

Florida Might Be Tech's Next Big Hub

April 27 2007

Silicon Valley is still thriving despite its high cost of living, but a recent AEA report ranks Florida as the fourth-largest and second-fastest-growing "Cyberstate."

When most people think of big high-tech hubs, what comes to mind is Silicon Valley. In-the-know IT workers might also add Northern Virginia, Denver or Austin to that list. But rarely is much said about Florida, which, according to the AEA's "Cyberstates 2007" report, is the fourth-largest and second-fastest-growing technology hub.

Florida's high-tech industry added a net 10,900 jobs between 2004 and 2005, a growth in technology-related employment surpassed only by California, which added 14,400 high-tech jobs in the same period.

Florida's employment of a total of 276,400 high-tech workers in 2005, the most recent year for which data is available, made it the fourth largest high-tech employer out of the 52 areas (50 states plus Puerto Rico and the District of Columbia), surpassed only by California (919,300), Texas (445,800) and New York (299,900).

Florida's tech manufacturers added 2,100 net jobs in 2005 alone, driven largely by a 1,500 net job increase in the defense electronics sector. Among the tech services sectors, engineering services saw the largest increase (over 4,600 jobs), followed by computer systems design and related services (over 2,500 jobs), and Internet services (over 1,100 jobs).

"Florida's high-tech industry is riding the crest of a wave," said Amjad Shamim, CEO of AAJ Technologies, in Fort Lauderdale, Fla., and chair of the American Electronics Association's Florida Council.

"While other states are only now beginning to recover from the bursting of the tech bubble in 2001, we have seen two straight years of some of the fastest growth in tech industry jobs in the country. While other states continue to see their tech manufacturing base erode, Florida added manufacturing jobs. And this growth benefits the entire state economy. The average tech industry wage in Florida pays 70 percent more than the average wage of Florida's private sector," Shamim said.

Specifically, high-tech employees in Florida earned an average salary of \$61,000, which ranked 29th in the nation for tech salaries.

Meanwhile, high-tech firms employed 41 out of every 1,000 private sector workers in 2005, a substantial number in a state where, according to the U.S. Census Bureau, nearly 17 percent of the population was above retirement age.

So, why is it that when people think of big tech hubs, Florida rarely comes to mind?

"From our vantage point, very few people realize that Florida is a high-tech state," said Todd Rader, CEO of Avacent Consulting and vice chair of AEA's Florida Council. "In fact, most Floridians would not see the Sunshine State as a high-tech giant, even though we are the fourth-largest and second-fastest-growing 'Cyberstate' in absolute number of jobs."

Some argue that this is because Florida lacks an identifiable technology epicenter, such as California's Silicon Valley or Northern Virginia's tech corridor.

"The state doesn't see itself in high-tech terms, largely because their tech jobs are spread all over the state, from Tallahassee to Miami, and that's an enormous area, but there isn't one pocket that dominates," William T. Archey, president and CEO of AEA, headquartered in Washington and in Santa Clara, Calif., told eWEEK.

Lacking a centralized tech region may not seem particularly harmful, but analysts and planners alike point to the power of a nerve center to attract the best employees and businesses.

"Clustering is a notable phenomenon in the high-tech industry. High-tech companies like to go where high-tech companies already are. In other words, geeks like to be with geeks," Archey said.

As Silicon Valley, still in the No. 1 slot, grows increasingly more expensive to live or start a business in, the question of where tech startups may cluster next is up for debate.

"To some extent, Silicon Valley has been a victim of its own success, causing the cost base of its companies to accelerate," said Paul Forster, CEO and co-founder of Indeed.com, a job search engine based in Stamford, Conn., told eWEEK.

And in an age of wireless communications and cross-country telecommuting, technology professionals may be looking to stay closer to home.

"Not everyone wants to live the California lifestyle. There are places with a higher quality of life and tech-challenging positions," said Brandon Courtney, vice president of the Professional Services division of Spherion, a staffing and recruitment firm based in Fort Lauderdale, Fla.

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