**TALENT WANTED**

**HOSPITALITY LEADERS IN SOUTH FLORIDA ARE RAISING THEIR WAGES TO ATTRACT BETTER TALENT AS NEW TOURISM-RELATED BUSINESSES ARE SET TO OPEN ACROSS THE REGION.**

**MONEY**

Inherited wealth floods South Florida

Each of Broward, Miami-Dade and Palm Beach counties’ inherited wealth surpasses the $2 billion mark, snaring South Florida the top spots among Sunshine State counties, according to a report by New York-based financial tech firm SmartAsset.

**NINA LINCOFF, 6**

**TRENDS**

Millenials demand relevant technology

A new study by Weston-based Ultimate Software and The Center for Generational Kinetics indicates employers need to adapt their technology to remain relevant, and attract and retain millennials.

**CEILIA AMPEL, 7**

**EXECUTIVE PROFILE**

**LEADING A NONPROFIT OUT OF ‘THE RED’**

**THE LIST**

Temp agencies get busier 16-18

**BEST PLACES TO WORK**

South Florida employees nominated their companies for the strategies and programs that keep workers happy, productive and engaged. See who won this year's accolades. PAGES 19-35

**SOUTH FLORIDA BUSINESS JOURNAL**

February 23-March 5, 2015
Vol. 35, No. 32, $4.99
6400 N. Andrews Ave.
Suite 200
Fort Lauderdale, FL 33309

Breaking news online
SouthFloridaBusinessJournal.com

On smartphones and tablets
SouthFloridaBusinessJournal.com/apps

Daily email updates
SouthFloridaBusinessJournal.com/email
EMPLOYERS IN SOUTH FLORIDA'S hospitality sector are being forced to raise wages. An improving economy, an explosion of new hotel projects and even some pressure from Wal-Mart, the nation's largest private employer, are making it increasingly tough to find low-wage help.

Loews Miami Beach Hotel and Westgate South Beach have recently raised their hourly pay, putting pressure on smaller employers in the local hospitality sector to follow suit.

"The smaller hotels are really going to feel a pinch," said Susana Fernandez, Loews Hotels' East Coast senior director of human resources.

Miami-Dade County has more than 3,425 rooms under construction across at least 25 hotel projects. Many are set to open between this spring and 2017, adding to the county's 49,883 available rooms.

Major projects in Palm Beach and Broward counties were also announced for completion during the same time. They include the 400-room Convention Center Hilton West Palm Beach and the 150-room Four Seasons, which are both slated to open in 2016. Palm Beach County has 1,042 hotel rooms under construction and 1,400 more in the planning pipeline.

Fort Lauderdale has about 1,639 hotel rooms slated to open through fall 2016, and 2,609 rooms in the planning stage.

Where will these new hotels find all the help they need? They are anticipated to create hundreds more travel, restaurant and retail jobs. Many observers say employers will have to improve their pay and benefits to draw the best talent.

Loews Miami Beach, which employs about 800 people, raised its rates to stay competitive, Fernandez said.

Orlando-based Westgate Resorts, which employs about 150 workers at Westgate South Beach, raised wages Jan. 1 for 12,000 workers companywide to a minimum of $10. The company suggests its competitors do the same.

"I suggest they all take the bleed like we did," founder David Siegel said. "If you pay your employees better, they're going to work harder and you're going to make more. So why not do it?"

Why not at least pay employees as much as they would make at Wal-Mart? The retailer announced last week that it would raise its minimum pay to $9 an hour for 500,000 workers nationwide by the end of the year. Its minimum pay will rise to $10 next year. Wal-Mart employs about 40,000 people in South Florida and created about 1,600 jobs in the region in 2014.

"I would say that we were already competitive, but I think this is going to make us even better able to work," Wal-Mart spokesman Kory Lundberg said.

Higher pay boosts economy
What employees in hospitality, leisure and retail get paid has a profound effect on the state's economy. About one-third of the net private-sector jobs gained...
WHAT HOSPITALITY EXPERTS ARE SAYING

"Florida is the hub of hospitality education. I look through my lenses of 30 years in this community, and it's impressive to see the investment in the hospitality core curriculum."  
SCOTT BERNHARD, U.S. hospitality and leisure practice leader at PricewaterhouseCoopers

"Hospitality is also tech and legal and real estate. It transcends pigeonholed perception... We foresee continued expansion in our industry, which means continuous expansion in jobs."
ROLANDO AEDO, executive VP and chief marketing officer at the Greater Miami Convention & Visitors Bureau

"We are now in the process of putting together an innovation center for food science so we can help our students in learning how to create for the customer of the future."
MIKE HAMPTON, dean of Florida International University's Chaplin School of Hospitality & Tourism Management

"If the minimum wage is going to be raised to $15 an hour, there's going to be a real incentive to start placing tablet computers at each table, thereby reducing the number of servers that would be in the restaurant otherwise."
SEAN SNAITH, director of the University of Central Florida's Institute for Economic Competitiveness

nation because of its high concentration of tourism-related industries, according to a report from PNC Financial Services Group. "When you see that industry dominating job growth, you can assume that, overall, they are not high-wage jobs," PNC economist Michael Teshome said.

