

Florida: An Economic Overview

August 24, 2025

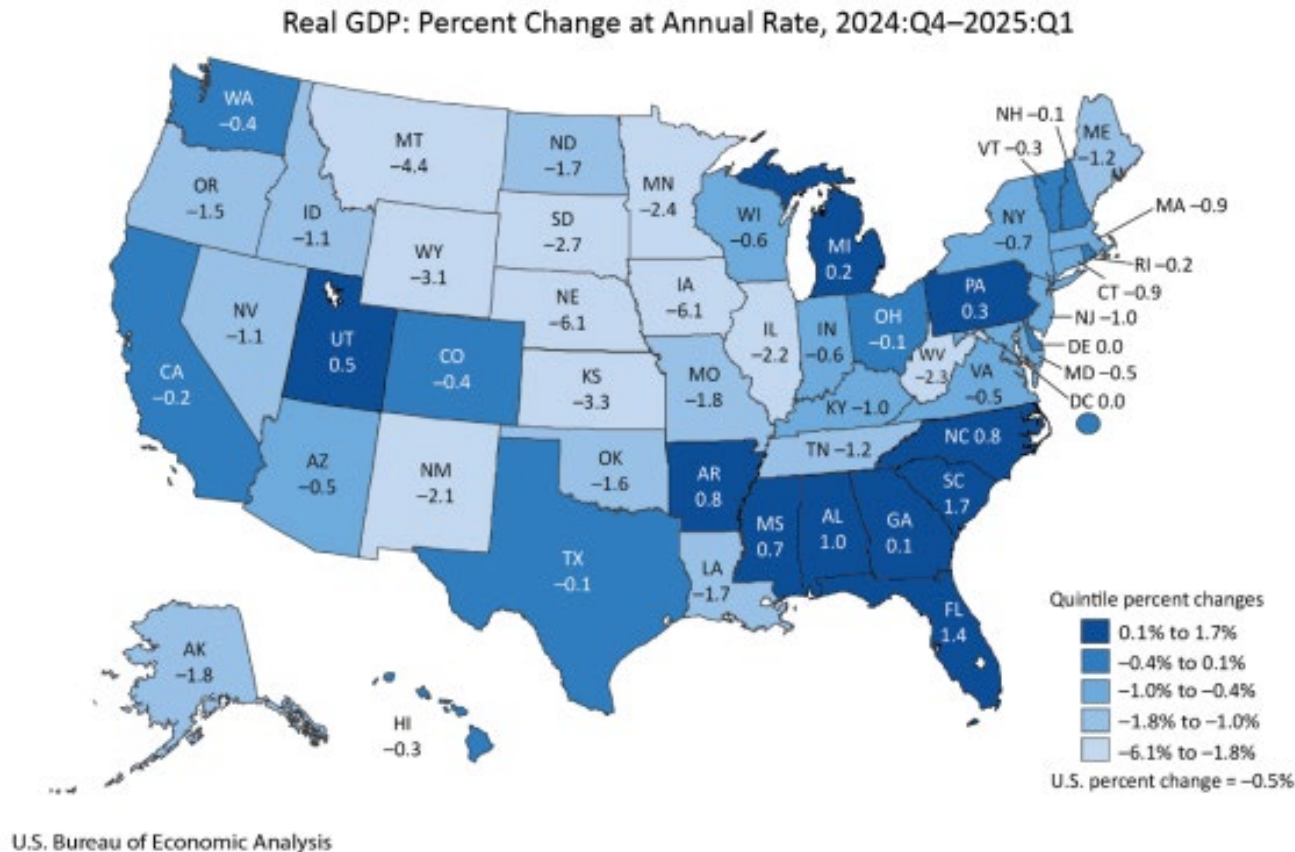
Presented by:



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(Forecasts based on data available or adopted as part of the Estimating Conferences held in Summer 2025)

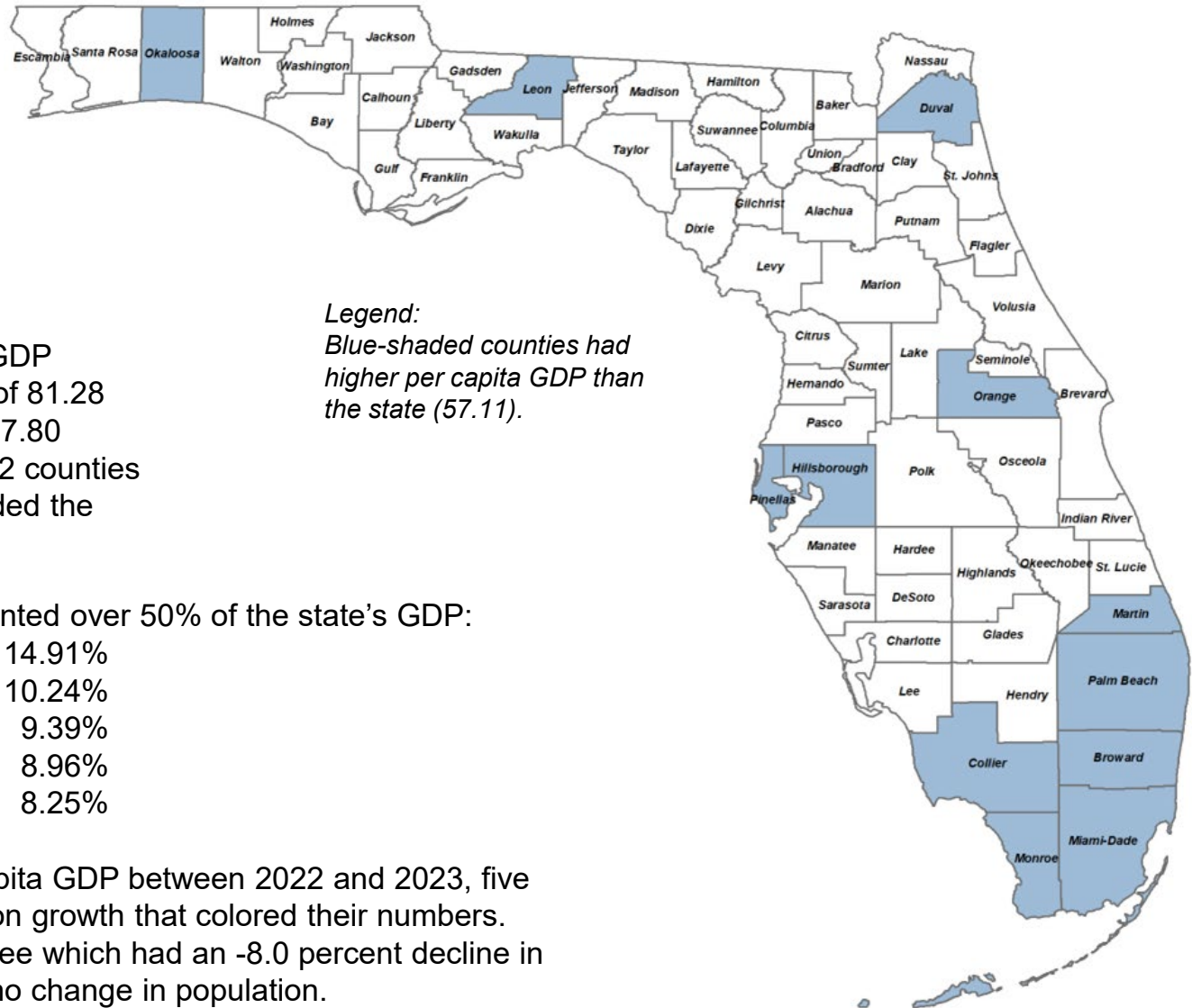
Florida's GDP Growth...



