

# Florida: Employment Outlook

**Economic Development &  
Community Affairs Policy Council**

*October 6, 2009*

Presented by:



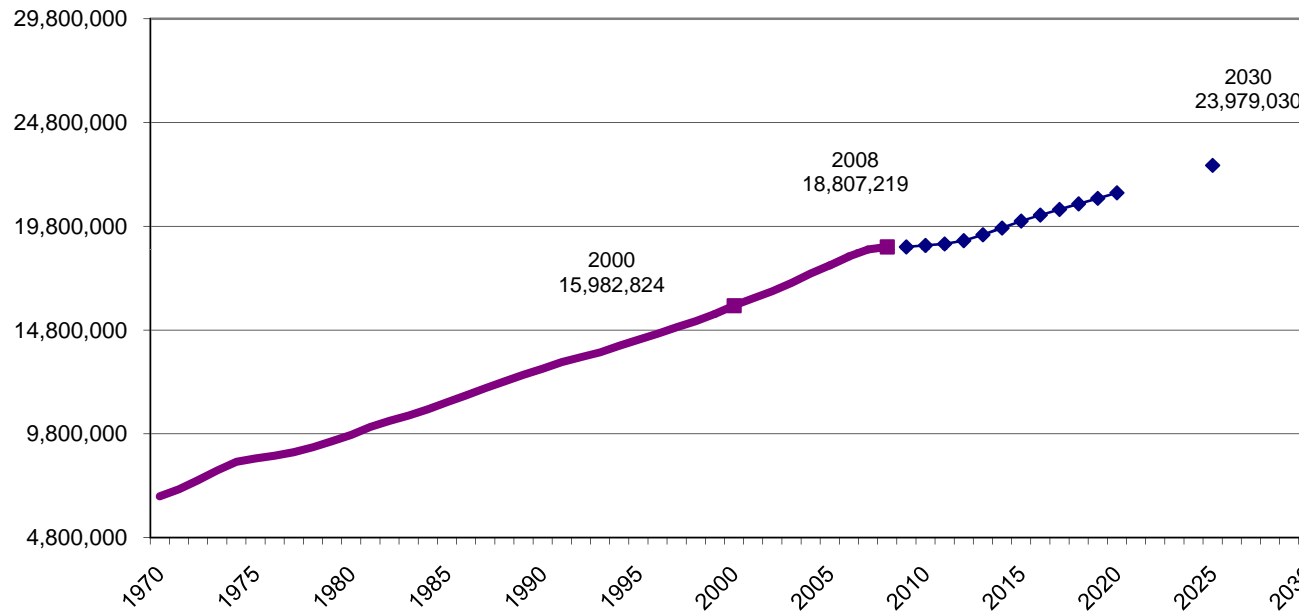
The Florida Legislature  
Office of Economic and  
Demographic Research  
850.487.1402  
<http://edr.state.fl.us>

# Population Growth Slowing

- Population growth is the state's primary engine of economic growth, fueling both **employment** and income growth.
- Population growth hovered between 2.0% and 2.6% from the mid 1990's to 2006, then began to slow – only reaching 0.7% in 2008. In the short term, population growth is forecast to remain relatively flat – averaging 0.4% between 2008 and 2012. Population growth is expected to rebound in the future – averaging **1.1%** between 2025 and 2030.
- The future will be different from the past; the long-term growth rate between 1970 and 1995 was over **3%**.
- Florida is still on track to break the 20 million mark in 2015, becoming the third most populous state sometime before then – surpassing New York.



