and said she felt confident enough about her career to urge her nephew to pursue nursing in college.

“He was debating. I pushed,” Madrigal said of the 21-year-old, who recently graduated with a nursing degree from Florida International University. “There are infinite possibilities with nursing. There are so many paths you can take.”

With a payroll of about 15,000 people, Baptist was at the center of producing high-wage jobs in Miami-Dade. Hospitals finished fourth in the county’s list of top job producers since the start of the recession in 2007, adding more than 4,200 positions. With an average yearly pay of \$55,000, the hospital sector enjoyed stronger job growth than any of the county’s other high-wage industries, according to federal statistics.

Other high-wage industries weren’t so fortunate. Automobile dealers, where the average pay is about \$55,000, saw hiring drop 3,200 positions in both Broward and Miami-Dade counties. Architecture and engineering: off 4,800 positions, at an average pay of \$68,000. Newspaper and directory publishing, where the pay hovers around \$58,000, down 3,200 jobs.

For this story, The Miami Herald analyzed federal employment and wage data from roughly 600 sectors of the local economy, and then did the same with Florida’s other large metropolitan areas and with the overall state economy. In all, we looked at numbers from more than 3,500 hiring sectors from the across the state.

We sorted each sector into three categories: high-paying, meaning the average worker earns at least 120 percent of the overall average wage; low-paying, where the average wage is no more than 80 percent of the overall average, and moderate-paying, which comprises the rest.

Average wages take into account all ranges of salaries in a given industry — from a department-store manager earning six figures to a stocker taking home minimum wage. In Broward the average yearly wage hit \$45,000, slightly ahead of Miami-Dade’s \$44,000 average. The industries range from the high end of security and commodity brokerages (average wage: \$208,000

in Miami-Dade) to clothing stores (\$16,600 in Broward). The data show South Florida slightly behind the state when it comes to the revival of high-wage industries. Statewide, low-wage industries make up 48 percent of the new jobs, compared to 53 percent in Miami-Dade and 54 percent in Broward. In Tampa, the numbers look particularly strong: low-wage industries account for only 35 percent of the jobs added since 2007, while high-wage industries added almost 40 percent.

Locally, the portrait of the recovery pieced together by the data also helps show the damage done by the housing bust, corporate retrenchment and severe budget strains suffered by governments at all levels during the last five years. It also emphasizes the central role healthcare dollars and tourism spending play in the region's economy.

That's a mixed bag for local economic planners, who have put the growth of high-wage industries as a central goal in the years following the 2007-09 recession. Last year, Miami-Dade's Beacon Council issued its One Community One Goal plan, which lists about 40 specific sectors targeted for extra support and attention.

Central to the plan is having high schools and colleges add courses to pair students with growing industries. "It would be a shame to grow an industry and have to import a workforce," said Robin Reiter, acting president of the Beacon Council.

Miami-Dade may start a magnet school focused on logistics in partnership with Miami International Airport, home to several growing industries. Air transportation, where the average worker makes about \$60,000, added 1,000 jobs since 2007 and support work for the aviation industry (average wage: \$38,000) is up 1,500 positions.

Among the other findings from the Herald's data:

- School cutbacks remain a significant drag on the hiring recovery.

The ranks of public education thinned out in a more severe way in South Florida compared to the rest of the state.

In both Broward and Miami-Dade counties, public schools were the single largest contributor of lost jobs between 2007 and 2012.

Miami-Dade schools employ nearly 7,000 fewer people than they did in 2007 — an 11 percent drop. In Broward, the statistics show an even sharper drop-off: an 18 percent decline thanks to a loss of about 6,900 positions. The

numbers account for all types of schools, but public schools dominate the category. More detailed numbers show employment at private schools up in both counties.

School employment hasn't shown that kind of loss statewide. Florida schools employ 5 percent fewer people than they did in 2007. School employment is down just 1 percent in Orlando and is up 3 percent in Tampa.

- Downsizing and cost-cutting bring opportunity.

Consulting services emerged from the recession much stronger than when it began — up 4 percent statewide. In Miami-Dade, the consulting industry added about 2,700 new jobs between 2007 and 2012, with an average yearly wage of \$74,000. The increase comes at least in part from businesses shedding full-time workers and replacing them with contract consultants, while downsizing also has more people marketing themselves as consultants. “A lot of people who are long-term unemployed will set up consulting businesses,” said Jack Temple, policy analyst of the National Employment Law Center.

- Restaurant jobs lead the recovery.

When it comes to new jobs, no single sector in Miami-Dade can compete with restaurants, which accounted for almost one out every five new payroll positions created between 2007 and 2012. With a 17 percent share of new jobs, Miami-Dade restaurants led a state trend of growth in jobs at dining establishments. In Florida, restaurants accounted for 14 percent of all new jobs created since 2007. The average restaurant worker earned \$20,000 in Miami-Dade and \$17,600 in Broward, where restaurants made up 11 percent of all new jobs.

- South Florida's colleges and universities weathered the recession

Despite cutbacks at state-funded schools, including Miami Dade College, higher education in the region emerged from the downturn as a strong job creator. Overall, the sector was up about 3,700 jobs in South Florida, with a pay range between \$50,000 and \$60,000.