In the 1st Quarter of 2025, Florida's real economic growth was ranked 2nd in the nation with a 1.4 percent change at an annual rate. The entire United States had negative quarterly growth of -0.5 percent.

Buffeted by a series of economic shocks, the state's GDP dipped to near zero (0.4 percent) in Fiscal Year 2019-20, bounced back to 4.5 percent in Fiscal Year 2020-21, and surged to 8.3 percent in Fiscal Year 2021-22, exceeding the prior peak growth rate of 6.6 percent in Fiscal Year 2004-05. The state's economy expanded by a still robust 4.9 percent in Fiscal Year 2022-23; 3.7 percent in Fiscal Year 2023-24; and 2.9 percent in Fiscal Year 2024-25. In the near-term, the Conference expects continued deceleration to more typical rates (1.9 percent and 2.0 percent over the current and next two fiscal years). Beginning in Fiscal Year 2028-29, the economy will stabilize at its now characteristic 2.1 to 2.2 percent per year.

State's Per Capita GDP by County in 2023...



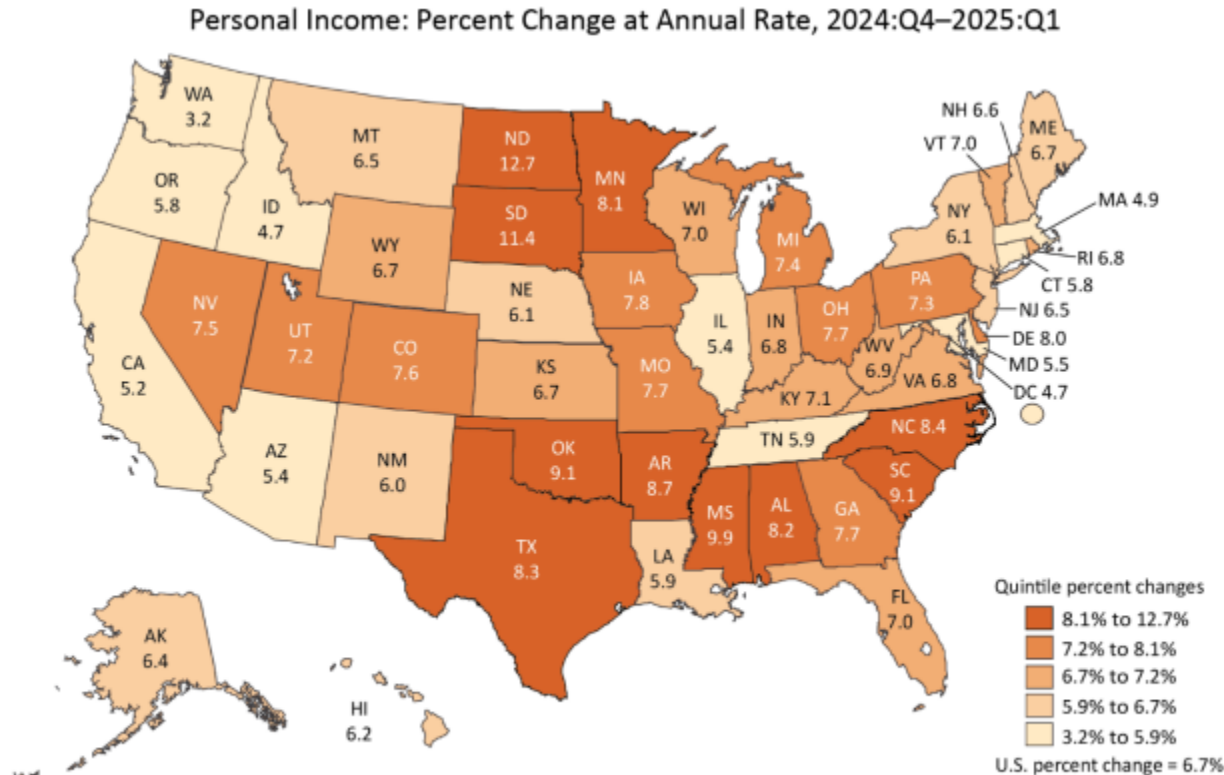
In 2023, Florida's per capita GDP varied by county from a high of 81.28 (Orange County) to a low of 17.80 (Dixie County). There were 12 counties where per capita GDP exceeded the state as a whole.

In 2023, five counties represented over 50% of the state's GDP:

- Miami-Dade 14.91%
- Broward 10.24%
- Orange 9.39%
- Hillsborough 8.96%
- Palm Beach 8.25%

While six counties lost per capita GDP between 2022 and 2023, five had relatively strong population growth that colored their numbers. The remaining county is Hardee which had an -8.0 percent decline in per capita GDP and virtually no change in population.

Florida's Personal Income...

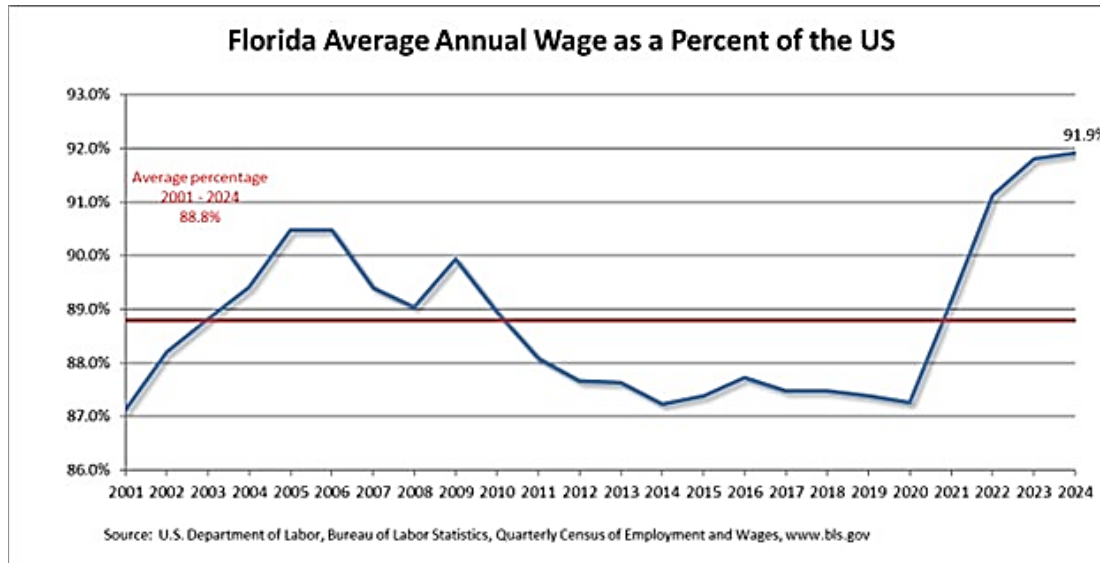


In the 1st Quarter of 2025, Florida's personal income growth was ranked 22nd in the nation with a 7.0 percent change at an annual rate. The entire United States had quarterly growth of 6.7 percent.

