

# Target Industry Snapshot for the City of Cape Coral, FL

prepared for

**City of Cape Coral Dept. of Economic Development**  
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Table of Contents

Key Findings ..... 3

Methodology..... 4

Target Industry Evaluation..... 5

About DCG Corplan..... 14

List of Exhibits

Exhibit 1 – City of Cape Coral Location..... 2

Exhibit 2 – City of Cape Coral LQ Chart ..... 6

Exhibit 3 – Employment Crosswalk..... 12

List of Tables

Table 1 – Ranking by Industry Employment ..... 5

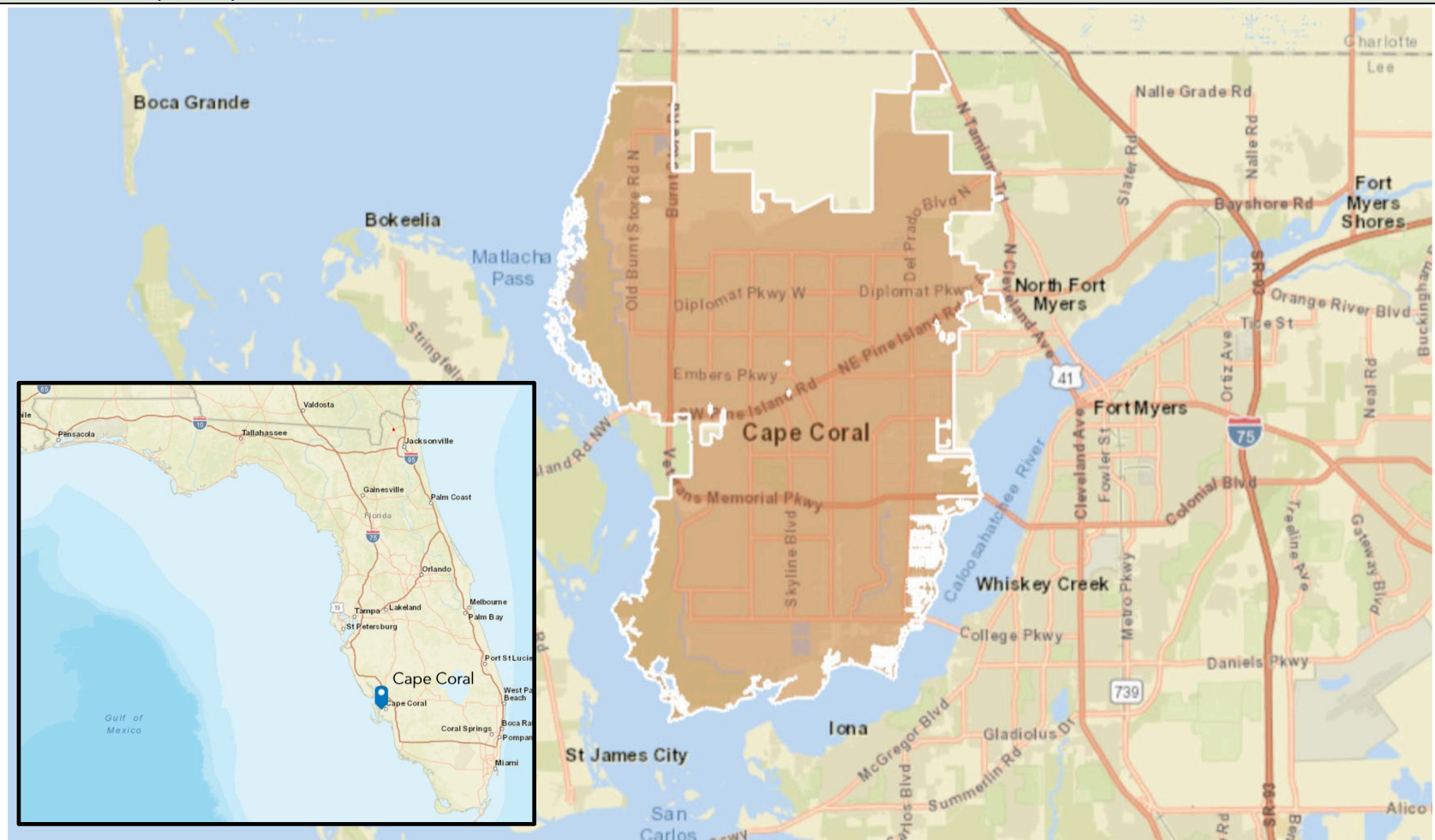
Table 2 – City of Cape Coral LQ Chart Data ..... 7

