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Miami ranks near the top for business growth, study says

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Downtown Miami

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Businesses in Miami are growing at one of the fastest rates in the country, according to a new study by the the Miami Urban Future Initiative.

Among all large U.S. metros, Miami ranked eighth in annual business establishment growth between 2010 and 2015, at 2 percent – more than double the national average, the study said.

But, despite the positive outlook for business, the Magic City still lags when it comes to employees' income. Miami ranked 42nd in income growth, at an annual rate of just 1.3 percent during the same time period.

The study by the Miami Urban Future Initiative – a joint initiative of Florida International University and Creative Class Group – was presented Thursday at an event hosted by the Miami-Dade Beacon Council. The event, Miami and the New Localism, discussed the source of Miami's economic advantage.

"Not all growth is created equal. A metro's population may rise as its employment and income levels decline, and vice versa," said Richard Florida, visiting fellow at the Miami Urban Future Initiative. "To build a stronger, more inclusive economy, metros like Miami must increase their economic output, employment, wages, incomes and key industries alongside their populations."

Some highlights of the report:

- Population: Miami ranked eighth for population among large U.S. metro, with 6 million, but 19th among large U.S. metros for population growth, at 1.3 percent annually.
- Economic output: Miami's GDP – \$288 billion in 2016 – ranked 12th among large U.S. metros, while its GDP growth – 3 percent – ranked 13th.
- Wage growth: Miami ranked 18th among large U.S. metros based on its wage growth between 2010 and 2015, at 3.3 percent. This is better than the national average of 2.6 percent a year, on par with Atlanta, and higher than Los Angeles and New York.

The average size of businesses in Miami is also much smaller than the national average, according to the report. The city ranks last among large U.S. metros with 11 employees, compared with 14 in New York, 17 in Washington, D.C., and 20 in San Jose, California.

The study was released at a time when Miami is hoping to land its biggest economic development project ever as the home to Amazon.com's (Nasdaq: AMZN) second headquarters. The project is expected to deliver \$5 billion in direct investment, up to 50,000 employees and millions of square footage in Class A commercial real estate development.