

# Palm Beach County's New Driving Industries Summary

November 2023



## Research Conducted by:

Jerry D. Parrish, Ph.D., Florida State University  
*Chief Economist and Director of State and Local Policy Analysis*  
at the Institute of Government

*The John Scott Dailey Florida Institute of Government was established in 1981 and is dedicated to its mission of enhancing the capacity of Florida's governments and communities through education and training, technical assistance and applied research, and public service. The Institute's 30-year history of providing unbiased and balanced expertise has resulted in lasting relationships with local and state government, educators, communities, and professional associations in both the private and public sectors.*

## Executive Summary

One of the things that companies look for when considering whether to move their company to Florida is the other types of industries present in that area. Besides wanting to know that there are other industries like theirs in the area, another consideration for businesses is the supply of professional and business services.

For Palm Beach County Florida, there is a misconception about the economy because of the substantial growth of industries like finance, life sciences, and corporate headquarters due to the county's success in attracting those businesses. Many people still believe that the historical industries of agriculture, construction, and tourism are the top industries. Indeed, multiple sources indicate that they still are the top industries. Those sources may confuse companies that are looking to either move their corporate headquarters or open an office in Palm Beach County.

This report details the growth of industries in the Palm Beach County economy over the past 32 years using a consistent data series from the U.S. Bureau of Labor Statistics. The report also uses data from a widely used economic development tool and ranks Palm Beach County industries by three criteria: the number of jobs; the amount of personal income; and the average salary of jobs by industry.

Results of these rankings show that these are the top industries in Palm Beach County:

Rank	Jobs	Total Wages	Average Salary
1	Healthcare/Life Sciences	Finance	Corporate Headquarters
2	Retail	Healthcare/Life Sciences	Finance
3	Finance	Real Estate	Legal Services

Using data from the U.S. Bureau of Economic analysis, the increases in GDP for Palm Beach County were calculated. That data is segmented differently from the other sources, but it is the only county-level GDP data available. In the case of the Finance Industry, it is included in the "Finance and Insurance" category. During the 2010 through 2021 time frame (2021 is the latest county-level data available) the Finance and Insurance category showed the highest GDP growth with an 184.1 percent increase. That was followed by Transportation & Warehousing at 129.3 percent, showing substantial growth during the COVID pandemic and recovery. Next was Company Headquarters with a 118.8 percent increase, followed by Professional & Business Services, with a 109.9 percent increase. These are all indicators that the Palm Beach County economy has diversified and added substantial amounts of high value-added, high wage jobs.

## The Palm Beach County Agricultural Economy

Palm Beach County, Florida is the number one agricultural county in the state. From fresh fruits and vegetables production to an extensive amount of sugar production, agriculture is an important part of the county's economy. There are even websites that tout agriculture as one of the largest industries in the county.

We know that the Business Development Board of Palm Beach County has been recruiting businesses in finance, life sciences, corporate headquarters – and other industries with the intention of diversifying the economy. So, let's take a look at the current makeup of Palm Beach County's economy to see if they have been successful.

## Recent Industry Growth in Palm Beach County

Data from the Quarterly Census of Employment and Wages (QCEW) from the U.S. Bureau of Labor Statistics was used for the following analysis. The QCEW series is available from 2010 through 2022, and the annual averages were used. That data shows the increase in jobs, total wages, and annual average wages during that period. When ranked by the increase in annual average wages, Financial Activities is the clear leader, with an increase of \$70,714, compared to a \$25,949 increase in annual average wages for the private sector in Palm Beach County.

	Change 2010-2022					
	Jobs Increase	Jobs Pct Increase	Wage Increase	Pct Total Wages Increased	Increase in Annual Average Wage	Pct Average Annual Wage Increased
<b>Select Private Industries</b>						
Financial Activities	11,282	33.6%	\$3,983,762,610	164.7%	\$70,714	98.1%
Professional & Business Services	40,197	51.0%	\$6,308,915,041	133.1%	\$32,698	54.3%
Construction	17,000	71.9%	\$1,763,416,460	173.6%	\$25,415	59.2%
Trade, Transportation & Utilities	24,763	26.7%	\$3,135,668,458	87.3%	\$18,534	47.8%
Agriculture, Natural Resources, & Mining	413	6.3%	\$132,624,371	76.7%	\$17,505	66.2%
Education & Health Services	25,271	32.2%	\$2,752,705,695	76.3%	\$15,332	33.3%
Leisure & Hospitality	21,422	31.9%	\$1,708,371,099	113.5%	\$13,865	61.9%
Palm Beach Private Industry	151,579	35.6%	\$21,795,655,139	113.8%	\$25,949	57.7%