Table 3 – Summary of Target Industries..... 10

Table 4 - City of Cape Coral Employment by Industry ..... 11



Exhibit 1 – City of Cape Coral Location



Source: ESRI Business Analyst

### Key Findings

- ❖ The Target Industry Snapshot reinforces the awareness of dominant industries as well as identifies where economic development efforts should be engaged to result in meaningful change.
- ❖ In aggregate, businesses in the City of Cape Coral are currently employing **49,522** persons. The five leading sectors that account for **28,337** persons, or **57%** of the total figure are as follows:
  1. Retail Trade
  2. Health Care & Social Assistance
  3. Accommodation & Food Services
  4. Construction
  5. Other Services (except Public Administration)
- ❖ For the near future, the City of Cape Coral should focus on creating **5,443** new jobs in **13** industry categories. While this is an important goal, any real progress made in the next few years at reaching or even surpassing the State parity benchmark should be welcomed as a success.
- ❖ The top **5** targeted industry categories that account for **4,037** jobs or **74%** of the forecasted for Cape Coral are as follows:
  1. Professional, Scientific & Tech Services (**17%**)
  2. Health Care & Social Assistance (**17%**)
  3. Manufacturing (**16%**)
  4. Wholesale Trade (**13%**)
  5. Finance & Insurance (**11%**)
- ❖ From a comparison of targeted industries and available labor, it is readily apparent that Cape Coral needs to encourage more labor growth and training in manufacturing and wholesale trade industries to increase labor supply to meet targeted demand. In turn, this effort should lead to development of more manufacturing and warehouse facilities within the City's industrial zones.
- ❖ Approximately **57,000** residents leave Cape Coral for work daily. It must become the goal of economic development to attempt to capture a portion of this out-commuting pattern by providing opportunities in the City of Cape Coral for business expansion.

## Methodology

The Department of Economic Development is the lead regional economic development organization for the City of Cape Coral, FL. The identification of target industries has been accomplished through evaluation of the ESRI 2023 and 2024 data<sup>1</sup> for the City.

The Target Industry Snapshot is a brief review of the state of a local economy. It identifies existing industry performance by strengths, weaknesses opportunities, or threats. The Snapshot not only reinforces the awareness of dominant industries but identifies where economic development efforts should be engaged to result in meaningful change.

The target industries are organized under the North American Industrial Classification System (NAICS) hierarchy employment and establishment data is segmented into **20** industry groups, shown as follows:

- Agriculture, Forestry, Fishing & Hunting
- Mining
- Utilities
- Construction

- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation & Warehousing
- Information
- Finance & Insurance
- Real Estate, Rental & Leasing
- Professional, Scientific & Tech Services
- Management of Companies & Enterprises
- Administrative, Support & Waste Management Services
- Educational Services
- Health Care & Social Assistance
- Arts, Entertainment & Recreation
- Accommodation & Food Services
- Other Services (except Public Administration)
- Public Administration

Increases in employment are generally considered as the truest indicator of business growth, revenue gains and profitability. The analysis illustrates those industries that are present in Cape

Coral and that have demonstrated growth or are of such legacy value that continuing efforts for sustainability are paramount.

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<sup>1</sup> ESRI – Business Analyst – 2023 and 2024 for the City of Cape Coral, FL

## City of Cape Coral – Target Industry Snapshot

### Industry Employment by Sector

In Table 1 (below), the 20 industry sectors are ranked by total employment. In aggregate, businesses in the City of Cape Coral are currently employing **49,522** persons. The five leading sectors account for **28,337** persons, or **57%** of the total figure.