U.S. Bureau of Economic Analysis

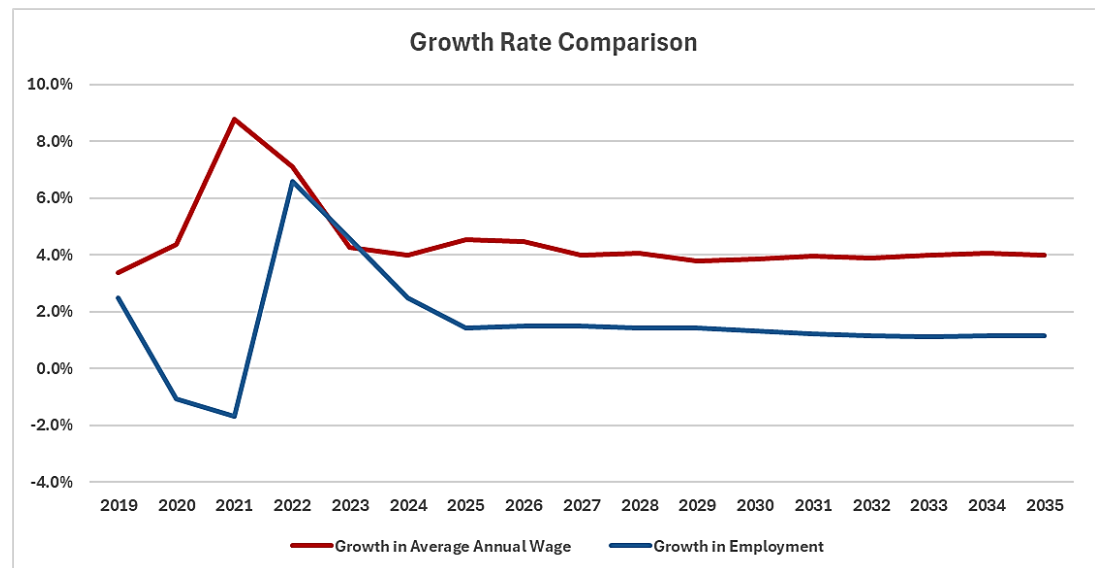
Buttressed during the pandemic by an infusion of federal dollars into Florida's households, the final growth rate for the state's 2020-21 fiscal year was 9.3 percent and for the 2021-22 fiscal year was 6.2 percent. Personal income growth then accelerated to 9.2 percent in Fiscal Year 2022-23 as workers and employers chased historic levels of inflation and leveraged the tight labor market into better paying opportunities. Largely on the continuing strength of wage growth, Florida had still high growth of 6.6 percent in Fiscal Year 2023-24, with Fiscal Year 2024-25 dropping moderately to 5.3 percent. After five additional years at or above 5 percent growth (Fiscal Year 2025-26 through Fiscal Year 2029-30), annual growth rates begin to stabilize at 4.8 to 4.9 percent per year.

Wage Gap Continues to Narrow in 2024...



In the first two decades of this century, Florida's average annual wage was below the US average. The most recent data shows that the state's average percentage fell from 2016 when it was 87.7% to 87.3% in 2020. This picture changed in 2021 when Florida moved above its longer run average of 88.8% to 89.2%. The state's percentage has since risen to 91.9% in 2024.

In 2024-25, Florida saw a 1.4% increase in the number of jobs in covered employment but a 4.5% increase in total wages. Based on Conference projections of average annual wage growth of 3.8% or above each year—with an estimated 4.5% increase in the current year and a projected 4.0% in FY 2026-27—the higher wages are likely here to stay.



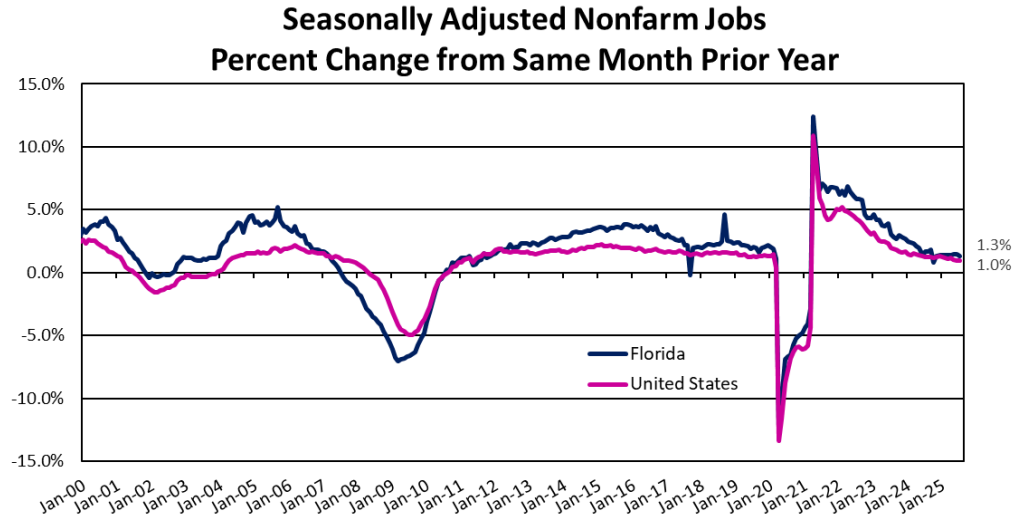
Current Employment Conditions...

July 2025 Nonfarm Jobs (YOY)

US: 1.0%

FL: 1.3%

The Economic Estimating Conference expects growth to fluctuate between 1.4 and 1.5 percent through Fiscal Year 2028-29. For the remainder of the forecast, job growth generally slows to 1.2 percent.