Professional and Business Services had the second-highest increase in Annual Average Wage – with a \$32,698 increase during that period. It is clear that the successful recruitment of high value-added financial services has diversified the Palm Beach County economy and improved the wages in other industries, specifically the Professional & Business Services category. Population growth, partially due to the increase in companies moving to and expanding in Palm Beach County, has improved the Construction industry, as well.

## Ranking Palm Beach County's Industries

One way to look at the various industries in Palm Beach County is to rank them by number of jobs. The top spot for jobs in Healthcare/Life Sciences, with 99,726 jobs. That is followed by Retail with 83,037 jobs and Finance with 73,989 jobs. You can see the other categories in the table below:

Industry	Jobs	Income (\$billion)	Average Salary
Healthcare/Life Sciences	99,726	\$7.42	\$74,364
Retail	83,037	\$3.58	\$43,170
Finance	73,989	\$7.53	\$101,829
Real Estate	66,144	\$5.69	\$86,009
Food Services	64,895	\$2.03	\$31,351
Construction	50,232	\$3.03	\$60,365
Manufacturing	25,261	\$2.16	\$85,421
Arts, Entertainment and Rec	23,330	\$0.86	\$36,742
Aviation/Aerospace/Engineering	20,919	\$1.99	\$95,118
Legal Services	17,568	\$1.72	\$97,687
Company Headquarters	17,128	\$3.29	\$190,741
Agriculture & Forestry	12,346	\$0.69	\$55,903
Accommodation	8,601	\$0.46	\$53,213

Another way to sort these is by the amount on income paid to workers in these industries. Finance is in the top spot, with \$7.53 billion in annual income. Healthcare/Life Sciences is in second place at \$7.42 billion. Real Estate is third with a total of \$5.69 billion. See the table below for all industries.

Industry	Jobs	Income (\$billion)	Average Salary
Finance	73,989	\$7.53	\$101,829
Healthcare/Life Sciences	99,726	\$7.42	\$74,364
Real Estate	66,144	\$5.69	\$86,009
Retail	83,037	\$3.58	\$43,170
Company Headquarters	17,128	\$3.29	\$190,741
Construction	50,232	\$3.03	\$60,365
Manufacturing	25,261	\$2.16	\$85,421
Food Services	64,895	\$2.03	\$31,351
Aviation/Aerospace/Engineering	20,919	\$1.99	\$95,118
Legal Services	17,568	\$1.72	\$97,687
Arts, Entertainment and Rec	23,330	\$0.86	\$36,742
Agriculture & Forestry	12,346	\$0.69	\$55,903
Accommodation	8,601	\$0.46	\$53,213

A third way of ranking industries in Palm Beach County is to rank them by average salary.

Clearly, Company Headquarters has the highest average salary in Palm Beach County at \$190,741. That is followed by Finance at \$101,829. Legal Services is number three, with Aviation/Aerospace/Engineering in the third spot at an average salary of \$97,687.

Industry	Jobs	Income (\$billion)	Average Salary
Company Headquarters	17,128	\$3.29	\$190,741
Finance	73,989	\$7.53	\$101,829
Legal Services	17,568	\$1.72	\$97,687
Aviation/Aerospace/Engineering	20,919	\$1.99	\$95,118
Real Estate	66,144	\$5.69	\$86,009
Manufacturing	25,261	\$2.16	\$85,421
Healthcare/Life Sciences	99,726	\$7.42	\$74,364
Construction	50,232	\$3.03	\$60,365
Agriculture & Forestry	12,346	\$0.69	\$55,903
Accommodation	8,601	\$0.46	\$53,213
Retail	83,037	\$3.58	\$43,170
Arts, Entertainment and Rec	23,330	\$0.86	\$36,742
Food Services	64,895	\$2.03	\$31,351

### The Finance Industry Cluster in Palm Beach County

As the Finance companies were recruited to Palm Beach County to create “Wall Street South”, a Finance cluster has been established. One of the metrics that indicate a cluster is called a Location Quotient (“LQ”). Location Quotients show the concentration compared to an average county in the U.S. An example is an employment location quotient of 2.0. That indicates that there are twice as many jobs of that type in Palm Beach County compared to the U.S. There is also a Wage Location Quotient that shows the wage multiple compared to the U.S. average.