Table 1 – Ranking by Industry Employment		
Industry	# of Empl. 2024	Rank
<b>Retail Trade</b>	<b>7,351</b>	<b>1</b>
<b>Health Care &amp; Social Assistance</b>	<b>6,872</b>	<b>2</b>
<b>Accommodation &amp; Food Services</b>	<b>5,397</b>	<b>3</b>
<b>Construction</b>	<b>4,591</b>	<b>4</b>
<b>Other Services (except Public Administration)</b>	<b>4,126</b>	<b>5</b>
Educational Services	3,766	6
Professional, Scientific & Tech Services	3,161	7
Public Administration	3,105	8
Real Estate, Rental & Leasing	2,977	9
Administrative, Support & Waste Management Services	1,535	10
Finance & Insurance	1,316	11
Manufacturing	1,247	12
Information	1,162	13
Arts, Entertainment & Recreation	1,004	14
Wholesale Trade	919	15
Transportation & Warehousing	772	16
Management of Companies & Enterprises	125	17

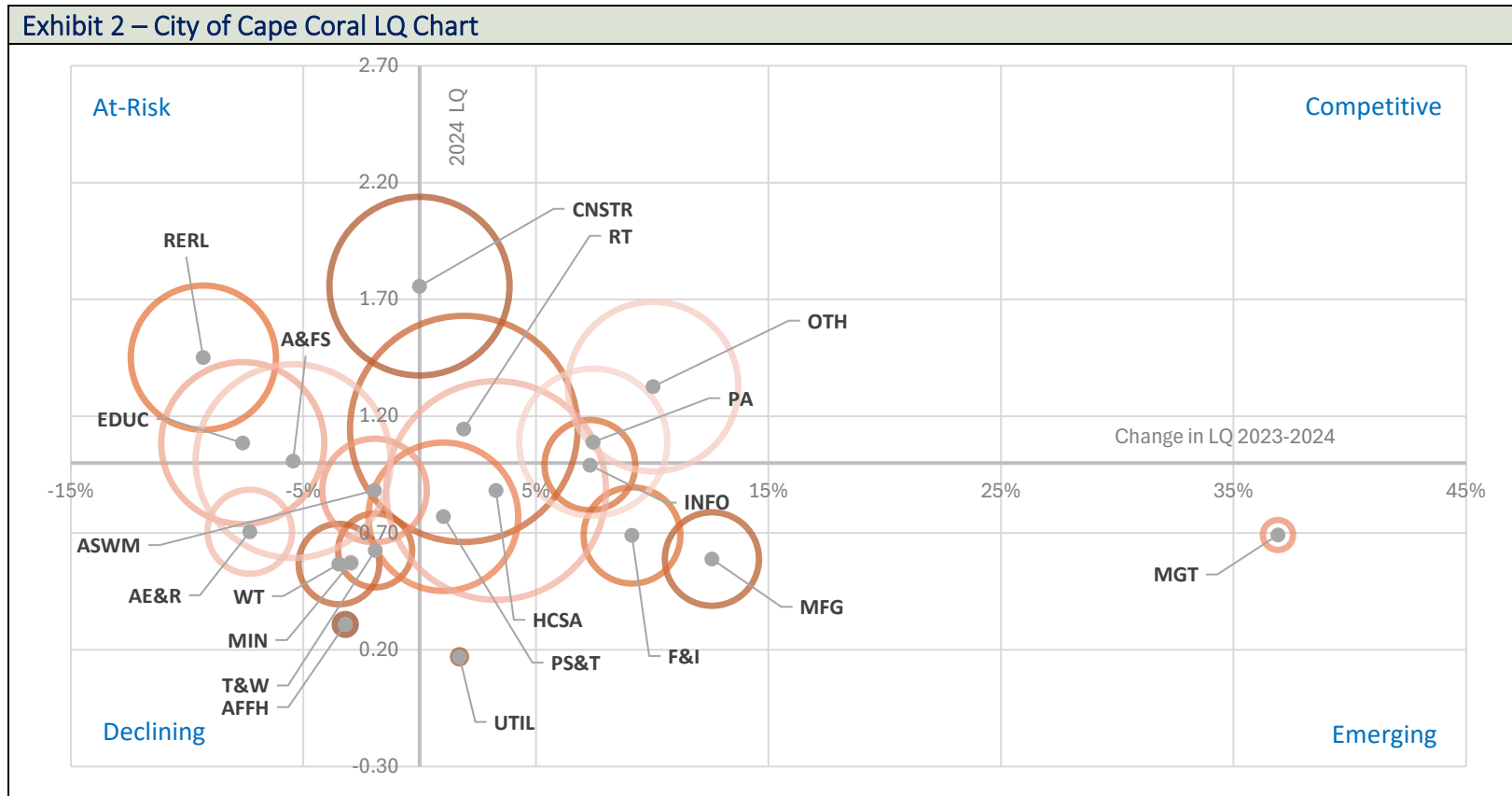
Agriculture, Forestry, Fishing & Hunting	59	18
Utilities	22	19
Mining	15	20
<b>Total</b>	<b>49,522</b>	
<b>Leading 5 Industries Subtotal</b>	<b>28,337</b>	<b>57%</b>