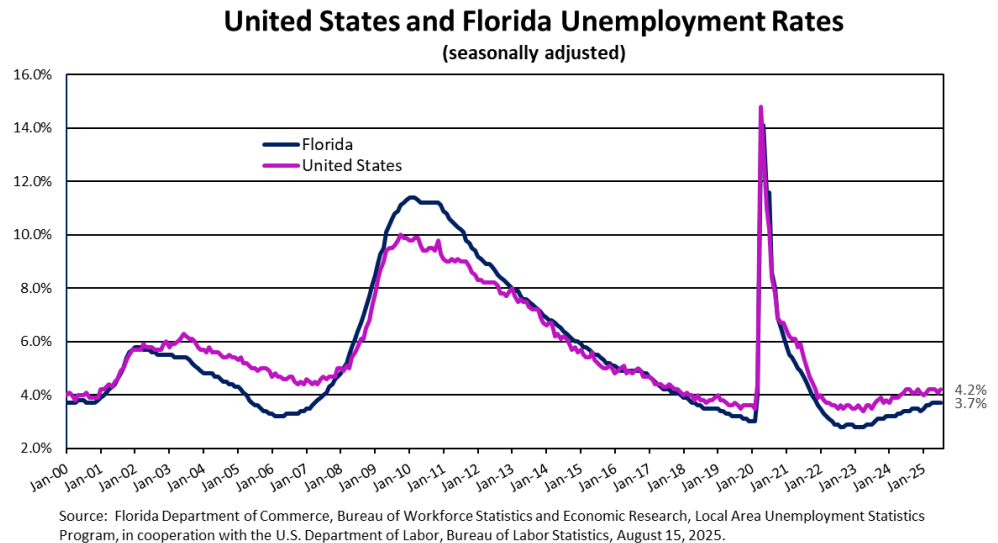
July 2025 UnemploymentRate

US: 4.2%

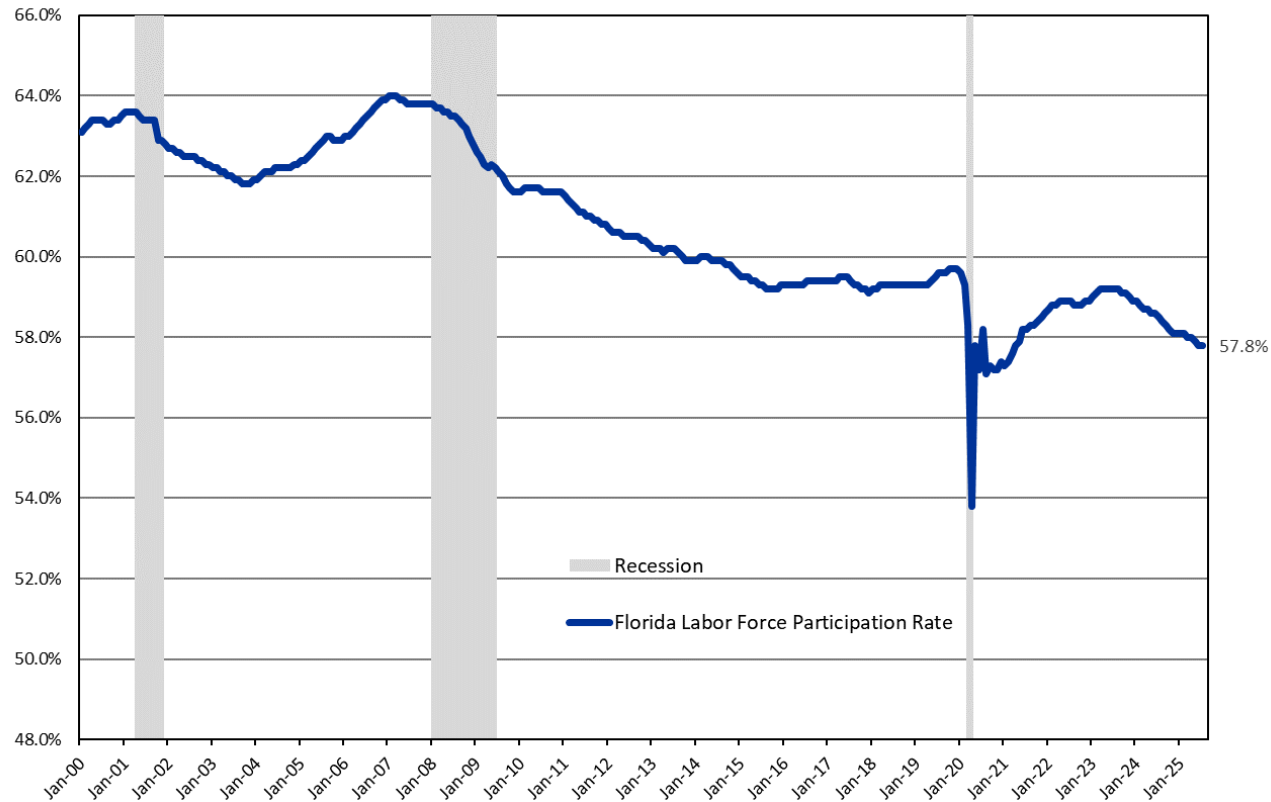
FL: 3.7% (417,000 jobless persons)

The Economic Estimating Conference assumes the “full employment” unemployment rate is about 4 percent.

After nearly four years of a tight labor market with low unemployment, the Conference expects the unemployment rate to near that stable level (3.9 percent) in Fiscal Year 2025-26 before rising further to 4.3 percent in Fiscal Year 2026-27 and then to 4.4 percent in Fiscal Years 2027-28 and 2028-29.



Florida's Participation Rate...

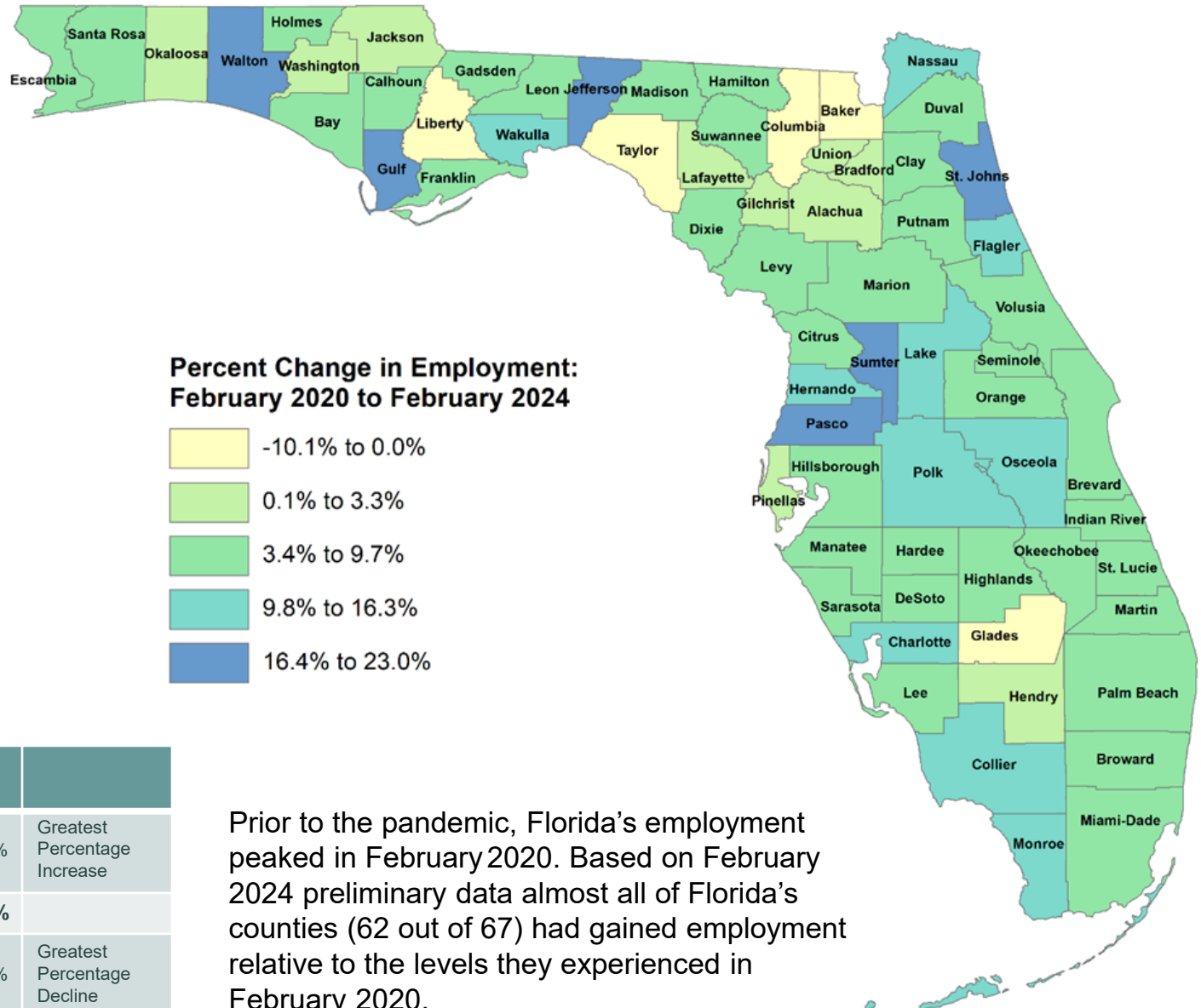


Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics, Civilian Noninstitutional Population and Associated Rate and Ratio Measures for Model-Based Areas, released August 19, 2025.

Florida's labor force participation rate peaked during the Housing Boom at 64.0% (February 2007 to March 2007). During the twelve months prior to the pandemic, Florida's participation rate averaged 59.5%; however, the state's rate plummeted to 53.8% once the pandemic took hold in April 2020. Since then, Florida's participation rate recovered, reaching 59.2% in March through August 2023, before dropping back to 57.8% in both June and July 2025.