- Professional services are faring better in the middle of the state

Restaurants may top the list of new jobs statewide and in South Florida, but in Tampa it's consulting services (\$69,000 per year). Management of companies (average wage: \$92,000 a year) finished No. 6 on Tampa's list. The Orlando area also saw impressive gains in the management sector,

which includes corporate headquarters and banking holding companies. That sector is up 3,100 jobs in the Orlando area — a 27 percent increase. South Florida has less to celebrate. While consulting services are growing, the management sector was flat in Miami-Dade and off about 700 jobs in Broward.

- Cutbacks in government spending permeate the job losses. The primary category of local-government employment dropped by about 3,800 positions in Miami-Dade. That's no surprise in an area where the local public sector has suffered 62 straight months of yearly job losses. But other private-sector hits reflect the pullback in government spending, too. Private companies employed to build bridges, highways and roads saw payrolls drop 30 percent, a loss of almost 7,000 jobs statewide. In Broward, they're down 1,200 positions.

Miami-Dade shows a different trend: basically flat, with a loss of fewer than 200 jobs. That could be thanks to a pair of major projects underway during the downturn — the Port Tunnel, funded with a mix of state, county and private dollars, and the stimulus-funded interchange between the Dolphin and Palmetto expressways.

- Broward's legal industry is doing well.

Since 2007, the legal industry — lawyers, paralegals, researchers and office workers combined — posted a gain of 2,000 positions with an average wage of \$76,000 a year. Not so in Miami-Dade, where the legal sector was all but flat, gaining just 200 payroll slots. (But the pay is better in Miami-Dade, with the average legal worker taking in \$97,000.)

- The sports industry hit a home run.

Miami-Dade boasts three professional teams, and the recession didn't hold back payrolls. The category of spectator sports boasts one of the highest average yearly wages in the county of \$150,000 (\$16 million yearly contracts for certain transfers from Cleveland tend to skew the average) and the industry added 1,300 positions during the last five years. The growth came as the Marlins moved to their own stadium in Miami (and added about 325 positions, according to the front office), the Dolphins moved its corporate office from a team facility in Broward to the Miami Gardens stadium, and the Heat beefed up attendance with the signing of LeBron James.

- Six years after the housing market peaked, the industry remains a fraction of itself. The building industry has begun to grow again as the high-rise cranes return to Miami and builders are investing in single-family homes. But

deep damage remains. Overall, construction employment is down about 40 percent in South Florida.

The details behind the well-known drop show how a construction comeback could go a long way to replacing at least moderate-paying jobs. The category dominated by plumbing and electrical contractors, where the average wage is about \$42,000 a year, remains off 13,000 positions in South Florida. The category that includes mortgage brokers remains down more than 30 percent.

However, there are pockets of strength. The category of real estate services is up a stunning 41 percent in Miami-Dade. That sector includes two notable categories: the managers of rental properties, which gained speed throughout downturn as people shunned buying homes; and property appraisers, which saw business pick up as investors helped revive sales of existing homes in the last several years.

Real estate offices, however, are still down about 1,900 positions.

In many ways, the weakness of local high-paying industries captures a larger debate underway as the economy continues a slow recovery. Labor advocates see the wave of low-paying jobs as proof a higher minimum wage would help economic growth by transferring dollars out of corporate profits and into workers' pockets. Business advocates point to the crucial role entry-level work plays in keeping millions of people out of poverty.

"It's important to have entry points all over the economy," said Jesse Panuccio, director of the Florida Department of Economic Opportunity. "One of the problems you have in a recession is long-term unemployment. One entry point for the long-term unemployed may be part-time or lower-wage jobs."

In a boxy warehouse wedged into a lot off NE 185th Street, MacKnight Seafood offers fodder for both sides.

The salmon importer saw sales slow during the recession as restaurants sought cheaper cuts of fish from their suppliers. So MacKnight tasked a team with finding ways to boost its retail business. Among their creations: salmon burgers, salmon roll-ups and even salmon bacon. Sales soared, Wal-Mart and Costco placed large orders and payroll jumped from a peak of 30 during the busy holiday season to 100 this year. President Hamish Rose said the average pay is about \$8 an hour, barely ahead of Florida's \$7.79 minimum wage.

“Most of the hires we get are referred to us from the existing staff,” Rose said. “People are coming to the door asking us for jobs.”

At the recent hiring event for the new Wal-Mart in Goulds, Michelle Santillon of Miami already had a job. She wanted another to add to the 10 hours she said she works at a dollar store once a week. The pay: minimum wage, leaving the single mother of four to rely on public assistance for food. She’s mainly on the hunt for more hours; Santillon said she never expects to find a job paying much more than Florida’s \$7.79 minimum wage “Nine dollars, I think, is too much,” she said.

Inside, Wal-Mart personnel workers interviewed for 300 positions. Most start at \$8 or \$9 an hour, said Kathy Martinez, head of human resources. Dennis Moss, the Miami-Dade commissioner representing Goulds, visited the hiring center and said he wasn’t willing to be choosy about hiring. “It’s still a struggle,” he said of a county where unemployment sits at 8.7 percent. “These are solid jobs.”

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