# Florida's April 1 Population

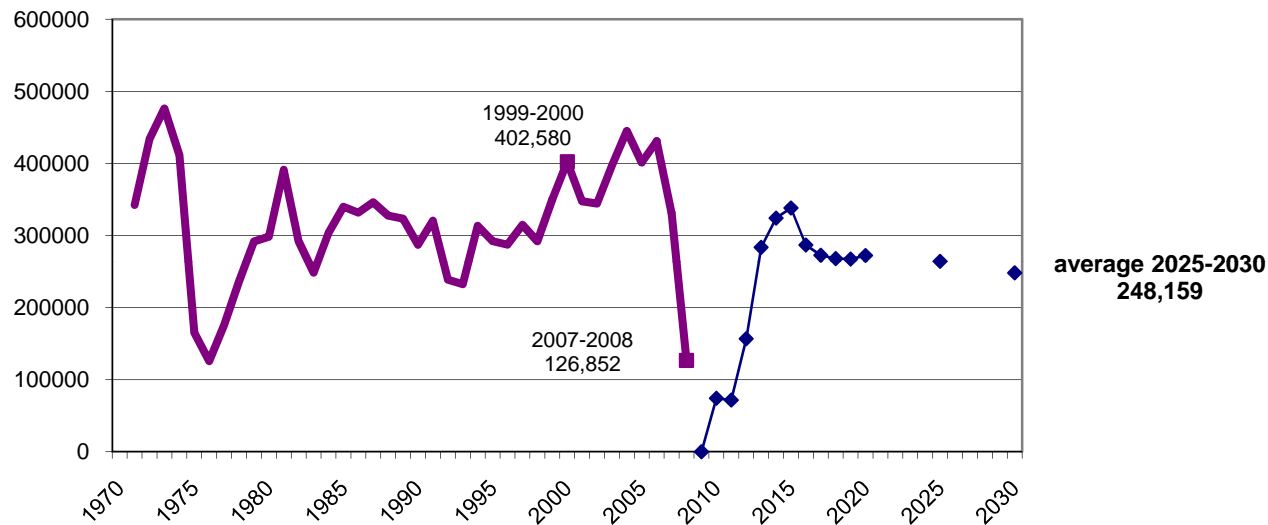


Florida's population:

- was 15,982,824 in 2000
- was 18,807,219 in 2008
- is forecast to grow to 23,979,030 by 2030



# Florida's Population Growth



Population increased by:

- 445,224 between 2003 and 2004
- 126,852 between 2007 and 2008

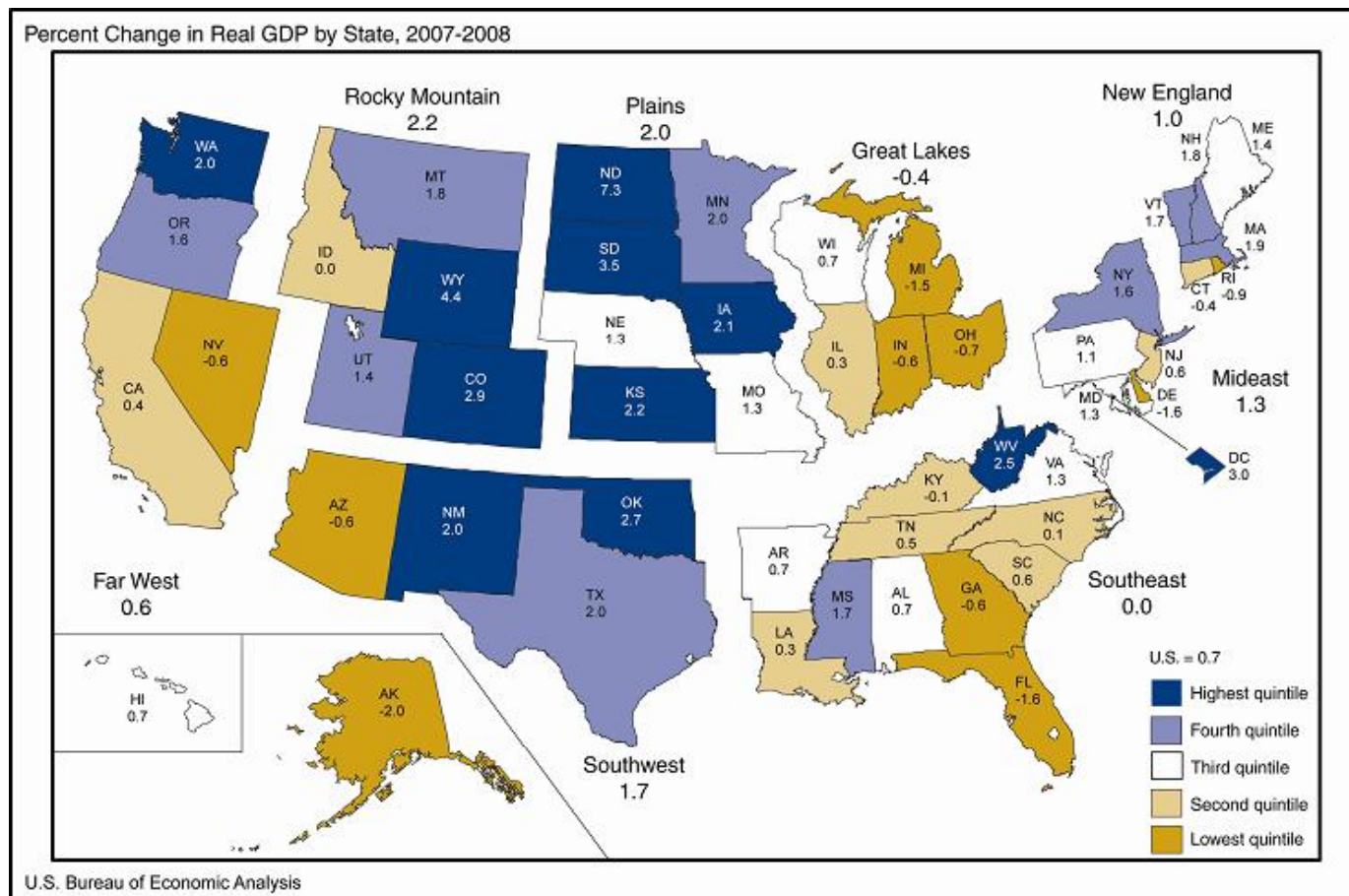
Population is forecast to increase on average by:

- -0- between 2008 and 2009 (likely revised to -58,000)
- 74,226 between 2009 and 2010
- 71,705 between 2010 and 2011
- 156,825 between 2011 and 2012
- 283,580 between 2012 and 2013

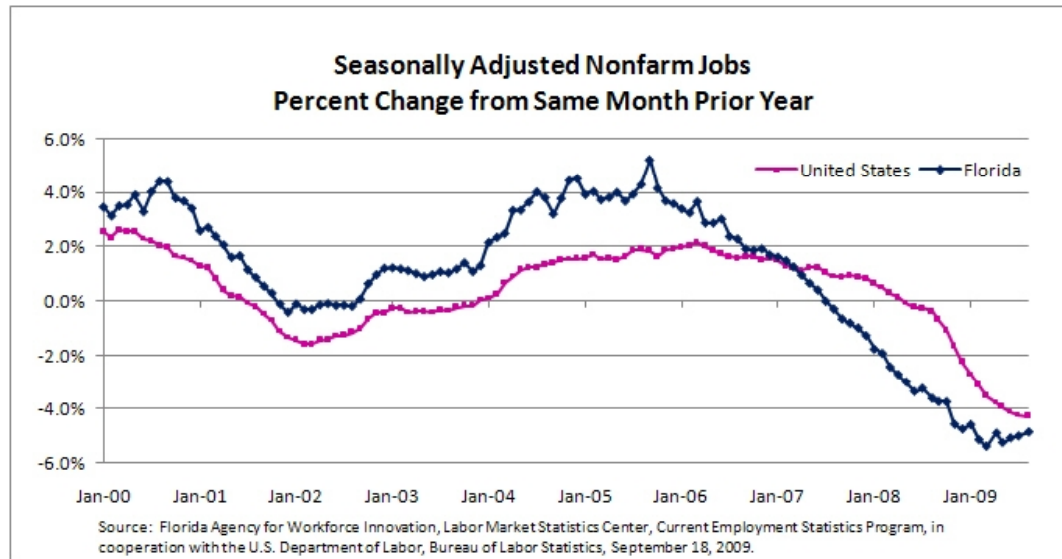


# Economy Lost Ground in 2008

- Florida's growth is now declining. State Gross Domestic Product (GDP) ranked us 48<sup>th</sup> in the nation in real growth with a decline of (-1.6%) in 2008. In 2005, we were ranked 2<sup>nd</sup> in the nation.