Going forward, Florida's annual participation rate is expected to decline steadily from the 58.1% expected for FY 2025-26 to 57.3% in FY 2034-35, three years after the last of the Baby Boomers have reached retirement age (age 65 in FY 2030-31).

County Employment Continues to Improve...

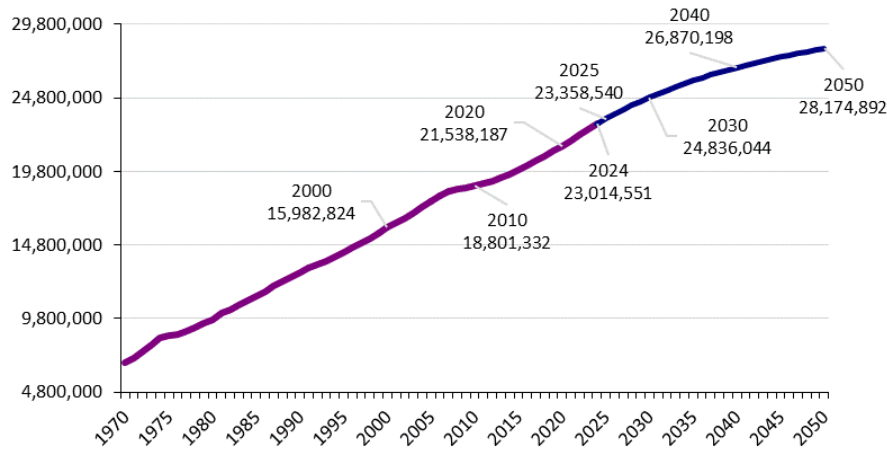


Area	February 2020 to February 2024	
Sumter County	23.0%	Greatest Percentage Increase
Florida	8.8%	
Liberty County	-10.1%	Greatest Percentage Decline

Population Growth to Slow...

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Florida is currently the third most populous state, behind California and Texas, with 21,538,187 permanent residents recorded as part of the 2020 Census.
- In the five years since the 2020 Census, Florida's strong migration trends have continued, increasing population by almost 1.8 million net new residents. This number takes account of both people leaving the state and losses in natural increase (more deaths than births). Between 2025 and 2030, the Demographic Estimating Conference forecasts growth to average 1.23% per year.
- Nationally, average annual growth is expected to be about one-third of that level — averaging 0.41% per year between 2025 and 2030.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 averaged over 3% per year.

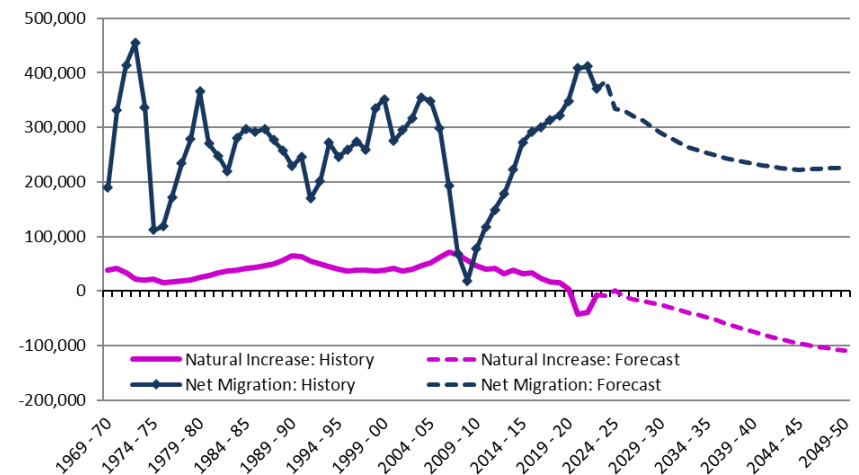
Florida's Population Topped 23 million in 2024...



In the past, Florida's population growth has largely been from net migration. Going forward, this will produce all of Florida's population growth, as natural increase is anticipated to remain negative with deaths outnumbering births.

Florida's population is expected to break the 24 million mark in calendar year 2027—and sometime during 2030, the state's population is expected to reach almost 25 million residents.

Historically, the strongest April-over-April growth rate in this century was the year 2000 at 2.58%, but the largest numerical change occurred in 2005 (+403,332), immediately prior to the collapse of the housing boom and the beginning of the Great Recession.



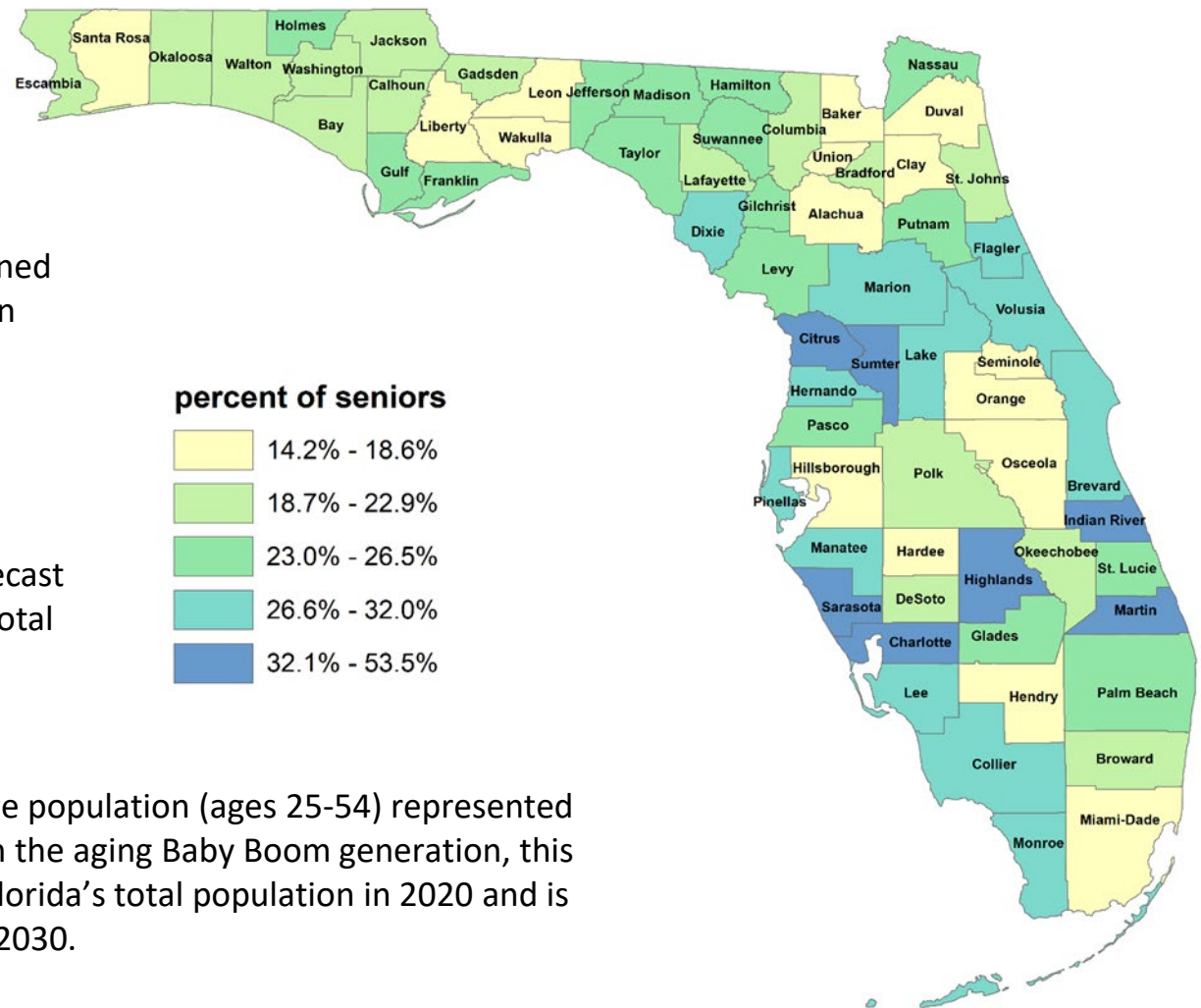
Baby Boomers in Context...