### Target Industry Evaluation

The goal of Location Quotient (LQ) analyses is to identify local industries that are performing at higher levels of employment concentration than their state counterparts, thereby indicating that these industries have a more important role locally than regionally. On the LQ chart, year 2024 employment by industry is shown as “bubbles”; the LQ change in the 2023-2024 period is the “X” axis; and the 2023 LQ is the “Y” axis. The X axis crosses the Y axis at the value of **1.0**, thereby plotting the results for either success in exceeding Florida state parity or failing to meet this criterion. Each quadrant is labeled as follows:

- ❖ *Competitive* – dominant industries in City.
- ❖ *Emerging* – emerging but not yet achieving critical mass.
- ❖ *At-Risk* – formerly strong (legacy) that are losing influence.
- ❖ *Declining* – in danger of non-sustainability in the City

The location of the employment bubbles on the chart demonstrates the industries' role in the local economy as shown in Exhibit 2 and Table 2 (below)



## City of Cape Coral – Target Industry Snapshot

**Table 2 – City of Cape Coral LQ Chart Data**

Symbol	Description	Cape Coral 2024 Empl	Cape Coral 2023-2024 LQ % ARC	Cape Coral 2024 LQ	LQ Quadrant	2023- 2024 Job Chnge
AFFH	Agriculture, Forestry, Fishing & Hunting	59	-3.2%	0.31	DEC	-3
MIN	Mining	15	-3.0%	0.57	DEC	1
UTIL	Utilities	22	1.7%	0.17	EMG	2
CNSTR	Construction	4,591	0.0%	1.76	A-R	65
MFG	Manufacturing	1,247	12.6%	0.59	EMG	210
WT	Wholesale Trade	919	-3.5%	0.57	DEC	-66
RT	Retail Trade	7,351	1.9%	1.15	COM	-26
T&W	Transportation & Warehousing	772	-1.9%	0.63	DEC	24
INFO	Information	1,162	7.3%	0.99	EMG	122
F&I	Finance & Insurance	1,316	9.1%	0.69	EMG	53
RERL	Real Estate, Rental & Leasing	2,977	-9.3%	1.45	A-R	-392
PS&T	Professional, Scientific & Tech Services	3,161	1.0%	0.77	EMG	144
MGT	Management of Companies & Enterprises	125	36.9%	0.69	EMG	54
ASWM	Administrative, Support & Waste Management Services	1,535	-1.9%	0.88	DEC	41
EDUC	Educational Services	3,766	-7.6%	1.08	A-R	-208
HCSA	Health Care & Social Assistance	6,872	3.3%	0.88	EMG	920
AE&R	Arts, Entertainment & Recreation	1,004	-7.3%	0.71	DEC	6
A&FS	Accommodation & Food Services	5,397	-5.4%	1.01	A-R	-336
OTH	Other Services (except Public Administration)	4,126	10.0%	1.33	COM	393
PA	Public Administration	3,105	7.5%	1.09	COM	155
	<b>Total</b>	<b>49,522</b>		<b>Job Change Total</b>		<b>1,159</b>



Due to the impact of Covid-19 and the recovery of temporarily lost jobs, the most recent two years of data collection have been selected for analysis. For statistical reasons, using a two-year over a five-year period is the better option for obtaining a clearer picture of normalized employment changes.