# Employment Worsens

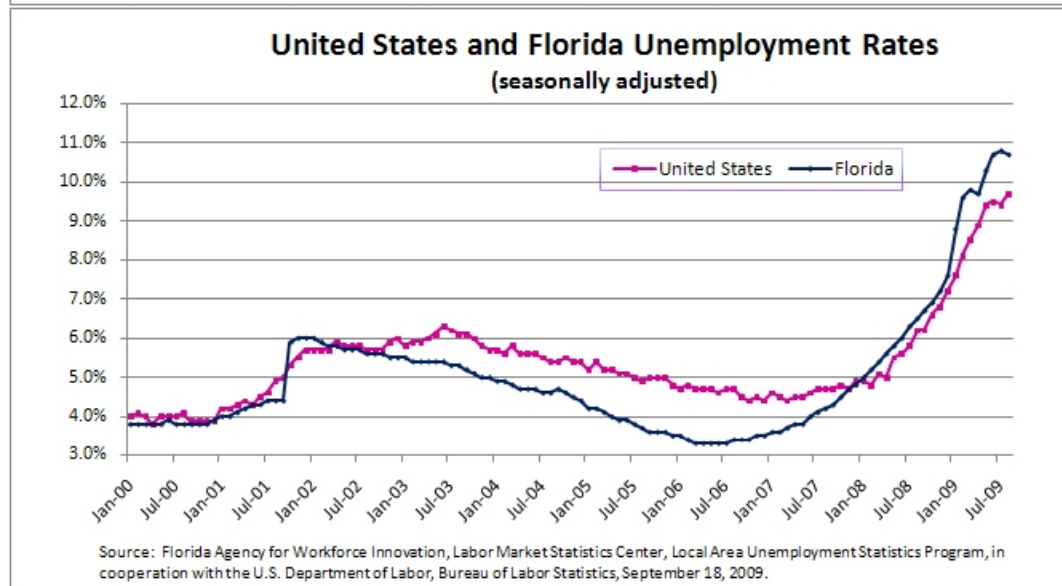


**August (YOY)**

US -4.3%  
FL -4.8%  
(-372,700 jobs)

**Recent Best**

Sept 2005: +5.2%



**August**

US 9.7%  
FL 10.7%  
(984,000 people)