The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Fifteen of nineteen cohorts have now entered the retirement phase. This represents approximately 75% of all Baby Boomers.

Population aged 65 and over is forecast to represent at least 24.7% of the total population in 2030, compared with 21.2% in 2020 and 17.3% in 2010.

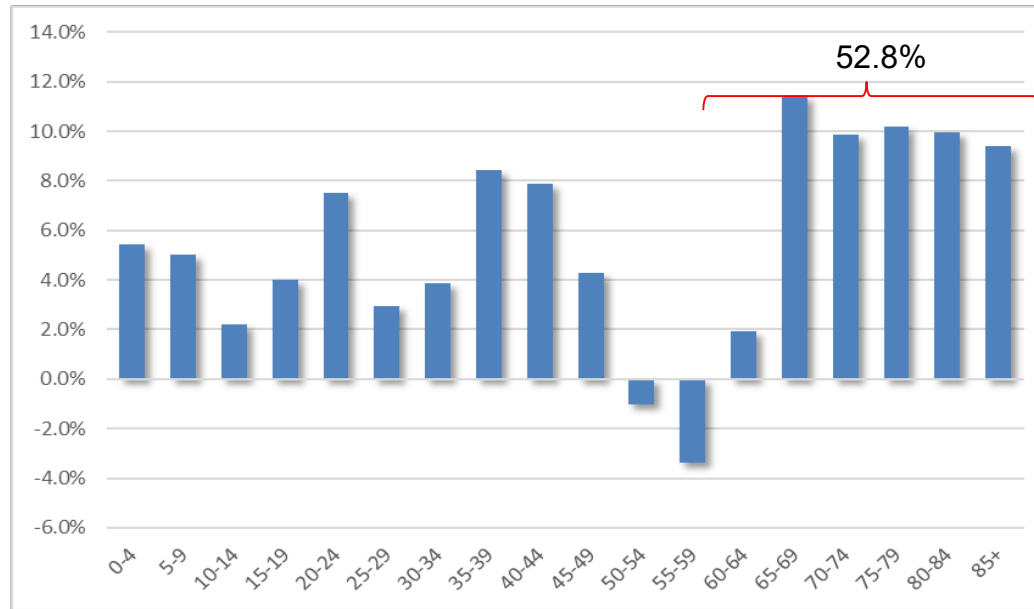
In 2000, Florida's prime working age population (ages 25-54) represented 41.5% of the total population. With the aging Baby Boom generation, this population represented 36.8% of Florida's total population in 2020 and is anticipated to represent 36.2% by 2030.

The youngest population group, 0-17, represented 22.8% of the total population in 2000. In 2020, only 19.5% of the total population was in this age group, and its share is projected to be 19.2% in 2030.



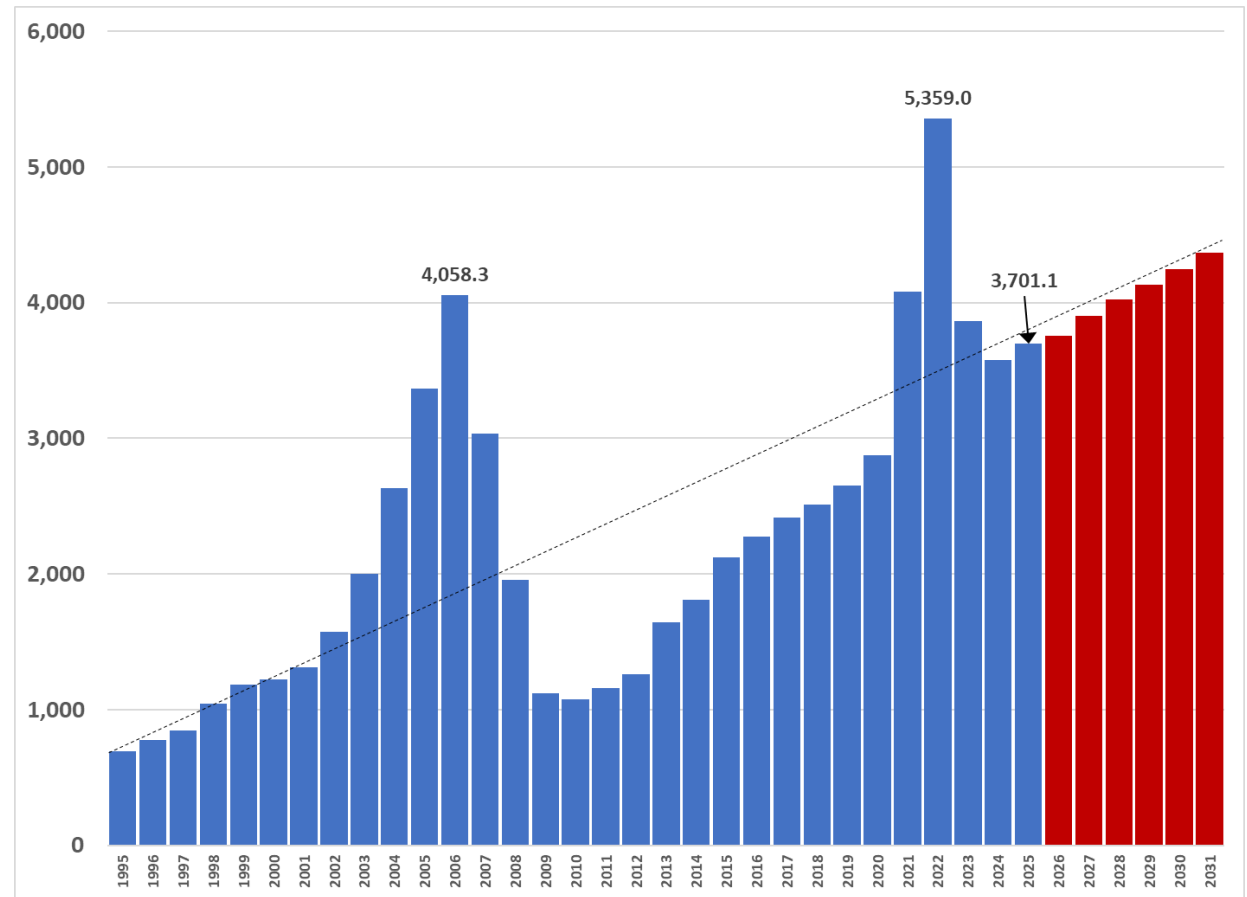
Population Growth by Age Group...

Distribution of Growth by Age Group
between April 1, 2020 to April 1, 2030



- As a result of both net migration and natural increase, Florida is forecasted to grow by slightly almost 3.3 million persons between 2020 and 2030.
- Growth by age group depends upon this overall growth and the aging of resident population, resulting in 52.8% of those gains occurring in the older population (age 60 and older).
- Florida's younger population (age 0-17) will account for just 14.5% of the gains, while the younger working age group (25-39) will account for 15.3%.