### Competitive Industries

From the LQ chart, the following industries are Competitive, ranked by employment:

1. Retail Trade -- **7,351 jobs (15%)**
2. Other Services (ex. Public Administration) -- **4,126 jobs (8%)**
3. Public Administration -- **3,105 jobs (6%)**

As Strengths, these are the dominant industries in Cape Coral, and even though they may exhibit a slight job loss in some instances, they are, nevertheless, not in specific need of economic development efforts for their advancement. The Competitive industries account for **14,482 jobs** or **29%** of the total.

### Declining Industries

As Weakening industries, these are of critical importance that will require significant effort by economic development.

1. Administrative, Support & Waste Management Services -- **1,535 jobs (3%)**
2. Arts, Entertainment & Recreation -- **1,004 jobs (2%)**
3. Wholesale Trade -- **919 jobs (2%)**
4. Transportation & Warehousing -- **772 jobs (2%)**
5. Agriculture, Forestry, Fishing & Hunting -- **59 jobs (0%)**
6. Mining -- **15 jobs (0%)**

The Declining industries account for **4,304 jobs**, or **9%** of the total.

### Emerging Industries

As Opportunities, these industries will need some degree of support by economic development to develop critical mass. For the Emerging sector, the following are present:

1. Health Care & Social Assistance -- **6,872 jobs (14%)**
2. Professional, Scientific & Tech Services -- **3,161 jobs (6%)**
3. Finance & Insurance -- **1,316 jobs (3%)**
4. Manufacturing -- **1,247 jobs (3%)**
5. Information -- **1,162 jobs (2%)**
6. Management of Companies & Enterprises -- **125 jobs (0%)**
7. Utilities -- **22 jobs (0%)**

## City of Cape Coral – Target Industry Snapshot

The Emerging industries account for **13,905** jobs, or **28%** of the total.

### At-Risk Industries

As Threats, these legacy industries will require monitoring of employment performance by economic development to curtail further deterioration. For the At-Risk sector, the following are present:

1. Accommodation & Food Services -- **5,397** jobs (**11%**)
2. Construction -- **4,591** jobs (**9%**)
3. Educational Services -- **3,766** jobs (**8%**)
4. Real Estate, Rental & Leasing -- **2,977** jobs (**6%**)

The At-Risk industries account for **16,731** jobs or **34%** of the total.

### Targeted Industries Summary

Resulting from this analysis, a projection of industries that should receive economic development support can be determined. Industries with the above parity of **1.0** LQ likely do not require intervention but should be observed for performance going forward. On the other hand, industries below the **1.0** threshold will need support.

In Table 3 (below), an estimation of the number of jobs that should be targeted for growth is shown. As expected, these industries fall into either the Emerging or Declining quadrants. The target employment in each category is calculated by raising the 2024 LQ to the 1.0 parity figure. Target employment gain is the growth in projected new jobs above the current level.

In aggregate, the City of Cape Coral should focus on creating **5,443** new jobs in **13** industry categories. While this is an important goal, any real progress made in the next few years at reaching or even surpassing the State parity benchmark should be welcomed as a success. The City should focus on those areas where return would be the highest. Accordingly, the top **5** industry categories which account for **74%** of the forecasted new jobs are as follows:

1. Professional, Scientific & Tech Services (**17%**)
2. Health Care & Social Assistance (**17%**)
3. Manufacturing (**16%**)
4. Wholesale Trade (**13%**)
5. Finance & Insurance (**11%**)