**Recent Best**

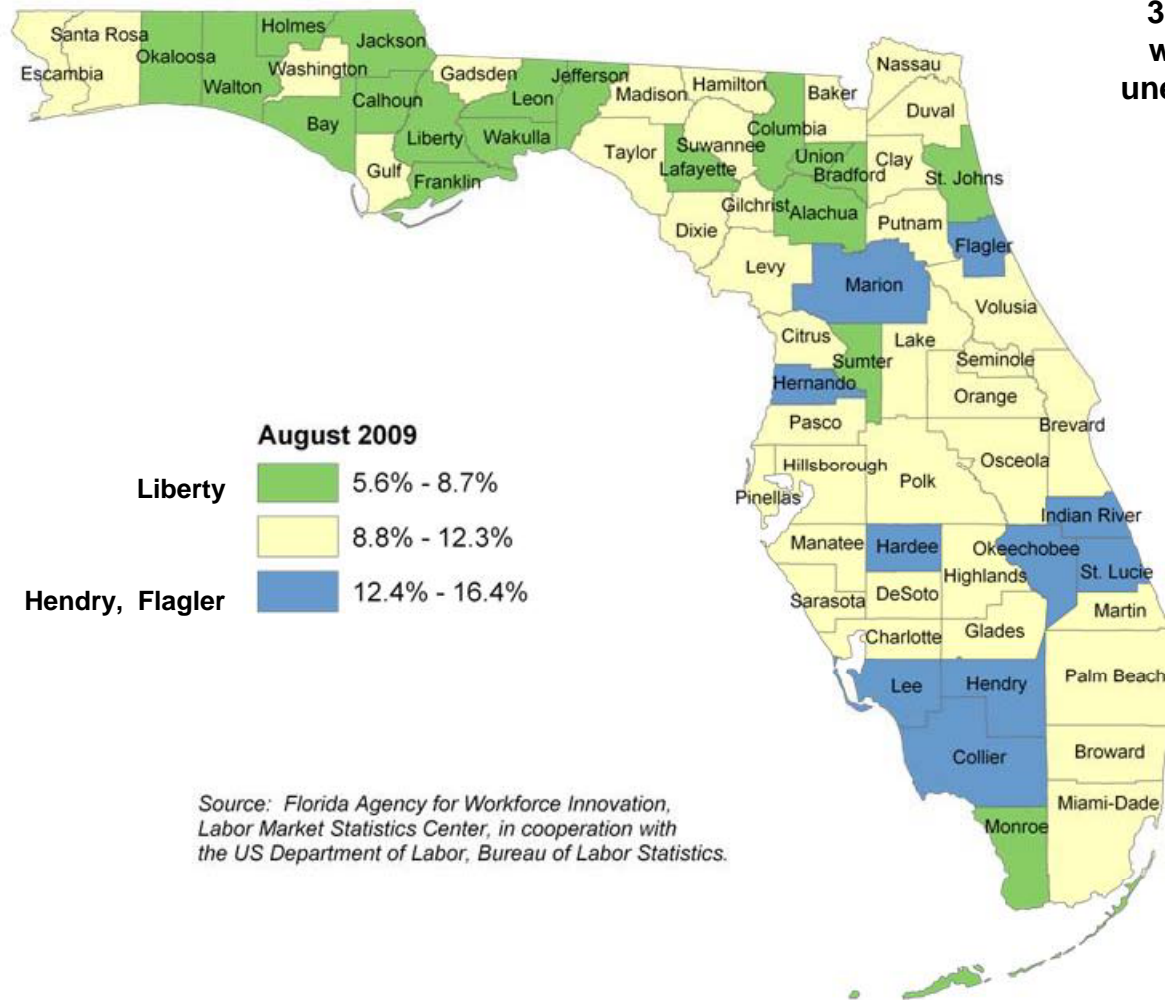
July 2006: 3.3%

**Projected Bottom**

FL 11.0%  
Spring, 2010



# Unemployment Rates



**39 of 67 counties  
with double-digit  
unemployment rates**

*Source: Florida Agency for Workforce Innovation,  
Labor Market Statistics Center, in cooperation with  
the US Department of Labor, Bureau of Labor Statistics.*



# Industry Impacts

All major industry sectors except private education and health services are currently in decline. Over the last year...

- *Professional and business services lost 93,300 jobs;*
- *Trade, transportation, and utilities lost 85,100 jobs;*
- *Construction lost 62,700 jobs;*
- *Manufacturing was down by 45,000 jobs;*
- *Leisure and hospitality declined by 35,200 jobs;*
- *Financial activities was down by 28,900 jobs;*
- *Information lost 12,600 jobs;*
- *Total government declined by 8,900 jobs; and*
- *Other services lost 5,600 jobs.*



# Sector Shares Changing

Percent of Total Employment by Major Industry				
	United States		Florida	
	2005	2008	2005	2008
Total, All Industries				
Natural Resources and Mining	1.3%	1.4%	1.3%	1.2%
Construction	5.5%	5.3%	7.5%	6.7%
Manufacturing	10.8%	9.9%	5.2%	4.8%
Trade, Transportation, and Utilities	19.5%	19.4%	20.1%	20.5%
Information	2.3%	2.2%	2.2%	2.0%
Financial Activities	6.1%	5.9%	6.8%	6.8%
Professional and Business Services	12.8%	13.1%	17.1%	14.9%
Education and Health Services	12.5%	13.3%	11.7%	13.2%
Leisure and Hospitality	9.7%	9.9%	11.4%	12.3%
Other Services	3.3%	3.3%	3.1%	3.3%
Government	15.9%	16.0%	13.6%	14.1%

Percentages do not add to 100.0% as some businesses are not classified in an industry.  
 Sources: Quarterly Census of Employment and Wages from the US Department of Labor, Bureau of Labor Statistics and the Agency for Workforce Innovation, Labor Market Statistics Center.  
 Preliminary 2008