Below are some select parts of the Finance industry, divided into 6-digit NAICS codes, that show the concentration in employment and wages compared to an average U.S. county. You can see the details in the below table – where some have location quotients of more than 4 with wage location quotients of as much as 7.56 as is the case of Open-ended Investment Funds. This is a very good indication of the Finance cluster in Palm Beach County and the results of recruiting and developing the finance industry in Palm Beach County into a highly concentrated industry worthy of the name “Wall Street South.”

6-Digit NAICS Code Industry	Jobs	Avg Salary	Employment LQ	Wage LQ
Investment Banking	3,452	\$351,269	1.86	2.23
Commodity Contracts Intermediation	380	\$257,802	3.80	4.52
Miscellaneous Intermediation	348	\$435,606	2.43	3.81
Misc. Financial Investment Activities	585	\$272,312	4.37	6.13
Pension Funds	59	\$110,152	3.52	3.56
Open-ended Investment Funds	58	\$445,707	4.35	7.56

Note the average salaries for some of these Finance sub-groups. The average salary for Investment Banking shows that is more than \$1.21 billion is annual wages. There are two categories with more than \$430,000 average salaries – both Miscellaneous Intermediation and Open-ended Investment Funds. Both of these categories have wage Location Quotients of more than 6, making it clear that there is a Finance cluster in Palm Beach County.

Which other industries increased their GDP over the past few years? To calculate this, the 2010 through 2021 GDP increases were calculated. GDP increases indicate the amount of value added and is highly correlated with high-wage job creation. Therefore, the industries that have high GDP increases are diversifying the Palm Beach County economy.

Note the below increases, by industry. Finance and Insurance showed a 184.1 percent increase during the time frame, followed by Transportation & Warehousing at 129.3 percent. The third top category is Company Headquarters at 118.8 percent. The only other industry that doubled its GDP during the 2010-21 period was Professional & Business Services at 109.9 percent.

Industry	2010-2021 GDP Increase
Agriculture, Forestry & Fishing	51.2%
Company Headquarters	118.8%
Construction	86.7%
Finance and Insurance	184.1%
Health Care/Life Sciences	59.0%
Leisure & Hospitality	63.2%
Manufacturing	54.9%
Professional & Business Services	109.9%
Real Estate, Rental, and Leasing	83.1%
Retail Trade	67.4%
Transportation and Warehousing	129.3%
Wholesale Trade	81.2%
<b>All Industries</b>	<b>80.7%</b>

## Conclusion

The Palm Beach County Florida economy was once made up primarily of agriculture, construction, and tourism. However, by recruiting and helping existing companies expand - in industries such as finance, corporate headquarters, and life sciences - Palm Beach County's economy has developed into a high value-added, high wage economy. That doesn't mean that the historical industries are less important. Certainly, Palm Beach County is still the number one county for agriculture in Florida. The Palm Beach agriculture industry produces high value-added crops like fresh fruits and vegetables and a substantial amount of sugar.

By concentrating on recruiting and expanding the high value-added industries, the average annual wages have increased substantially in Palm Beach County. The industries with the highest increased annual wages were led by Financial Activities and Professional and Business Services. Those two industries were responsible for increases of more than \$10 billion of the \$21.8 billion in total annual wage increases between 2010 and 2022. Financial Activities had the highest percentage increase of all industries, with an increase of \$70,714 – a 98.1 percent increase.

### Research Conducted by:

Jerry D. Parrish, Ph.D., Florida State University  
*Chief Economist and Director of State and Local Policy Analysis*  
at the Institute of Government

### Contact:

Business Development Board of Palm Beach County (BDB)  
310 Evernia Street, West Palm Beach, FL 33401  
[www.bdb.org](http://www.bdb.org)  
[info@bdb.org](mailto:info@bdb.org)  
561.835.1008