**Table 3 – Summary of Target Industries**

Symbol	Description	Cape Coral 2024 Empl	LQ Quadrant	Target Empl.	Target Empl. Gain	Percent of Total	Rank
<b>PS&amp;T</b>	<b>Professional, Scientific &amp; Tech Services</b>	<b>3,161</b>	<b>EMG</b>	<b>4,107</b>	<b>946</b>	17%	<b>1</b>
<b>HCSA</b>	<b>Health Care &amp; Social Assistance</b>	<b>6,872</b>	<b>EMG</b>	<b>7,796</b>	<b>924</b>	17%	<b>2</b>
<b>MFG</b>	<b>Manufacturing</b>	<b>1,247</b>	<b>EMG</b>	<b>2,120</b>	<b>873</b>	16%	<b>3</b>
<b>WT</b>	<b>Wholesale Trade</b>	<b>919</b>	<b>DEC</b>	<b>1,621</b>	<b>702</b>	13%	<b>4</b>
<b>F&amp;I</b>	<b>Finance &amp; Insurance</b>	<b>1,316</b>	<b>EMG</b>	<b>1,908</b>	<b>592</b>	11%	<b>5</b>
T&W	Transportation & Warehousing	772	DEC	1,235	463	8%	6
AE&R	Arts, Entertainment & Recreation	1,004	DEC	1,423	419	8%	7
ASWM	Administrative, Support & Waste Management Services	1,535	DEC	1,741	206	4%	8
AFFH	Agriculture, Forestry, Fishing & Hunting	59	DEC	192	133	2%	9
UTIL	Utilities	22	EMG	130	108	2%	10
MGT	Management of Companies & Enterprises	125	EMG	181	56	1%	11
INFO	Information	1,162	EMG	1,174	12	0%	12
MIN	Mining	15	DEC	26	11	0%	13
CNSTR	Construction	4,591	A-R				
RT	Retail Trade	7,351	COM				
RERL	Real Estate, Rental & Leasing	2,977	A-R				
EDUC	Educational Services	3,766	A-R				
A&FS	Accommodation & Food Services	5,397	A-R				
OTH	Other Services (except Public Administration)	4,126	COM				
PA	Public Administration	3,105	COM				
<b>Total</b>		<b>49,522</b>			<b>5,443</b>	<b>100%</b>	
<b>Subtotal Top 5 Industries</b>					<b>4,037</b>	<b>74%</b>	

## City of Cape Coral – Target Industry Snapshot

### Labor Force

The Labor Force analysis provides information about resident employment by sector of industry. Source for the data is the US Census American Community Survey (2023). As of 2023, the City of Cape Coral has a civilian employed population 16 years and over of **102,700** persons as shown in Table 4 (below).

The top 5 industries by percentage of labor forces account for 72,559 jobs or **71%** of Cape Coral's labor supply are:



Table 4 - City of Cape Coral Employment by Industry			
Industry	Empl.	Share	Rank
<b>Educational services, and health care and social assistance</b>	<b>24,817</b>	<b>24%</b>	<b>1</b>
<b>Retail trade</b>	<b>13,148</b>	<b>13%</b>	<b>2</b>
<b>Professional, scientific, and management, and administrative and waste management services</b>	<b>12,465</b>	<b>12%</b>	<b>3</b>
<b>Construction</b>	<b>11,340</b>	<b>11%</b>	<b>4</b>
<b>Arts, entertainment, and recreation, and accommodation and food services</b>	<b>10,989</b>	<b>11%</b>	<b>5</b>
Finance and insurance, and real estate and rental and leasing	6,542	6%	6
Transportation and warehousing, and utilities	6,401	6%	7
Manufacturing	5,124	5%	8

Other services, except public administration	4,808	5%	9
Public administration	3,466	3%	10
Wholesale trade	1,775	2%	11
Information	924	1%	12
Agriculture, forestry, fishing and hunting, and mining	901	1%	13
<b>Total</b>	<b>102,700</b>	<b>100%</b>	
<b>Subtotal Top 5 Industries</b>	<b>72,759</b>	<b>71%</b>	

### Employment Crosswalk

To identify synergies between the targeted industries and labor supply a “crosswalk” chart is compiled that compares the two elements. By examining the **7** leading categories in each group, it is readily apparent that Cape Coral needs to encourage more labor growth and training in manufacturing and wholesale trade industries to increase labor supply to meet targeted demand. In turn, this effort should lead to development of more manufacturing and warehouse facilities within the City’s industrial zones.