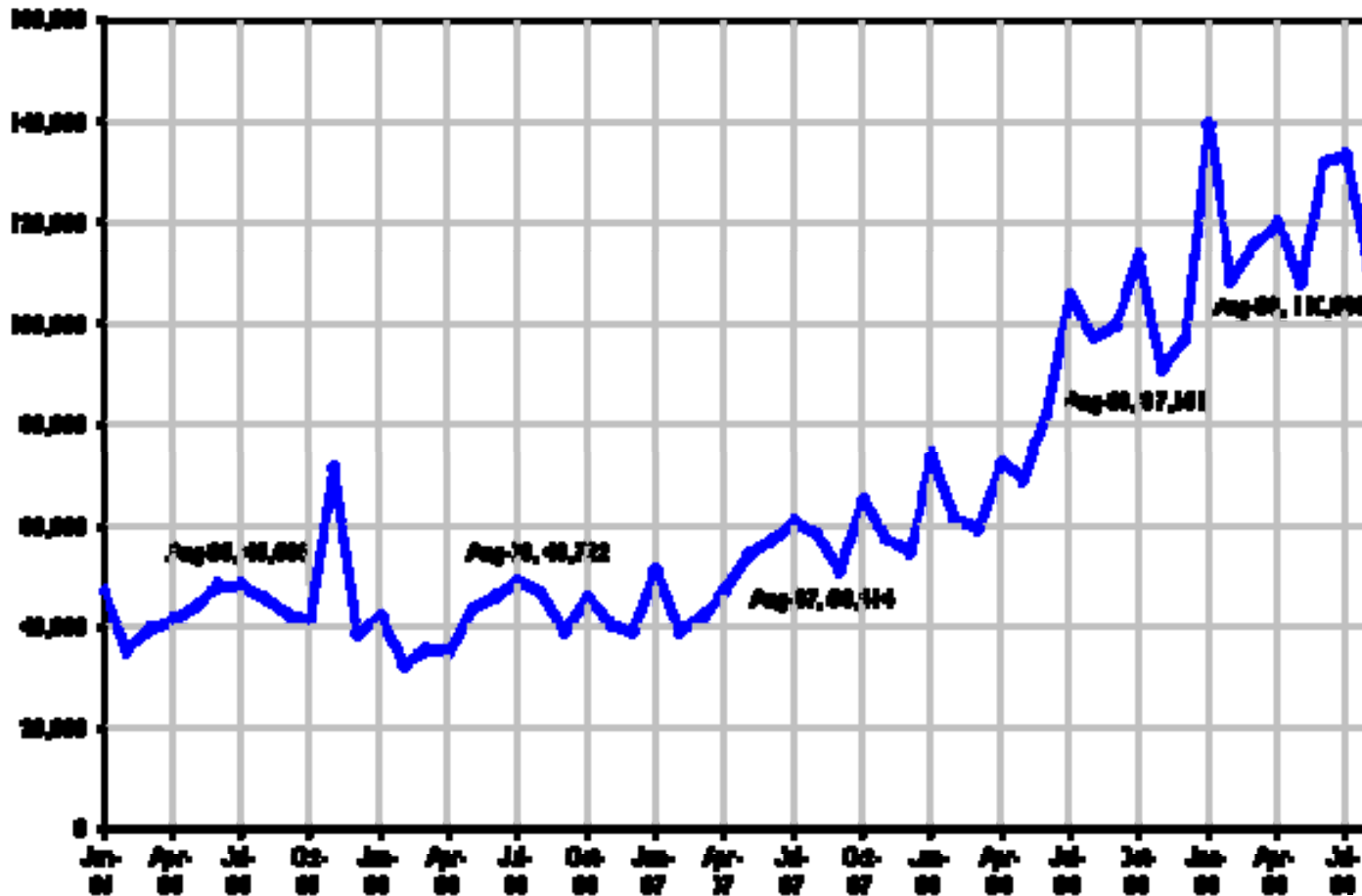


# Wages Falling as Share of US

FLORIDA AVERAGE ANNUAL WAGES AS A PERCENT OF THE U.S.								
	2001	2002	2003	2004	2005	2006	2007	2008*
Total All Industries	87.1%	88.2%	88.8%	89.4%	90.5%	90.5%	89.4%	89.0%
Total Private	85.8%	87.1%	87.8%	88.0%	89.1%	89.1%	87.8%	87.3%
Agriculture, Forestry, Fishing and Hunting	90.0%	88.5%	88.4%	91.7%	91.9%	94.2%	89.4%	85.9%
Mining, Quarrying, and Oil and Gas Extraction	75.0%	76.2%	73.8%	70.4%	68.2%	69.0%	69.3%	64.1%
Utilities	90.8%	91.4%	93.1%	90.8%	89.0%	82.8%	81.9%	86.4%
Construction	87.5%	87.4%	89.3%	90.5%	91.0%	91.6%	89.0%	85.7%
Manufacturing	88.4%	89.3%	89.1%	88.7%	88.1%	88.9%	88.7%	89.4%
Wholesale Trade	93.5%	93.6%	94.3%	94.5%	95.5%	96.3%	94.5%	94.4%
Retail Trade	99.9%	100.2%	100.7%	101.7%	103.6%	103.8%	101.5%	100.9%
Transportation and Warehousing	93.1%	93.5%	95.0%	95.3%	96.2%	97.2%	96.4%	97.0%
Information	81.0%	82.2%	81.8%	84.0%	84.1%	83.4%	82.3%	82.2%
Finance and Insurance	76.9%	80.7%	82.5%	80.1%	80.7%	78.5%	75.9%	75.1%
Real Estate and Rental and Leasing	92.2%	92.7%	95.8%	96.0%	99.1%	94.6%	91.8%	89.3%
Professional and Technical Services	84.6%	84.8%	84.1%	84.7%	85.3%	85.9%	84.8%	84.1%
Management of Companies and Enterprises	88.0%	88.6%	91.3%	89.1%	94.3%	94.0%	93.2%	87.3%
Administrative and Waste Services	92.9%	95.3%	94.4%	94.8%	96.8%	97.2%	95.3%	94.4%