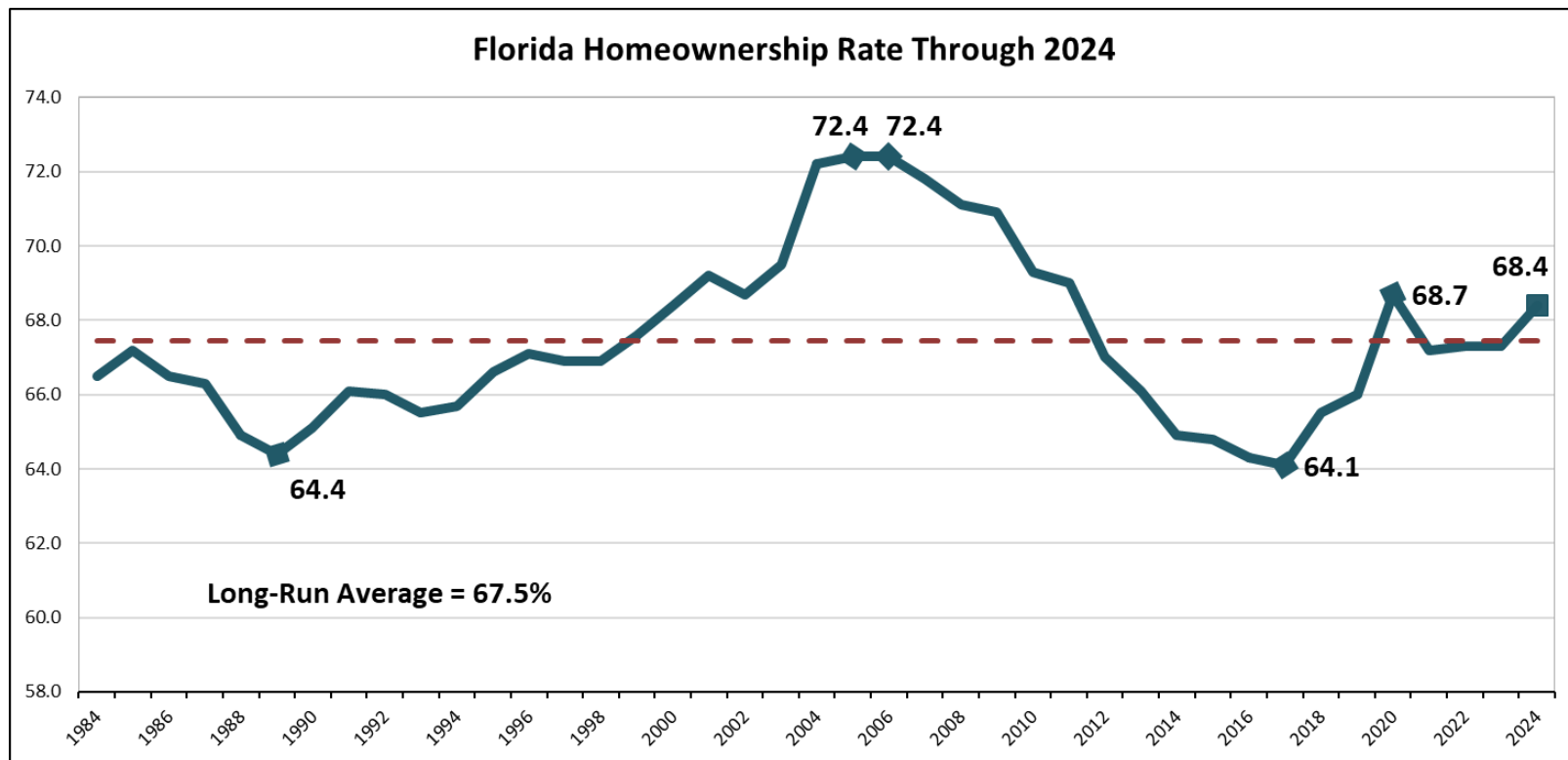
Doc Stamp Payback for Prior Surge...



Documentary Stamp Tax collections in FY 2024-25 snapped a steep two-year decline (-27.9% and -7.4%). The Conference views that period as a correction from the interest rate-fueled surge during the height of pandemic which inflated collections in FY 2020-21 and FY 2021-22.

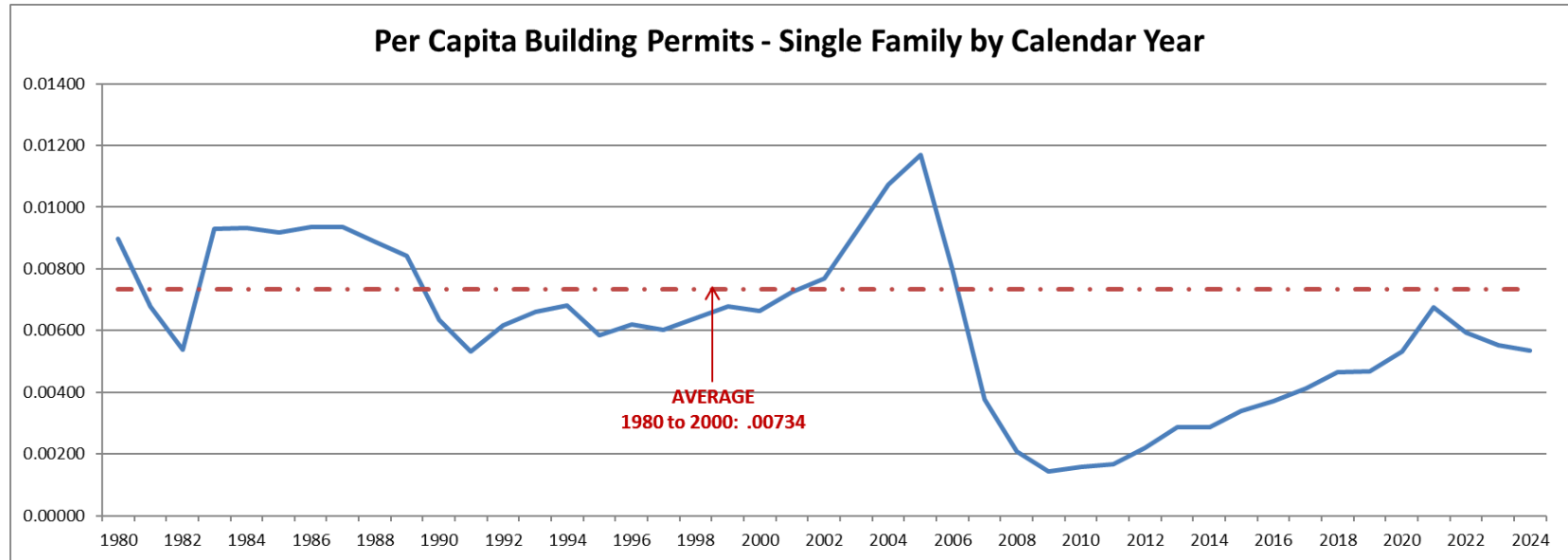
With affordability challenges, a payback for pre-buying during the pre-pandemic, and high interest rates moving only slowly into the background, Documentary Stamp Tax collections in FY 2025-26 are expected to increase a relatively weak 1.5 percent to \$3.76 billion. Stronger growth is projected for FY 2026-27 (3.8 percent) and FY 2027-28 (3.2 percent), before a downshift to two years of more modest growth (2.7 percent each year). The remaining years of the forecast show annual growth that moves from 2.9 percent to 3.0 percent.

