

BUSINESS INSIDER

Tech jobs, sun, and no income tax: experts explain why Florida is poised to keep growing even after the pandemic

Grace Dean - May 2, 2021



Florida's population grew by 2.7 million over the last decade. Nisian Hughes/Getty Images

- Florida's population grew by 14.6% in the last decade – and the pandemic has accelerated this.
- The state famously has no personal-income tax, and its banking and finance industries are booming.
- But the rise in remote working, its lack of lockdown, and attractive house prices are also drawing people in.

More and more workers are moving to Florida during the pandemic — and the sunny climate isn't the only reason why.

Top companies are opening new offices in the state, and the rise in remote working is giving staff more freedom to choose where they want to live.

Florida's population grew by 2.7 million — or 14.6% — between 2010 and 2020, according to US Census data. This is double the rate of overall US population growth.

"It's not just retirees — it's tech workers leaving San Francisco," John Boyd, the CEO of Boyd Consultancy, said.

Businesses are flocking to Florida

"Florida certainly has a winning formula for business attraction," Boyd told Insider.

In particular, Florida is becoming a hotspot for banking and financial services, while Miami is as emerging as "one of the hottest new tech hubs in North America today," he said.

Hedge fund Elliott Management is moving its headquarters to West Palm Beach, private-equity firm Blackstone plans to open an office in Miami, and Goldman Sachs is considering the state for its asset management division. Even Subway is shifting some business units to Miami.

Software company Civix and Sonesta International Hotels are opening new offices in Orlando, too.

Deloitte has invested \$63 million in Orlando since 2014, while KMPG chose Orlando for its \$450 million global training center, which Barnes said is the largest capital investment in KMPG history, according to Casey Barnes, vice president of business development at the Orlando Economic Partnership.

Colliers previously told Insider that interest from out-of-state firms in South Florida real estate is "torrential" — and they're looking for much bigger officers than before, too.

Average salaries are climbing

As these businesses open offices in Florida, the job-market in the state is booming, too.

Andrew Hunter, co-founder of job search engine Adzuna, told Insider Florida's job vacancies are back at pre-pandemic levels and the number of unemployed is reaching record lows while average city salaries are climbing.

The number of financial-services employees in Florida has almost returned to pre-pandemic levels with nearly 600,000 people working in the sector. New York, on the other hand, is

rebounding much slower, and still has around 30,000 fewer employees in the sector than it did in early 2020, according to data from the US Bureau of Labor Statistics.

Casey Barnes, vice president of business development at the Orlando Economic Partnership, told Insider that Deloitte has created more than 2,200 new jobs in the city since 2014, while KMPG chose Orlando for its \$450 million global training center, which Barnes said is the largest capital investment in KMPG history.

Adzuna said that tech company Oracle is the top company hiring in Florida on its site. Boyd said that financial services and tech workers are leaving cities like Boston, Chicago, and New York to move to Florida, but some are coming from overseas in India and Brazil, too.

And billionaires including Charles Schwab, Carl Icahn, Tom Brady, and Peter Thiel have all bought homes in the state.



Activist investor Carl Icahn moved his eponymous company to Miami earlier this year. Heidi Gutman/CNBC/NBCU Photo Bank/NBCUniversal via Getty Images

And it's not just finance and tech workers who are benefitting from Florida's growing economy. The state is also hiking up its minimum wage to \$15 per hour by 2026, too.

Working remotely gives people more freedom

The rise of remote working has also made it easier for workers to relocate independently of their employers.

Boyd said that the pandemic has created "a time of historic mobility for both companies and people." Companies are increasingly letting staff work from home on a permanent basis, which allows them to save on real estate costs, he said.

There is growing momentum for companies to let employees work from home permanently. Facebook, Twitter, Salesforce, and Ford have said their employees can remotely post-pandemic, and some companies are canceling office leases.

"Orlando was an ideal place to live, work, and play prior to COVID-19, and the region's offerings will only be more valuable to professionals in the pandemic's wake," Barnes told Insider.

This was something Alexandra Scherbich, global head of B2B marketing at Tenth Revolution Group, found when she relocated to Tampa from London in April 2019. She told Insider that managing her colleagues in the UK could be challenging from abroad because of the time zone differences, but that she is able to now dedicate her afternoons to meetings with clients on the West Coast, which would have been much harder in the UK because of the eight-hour time difference.

Florida has a pro-business environment

Florida famously doesn't have a personal income tax, and this is one of the major motivators for migration, Boyd told Insider. He added that many people moving to the state come from high-tax states that don't have such a pro-business environment, like Connecticut and New Jersey, as well as New York, which recently announced plans to bump up its income-tax rates for its wealthiest residents.

"And the other part of all this is, you know, economic development really comes down to leadership at the end of the day," Boyd said.

"Governor DeSantis is a good salesman-in-chief of the state of Florida," he said. He added that Miami's Mayor Francis Suarez was positioning the city as a major tech market.



Florida Gov. Ron DeSantis. Paul Hennessy/SOPA Images/LightRocket via Getty Images

Florida has sun, sea, and no lockdown

Florida has also remained largely open during the pandemic compared to other states. This led to people choosing to make Florida their primary residence for the pandemic, Kelly Smallridge, CEO of the Business Development Board (BDB) of Palm Beach County, told Insider.

When people relocated to Florida, they started enrolling their children at nearby schools, and soon found themselves settled down in the state, Smallridge said.

Barnes said that many companies are choosing to expand in or relocate to Florida because "they see it as a destination that will attract workers and their families."

"Most executives will go take a swim in the beach before they even go to work," BDB's Smallridge said. "And, you know, they never have to shovel snow and they don't have to ride with the subway."