Educational Services	86.2%	86.0%	86.4%	87.9%	88.1%	88.9%	89.1%	88.3%
Health Care and Social Assistance	102.4%	102.3%	102.8%	103.2%	103.3%	103.2%	102.9%	102.0%
Arts, Entertainment, and Recreation	103.4%	102.0%	103.7%	104.8%	104.6%	102.0%	101.9%	103.3%
Accommodation and Food Services	106.4%	105.8%	107.4%	108.3%	111.4%	111.8%	111.5%	109.7%
Other Services, except Public Administration	95.7%	95.0%	96.7%	98.1%	99.6%	100.2%	99.7%	99.2%
Total Government	95.0%	95.2%	95.5%	98.3%	99.2%	99.3%	99.4%	99.7%
Federal Government	96.6%	97.2%	96.3%	97.2%	95.7%	95.7%	95.3%	95.4%
State Government	79.2%	79.7%	80.1%	84.8%	88.0%	90.0%	91.1%	87.3%
Local Government	101.3%	101.3%	101.6%	104.1%	104.9%	104.3%	104.4%	105.6%

# Unemployment Comp Claims

Florida Initial Claims January 2008 - Present



Source: Florida Agency for Workforce Innovation, Unemployment Compensation Program



# Recession – A Little Longer

- United States economy has officially been in a recession since December 2007.
- The longest recession now on record – and projected to last until the Spring of 2010.

Recessions since the Great Depression

<u>Recession</u>	<u>Duration</u>	<u>Recession</u>	<u>Duration</u>
2001	8 mos	1960-1961	10 mos
1990-1991	8 mos	1957-1958	8 mos
1981-1982	16 mos	1953-1954	10 mos
1980	6 mos	1948-1949	11 mos
1973-1975	16 mos	1945	8 mos
1969-1970	11 mos	1937-1938	13 mos



