

PALM BAY

MELBOURNE-TITUSVILLE, FLORIDA MSA

The **Palm Bay, Florida**, MSA continues its ascent up the Best-Performing Cities rankings, propelled to second by strong one-year wage (third) and job growth (eighth). The Space Coast improved on last year's breakout performance, transforming one-year gains into long-term jobs (13th) and wage growth (16th). This continued success is largely due to a diversified, high-tech industrial base, including a significant part of the national aerospace and defense industries.

In 2018, Brevard County, where Palm Bay is located, accounted for over a tenth of total direct defense spending in the Sunshine state.²⁰ Palm Bay thus boasts 11 industries with location quotients above one (12th), including defense subindustries like semiconductor manufacturing (LQ of 10.6), magnetic and optical media manufacturing (LQ of 6.5), and navigational, measuring, and control instruments manufacturing (LQ of 4.3).

The aerospace and defense industries have also largely stabilized the metro, despite COVID-19 shuttering tourism in the region. In 2018, cruises from the region's port, Cape Canaveral, generated \$1.3 billion in tourism expenditures in Central Florida.²¹ However, cruise operations have been suspended since mid-March and are not expected to resume until at least 2021. They are unlikely to return to full operations for some time.²² The port has since reduced its staff by 40 percent, including 68 permanent layoffs, and is anticipating a \$36.6 million loss in 2020-21.²³

Despite this, employment has only fallen 1.5 percent in the short-term (13th), and recovery is a matter of time and combatting the virus. The Space Coast could stand to improve its housing affordability, however. While 70 percent of all households spent less than 30 percent of their income on housing in 2019 (87th overall), rents and median home sales have increased in recent years, highlighting a need to build low-income, affordable housing today.²⁴

Additionally, continued investment in attracting and growing an educated workforce would also ensure greater economic opportunity for residents and supply of talent for industry partners. In 2019, only 30.4 percent of the population aged 25 or older had a bachelor's degree, about 3 percentage points less than the national average.²⁵



Gained 8 ranks

	Indicator Rank	
Job growth (2014-19)	17.6%	13th
Job growth (2018-19)	3.2%	8th
Wage growth (2014-19)	37%	16th
Wage growth (2018-19)	8.7%	3rd
Short-term job growth (10/2019-10/2020)	-1.5%	13th
High-tech GDP growth (2014-19)	48.6%	21st
High-tech GDP growth (2018-19)	6.8%	56th
High-tech GDP concentration (2019)	LQ: 1.84	10th
Number of high-tech industries (2019)	11	12th
Households with broadband access (2019)	89.9%	49th
Households with affordable housing costs (2014-18)	72%	87th
Households with affordable housing costs (2019)	70%	87th

Assets

- » The defense and aerospace industries have stabilized the Space Coast in an unprecedented year.
- » A diversified industrial base provides strong wages.

Liabilities

- » The pandemic currently hampers service and tourism industries.
- » While housing is generally affordable, greater investments may be necessary to ensure affordability across all income levels.



Table 1. Tier 1 Large Cities

Metropolitan Statistical Area	2021 Rank	2020 Rank	Change	2020 Tier
Provo-Orem, UT	1	2	1	1
Palm Bay-Melbourne-Titusville, FL	2	10	8	1
Austin-Round Rock-Georgetown, TX	3	3	-	1
Salt Lake City, UT	4	25	21	1
Raleigh-Cary, NC	5	11	6	1
Boise, ID	6	7	1	1
Phoenix-Mesa-Chandler, AZ	7	12	5	1
Nashville-Davidson-Murfreesboro-Franklin, TN	8	14	6	1
Ogden-Clearfield, UT	9	22	13	1
Huntsville, AL	10	49	39	2
Denver-Aurora-Lakewood, CO	11	18	7	1
Fort Collins, CO	12	21	9	1
Seattle-Bellevue-Kent, WA Metro Division	13	8	-5	1

Source: Milken Institute analysis (2021)

Table 2. Tier 1 Small Cities

Metropolitan Statistical Area	2021 Rank	2020 Rank	Change	2020 Tier
Idaho Falls, ID	1	7	6	1
Logan, UT-ID	2	3	1	1
The Villages, FL	3	5	2	1
St. George, UT	4	4	-	1
Daphne-Fairhope-Foley, AL	5	14	9	2
Coeur d'Alene, ID	6	5	-1	1
Sioux Falls, SD	7	24	17	2
Sebastian-Vero Beach, FL	8	9	1	1
Gainesville, GA	9	8	-1	1
Charlottesville, VA	10	11	1	1
Punta Gorda, FL	11	39	28	2
Bellingham, WA	12	10	-2	1
Bend, OR	13	1	-12	1

Source: Milken Institute analysis (2021)