The average wage in these sectors may be low because of a high dependence on part-time work.

David Hatcher, senior VP for research at the U.S. Travel Association, estimates that about 35 percent of hospitality workers across the nation are part time.

"A majority who are working part time are working part time because the travel industry offers flexibility to go to school," he said.

But part-time work is only the beginning. Hatcher has found that people who stay employed in the industry can eventually make it to salaried positions and achieve an average maximum salary of $82,000 a year. That's higher than workers who start off in health care and manufacturing, and closer to those who started off in financial services, he said.

Hatcher noted that about 1.2 million of the 8 million hospitality workers nationwide make $50,000 or more.

EDUCATED WORKERS ARE IN DEMAND

South Florida's hospitality sector depends on local schools for a steady stream of graduates.

Florida International University's Chaplin School of Hospitality & Tourism Management and Johnson & Wales University's School of Hospitality report that the majority of their graduates aren't having trouble finding local full-time, high-wage jobs.

"Seventy percent of our undergraduate students are working in Florida, and 53 percent of our graduate students are staying," FIU Chaplin School Dean Mike Hampton said.

About 606 students graduated from the school's four-year programs, and 164 graduated with master's degrees in the 2013-2014 school year. The estimated average annual starting salary of a FIU Chaplin School graduate was $37,685 in 2014. Representatives from both universities say their graduates are often being employed by the local companies where they interned, and are starting in supervisory or lower management roles.

"The pay scale in South Florida is competitive for today's students entering the workforce," said Brian Connors, assistant professor at Johnson & Wales University's North Miami campus and managing partner of Connors Davis Hospitality.

Average starting salaries for Johnson & Wales graduates are $33,485.

Health care complicates equation

PNC's Teshome predicts that the number of full-time jobs and wages will rise across tourism-related jobs in South Florida by 2016. But companies may want to continue their reliance upon part-time workers.

University of Central Florida economist Sean Snaith says the Affordable Care Act requires employers to provide health care benefits for those who work 30 or more hours a week.

"There's a real incentive for [hiring] part-time workers," he said.

Snaith also warns that rising wages may lower the number of workers being hired -- especially unskilled ones.

"For example, if the minimum wage is going to be raised to $15 an hour, there's going to be a real incentive to start placing tablet computers at each table," he said.

The numbers don't always support the argument that higher wages equal fewer job openings.

Florida, for instance, was among 13 states that increased their minimum wage on Jan. 1, 2014. In the past year, these states experienced more employment growth than the states where the minimum wage remained at its 2013 level, according to a report by the Center for Economic and Policy Research.

Florida again increased its minimum wage on July 1 to $8.13 from $7.93. The minimum wage for tipped employees is now $8.03 an hour.

Low pay is just for starters

Even if the starting wages are considered to be low, the retail and food-service sectors are among the best industries for raises. They boast a 2.1 percent and 1.6 percent annual growth rate, respectively, according to a report from compensation research firm PayScale. Workers in these fields are likely to see at least a 64 percent increase in their wages if they stay in their job for 10 years.

"I'm especially sensitive about the misconception that this industry is a low-wage industry when it's anything but," said Rolando Aedo, executive VP of the Greater Miami Convention & Visitors Bureau.

"When you add up the aggregate salary of a hotel and the economic impact to its economy, I would argue that it's more impactful than a company a 10th of its size with higher salaries."

In Miami-Dade County, the hospitality industry employs about 130,000 people. Restaurants and hotels should be seen as startups, rather than an extension of the booming hospitality businesses that are already established in the South Florida market, Aedo said. They should be expected to offer some part-time or entry-level positions, and hire fewer executive, high-paying positions.

"Part time to full time has been a model of this industry, and many of these jobs do result in full-time employment," he said.

Loews' Fernandez said 32 percent of the hotel's current managers were paid hourly at one point, and five of the 10 people on the brand's executive board started at least in a junior-level management position.

She said the hotel pays well above minimum wage.

Fernandez said she believes hospitality workers won't likely wait for a raise over time or set for part-time work as competition heats up for the best talent. It's going to be great for job seekers, but tough on employers.

"These new hotels are not going to be hiring part-timers, she said. "No one's going to leave a full-time job to go to a part-time job."