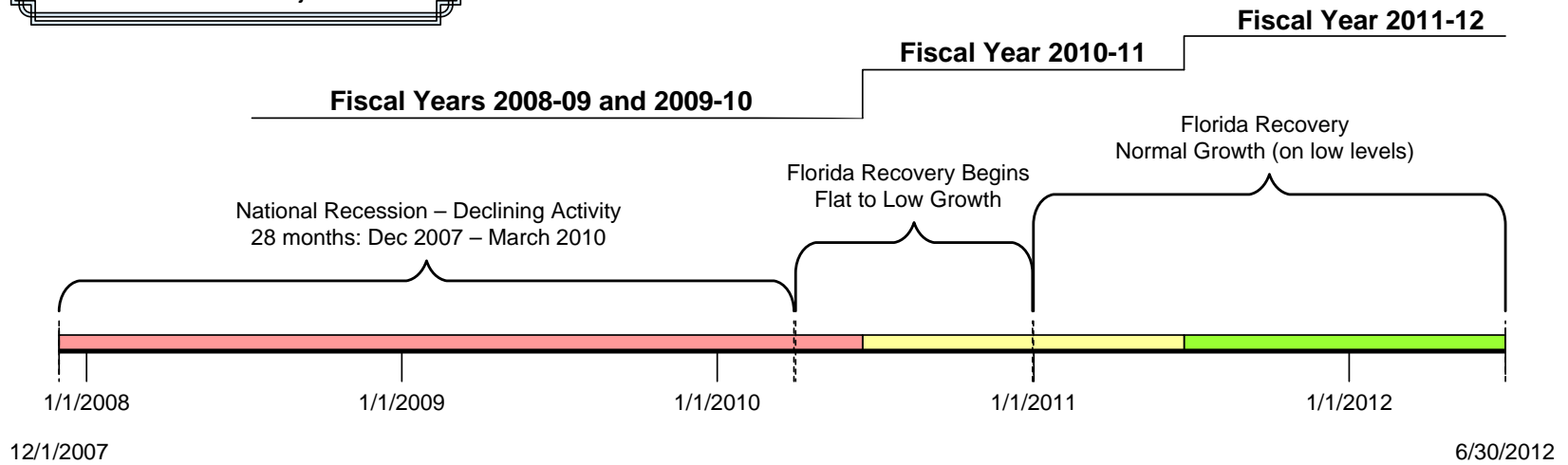
# The Reasons...

- Drags are more persistent relative to some past events, and strength will be slow to return.
- Credit Market, while much improved, remains sluggish and still difficult to access.
- Global recessionary conditions affect international migration, tourism and spending decisions, as well as exports.
- U.S. Consumers are responding to massive wealth destruction and tighter credit conditions.
- Recovery in the Florida housing market is not anticipated to begin until the latter half of Fiscal Year 2010-11.



# Florida Recovery Timeline

## Summer 2009 Projections



### Fiscal Years 2008-09 and 2009-10

Florida registration of new light vehicles declines.

Florida visitors decline.

### Fiscal Year 2010-11

Florida registration of new light vehicles declines.

Florida visitors decline.

### Fiscal Year 2011-12

Florida population growth is still weak.

Florida unemployment rate improves slowly.



# Near-Term Employment Forecast

- Overall **employment** is projected to decline a further -3.0% in Fiscal Year 2009-10 and then increase by 1.4% in Fiscal Year 2010-11, 3.3% in Fiscal Year 2011-12, and 2.9% in 2012-13.
- Job **restoration** in the construction, manufacturing, information and government sectors will lag behind the other areas – not returning to positive annual growth until Fiscal Year 2011-12.
- The **unemployment rate** for Fiscal Year 2010-11 is projected to be 10.8%, followed by 9.9% in Fiscal Year 2011-12 and 9.1% in Fiscal Year 2012-13. *(As things improve, more people will seek jobs...)*
- The Florida forecast generally matches the national forecast, except the national unemployment rate peaks at a lower level, and Florida's job growth – once **recovery** begins – is a little faster.



# Long-Term Workforce Trends

- The ratio of taxpaying workers to retirees will fall as baby boomers age:
  - US today, 4:1
  - FL today, 3:1
  - FL in 2030, 2:1
- Pool of native workers will shrink: new retirees will not be fully replaced by younger workers.
- Worker shortages (especially among highly educated and skilled) will become the norm.