**Exhibit 3 – Employment Crosswalk**

Target Industries	Crosswalk	Cape Coral Labor Force
<i>Professional, Scientific &amp; Tech Services</i>		Educational Services, and <b>Health Care and Social Assistance</b>
<i>Health Care &amp; Social Assistance</i>		Retail Trade
<b>Manufacturing</b>		<b>Professional, Scientific, and Management, and Administrative and Waste Management Services</b>
<b>Wholesale Trade</b>		Construction
<i>Finance &amp; Insurance</i>		<b>Arts, Entertainment, and Recreation</b> , and Accommodation And Food Services
<i>Transportation &amp; Warehousing</i>		<b>Finance and Insurance</b> , and Real Estate And Rental And Leasing
<i>Arts, Entertainment &amp; Recreation</i>		<b>Transportation and Warehousing</b> , and Utilities

### Commuting Patterns

It should be noted that according to the US Census, **56%** of Cape Coral residents commute to work in areas outside of the City. This figure is less than that of Lee County but higher than or the State of Florida, at **61%** and **50%**, respectively. It is estimated that approximately **57,000** residents leave Cape Coral for work daily. It must become the goal of economic development to attempt to capture a portion of this out-commuting pattern by providing opportunities in the City of Cape Coral for business expansion.

### Strategic Approach

Why are Target Industries important? The answer is that identifying where businesses in a community are growing or losing employment will directly affect the tax revenues and the development of municipal budgets. Even rapidly growing communities must make sure that economic growth keeps pace with population growth. Municipalities that have an economic imbalance feature:

- Resource shortages
- Congestion
- Higher crime rates
- Pollution
- Greater demand for social services

Knowing where local businesses should be in terms of growth and performance will provide a guide for making informed decisions on incentives, zoning changes, tax policy and more. While every civic leader wants to cut ribbons for new investments, keeping the existing business foundation strong and healthy for the City of Cape Coral is more important.

Business Retention and Expansion (BRE) techniques address issues that could force a company to fail or close, and to prevent companies from relocating to a new community.

## City of Cape Coral – Target Industry Snapshot

Key BRE strategies for creating jobs in targeted sectors include:

- ❖ Promote apprenticeships
- ❖ Establish an incubator or accelerator program
- ❖ Expand allowable home occupations
- ❖ Reduce permitting barriers
- ❖ Incentivize use of idle commercial spaces
- ❖ Strengthen linkages between education and target industry skill needs

A successful BRE program also provides data and intelligence to strategically attract new companies to a community and foster the creation of new businesses. The Target Industry Snapshot has been developed as a tool to help generate BRE strategies for the future.

## About DCG Corplan

**DCG Corplan Consulting LLC** (DCG Corplan) is a national leader in economic development strategic planning, corporate site selection and location intelligence, real estate development feasibility studies, and market analysis. DCG Corplan's principals have assisted hundreds of assignments for public development agencies in the United States, Europe and the Caribbean.

The firm provides strategic guidance to public agencies with practical business attraction/retention programs and implementation. Public sector clients include regional, state, county and municipalities who seek economic development and diversification in specific industrial, commercial, trade, and tourism activities, as well as development entities who seek assistance on positioning surplus or underutilized facilities into positive cash flows.

For private sector assignments, the firm is dedicated to helping corporations or private investors improve their bottom-line results and capitalize on growth opportunities through geographic repositioning of their capacity. Corporate clients include major industrial and service companies for whom DCG

Corplan provides guidance on expansion, consolidation, or reconfiguration of administrative, marketing, production, research, and distribution facilities, including: headquarters and field offices, manufacturing plants, data centers, laboratories, telemarketing centers, and warehouses.

The firm combines the talents of experienced professionals in the three practice areas: Economic Development, Corporate Site Selection, and Real Estate Development.

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