

# Tampa Bay Times

## Grading Tampa Bay's economic progress with five out-of-the-box measures



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School's out for summer. So what better time to grade the comeback of the Tampa Bay economy — using some less orthodox measures of our regional rebound?

Obviously, this is not an "A" economic rebound. And it's not an "F." I'll grade each factor, as should you. See if you're tougher or easier in assessing our economic progress.

**5 Strengthening area banks:** New numbers came out a few days ago from Bauer Financial, which rates banks from "0-star" (terrible shape) up to "5-star" (best shape). Florida has proved to be a favorite of low-performing institutions in recent years. During the worst of the recession, the number of 0-star banks approached 50 statewide.

The good news? The latest Bauer ratings, based on the quarterly financial data ending March 31, show just 19 0-star banks in the state. None is based in the Tampa Bay area. Three banks in this metro region received a weak 1-star rating. They are First Home Bank in Seminole, and Florida Bank and Southern Commerce Bank, both in Tampa.

Impressively, Bauer gave 5-star ratings to seven area banks. Kudos to St. Petersburg's Raymond James Bank N.A.; Oldsmar's Jefferson Bank of Florida; Plant City's Hillsboro Bank; Dade City's Florida Traditions Bank; and three Tampa banks — TCM Bank N.A., NorthStar Bank and Central Bank.

### **Grade for banks: B+**

**4 Stubborn mass layoffs:** The WARN Act requires employers to tell the state of planned mass layoffs, numbers that can provide another insight over time as to how we're doing. So far this year, Tampa Bay has announced mass layoffs of a whopping 1,389 employees. That's up even from the 1,251 lost jobs announced through mid June in 2012, and well above the 556 from the same period in 2011.

The big cuts this year? Friday's announcement of Chase Mortgage's hefty 435 planned layoffs in Tampa; 105 jobs lost when Saks Fifth Avenue at Tampa's WestShore Plaza closed, and 153 cuts by Tampa's Sweetbay Supermarket, now being acquired by Bi-Lo.

All in all, we're not seeing much improvement yet on the WARN Act front.

### **Grade for mass layoffs: C-**

**3** Turnaround in our decimated construction industry: Between April 2011 and April 2012, the Tampa Bay metro area sustained the nation's second-biggest drop (behind Chicago) in construction employment, with a loss of 6,200 jobs. That represented a 12 percent decline in one year.

Times are changing. Between April 2012 and April 2013, Tampa Bay construction added 4,000 jobs, an 8 percent increase, ranking this metro area 56th in the country. That turnaround reflects the strengthening of housing, new home and remodeling activity in this area. We're still way down from the construction boom of a decade ago, but it's impressive progress.

#### **Grade for construction jobs: A-**

**2** Signs of growth in this metro area's GDP: The Great Recession, of course, threw most metro area economies into a tailspin. Tampa Bay's gross domestic product hit \$112.4 billion in 2008, fell to \$110.9 billion in 2009, then by 2010 clawed back to near '08 levels. That's called treading water. But by 2011, the metro area GDP enjoyed a 3.3 percent bump, rising to \$116.2 billion, says the Bureau of Economic Analysis.

The 2012 numbers for metro areas aren't ready yet. Statewide in 2012, Florida's economy grew 2.4 percent, which suggests Tampa Bay's GDP continued to expand. We just don't know exactly how much, but clearly the corner has been turned to the positive.

#### **Grade for Tampa Bay's GDP: B-**

**1** Tampa Bay's personal income: In 2009, Tampa Bay's per capita personal income (that's personal income divided by population) was \$35,839. That figure rose nicely in 2010, climbing 6.2 percent to \$38,048. It rose again in 2011, although at half the previous year's pace, up 3.2 percent to \$39,261.

Is that good? In 2011, personal income grew an average 5.2 percent across all larger metro areas in the country. That means Tampa Bay lost significant ground against other metros areas. Per capita personal income for the nation in 2011 averaged \$41,560, or nearly 6 percent higher than here.

We don't have 2012 data yet to see how Tampa Bay personal income fared. Statewide last year, personal income rose 3.2 percent (still slower than the national 3.5 percent gain) to \$40,344.

Translation: While we are creating jobs, they are mostly lower-wage positions. That trend raises some questions.

First, Tampa Bay's housing prices are starting to rise, climbing 10 percent in the past year. Unless income keeps pace, more would-be buyers will be squeezed out. That could lower the demand for homes amid a still-vulnerable housing recovery, and dampen the enthusiasm of relocating businesses if they sense area housing affordability is weakening.

The dominance of lower-wage work also sends a message to young people that better-paying opportunities may lie elsewhere.

And second, Florida Gov. Rick Scott has pinned his record as governor *and* his principal argument to be re-elected in 2014 on Florida's jobless rate falling dramatically during his term. But too many of those are low-paying jobs.

The United States keeps adding jobs that pay more. Tampa Bay needs to try to close the gap.

#### **Grade for Tampa Bay's income growth: D+**

So based on these five categories, what final letter grade best describes the performance of the Tampa Bay economy?

We're squeaking by with a *low* B-.

It feels generous to me. You know how common grade inflation is these days.

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