Scherbich said that, alongside work opportunities, the climate was part of her reason for migrating. She added that she's settled into the city well and that it has a large UK expatriate community.



Florida's lifestyle also attracts people to the state. Danny Lehman/Getty Images

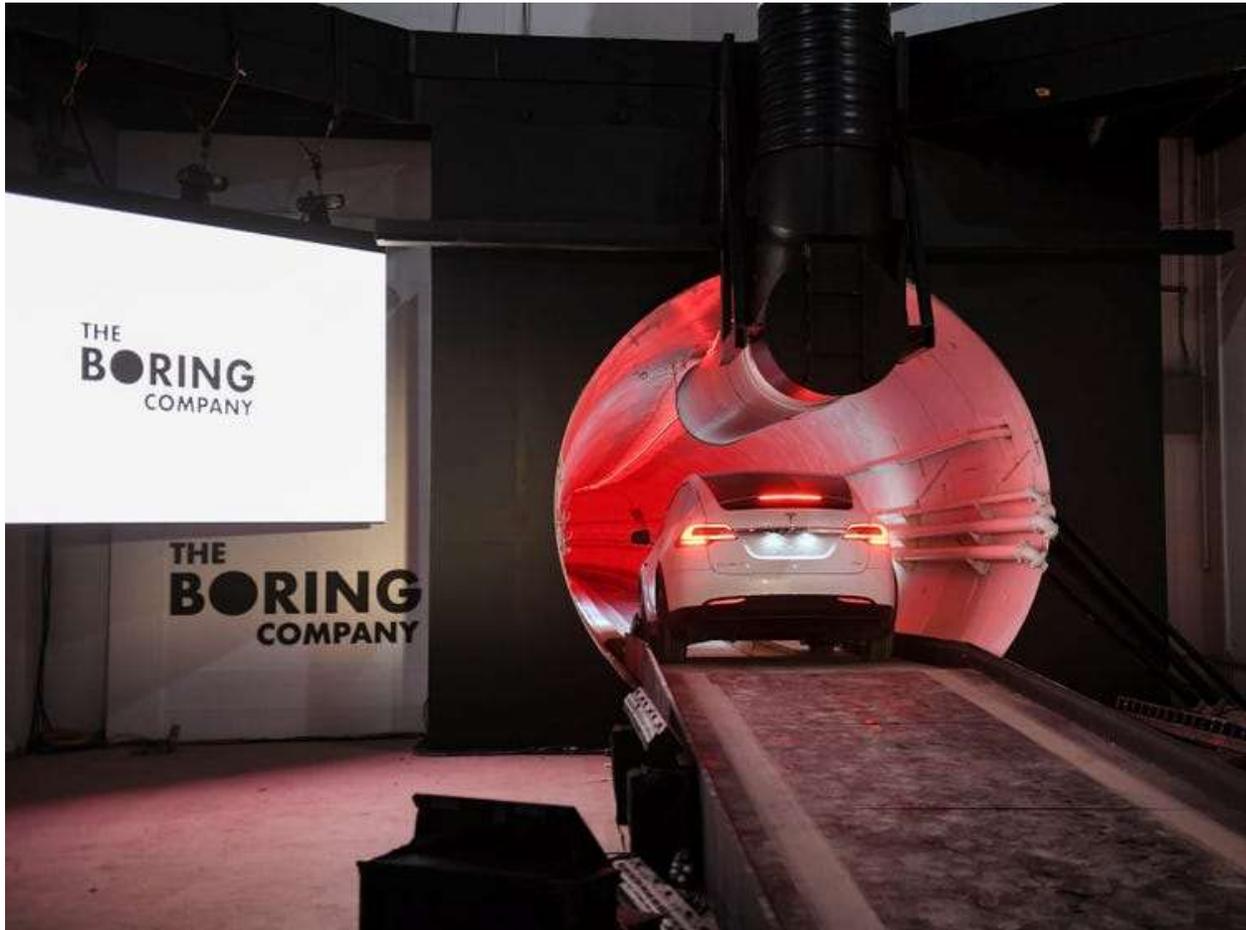
Housing and living costs are lower than New York

House prices have gone up around 10% over the past year as more people move to the state, but Florida still has a "very attractive" real-estate market compared to some other major markets in the US, Boyd said, adding that there are affordable housing options "in virtually all parts of Florida."

The average price for a house in Florida is \$277,429, rising to \$323,094 in Palm Beach County and \$407,245 in Miami, according to data from Zillow. In New York, in comparison, average house prices are \$323,094 for the city and \$649,490 for the state. And it isn't just houses that cost less in the Sunshine State. Overall living costs in Orlando are 6% lower than the US average, Barnes said.

Florida's transport networks are growing

There are a lot of transport developments in the pipeline for Florida, too, Boyd said. This includes Brightline, a rail system with investments from Richard Branson's Virgin, which connects Miami to West Palm Beach, with expansion plans Orlando and Tampa.



The Boring Company is also building a tunnel in Las Vegas. Robyn Beck/Pool via REUTERS

And North Miami Beach official told Insider's Grace Kay the city is in early talks with Elon Musk's The Boring Company over a possible plan to build a one- to two-mile tunnel to tackle congestion.

The state has more than 100 public airports, and Tampa's direct flights to London were part of Scherbich's decision to relocate to the city.

Orlando in particular bills itself as the "tomorrowland of transportation," Barnes said. This includes serving as a hub for one of the world's first jet-powered flying taxis, which will depart from more than 10 locations across Florida. The aircrafts by German startup Lilium will be based at Orlando's Lake Nona, which Barnes said it "a growing testbed" for smart city technology.

"The signal is really ahead of the curve," Boyd said.