Homeownership Rate Choppy...



From 2012 to 2019, Florida was below its long-run average homeownership rate; however, as interest rates plummeted in 2020, the state moved quickly above its average, posting 68.7 percent for the year. A small correction occurred in 2021 (67.2) that leveled out in 2022 and 2023 (both years at 67.3), with the rates for all three years roughly equivalent to Florida's average since the inception of the series. The 2024 data came in strong at 68.4 percent, but the first two quarters of 2025 signal that this year could again drop below Florida's long-run average (66.9 percent).

Permits Continued to Drift Downwards in 2024...

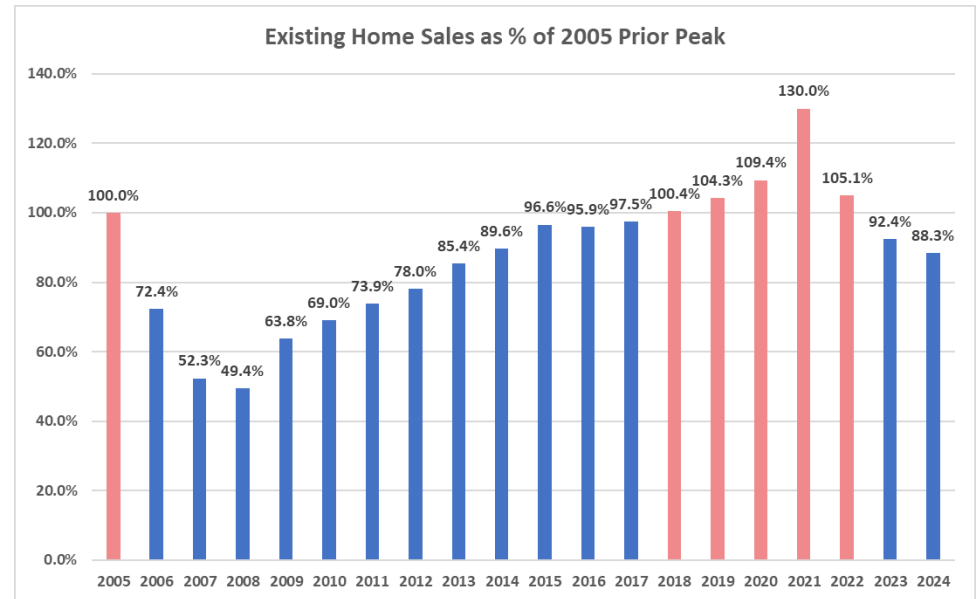


Despite the strong double-digit growth in eight of the ten calendar years from 2012 to 2021, the per capita level is still below historic standards for single family building permits. With the robust growth seen in 2021, the level finally reached 92.2 percent of the long run average; however, it reduced to 81.0 percent in 2022, 75.4% in 2023, and further down to 72.8% in 2024. This was the first negative period for the series since 2006 through 2009 during the collapse of the housing market.

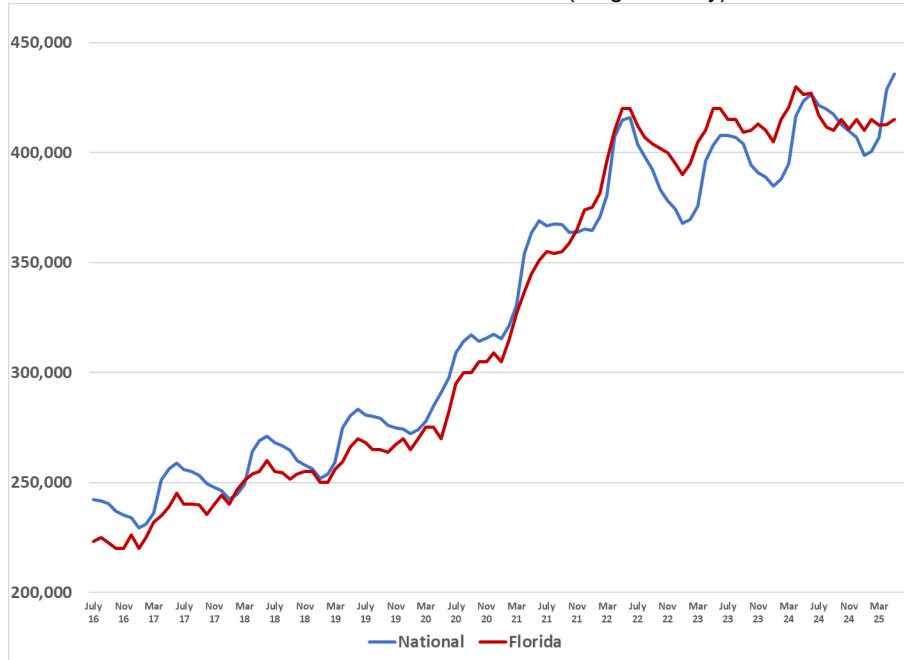
The Economic Estimating Conference believes single-family starts (a closely aligned metric that lags permits) saw a strong decline in FY 2024-25 (-7.7%) and expects FY 2025-26 to be even worse (-9.0%) before positive growth resumes in FY 2026-27 (0.3%). Annual growth that runs between 2.7% and 3.0% will then persist through the end of the decade.

Existing Single Home Market

The volume of existing home sales in each of the calendar years from 2018 to 2022 exceeded the 2005 peak year, but home sales in 2023 and 2024 slowed, each posting a lower level than the prior year. Sales are also down for the first five months of 2025 by approximately 6.2 percent compared to the first five months of 2024.



National and Florida Median Price (Single Family)

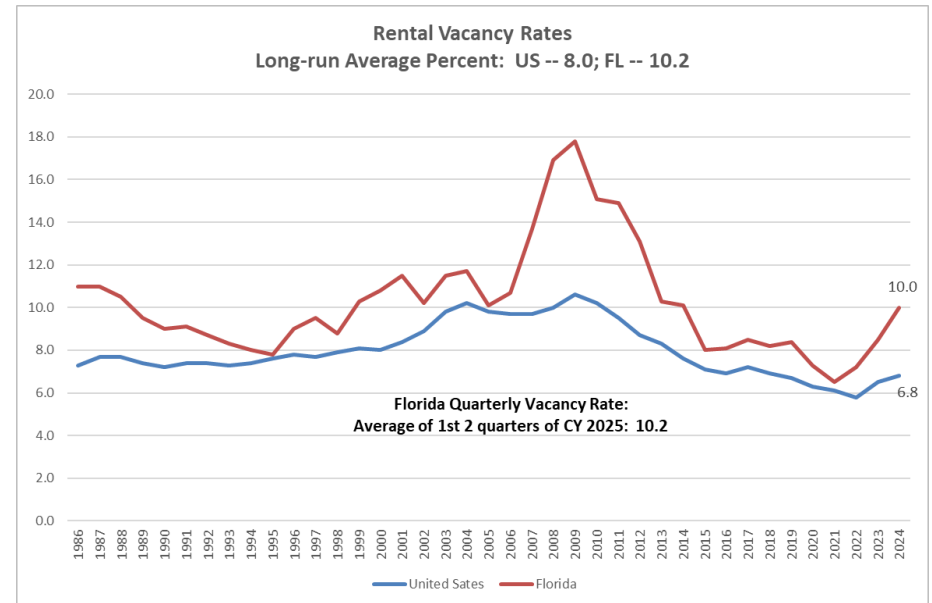


The story is different for the median sales price of single-family homes. Through October 2021, Florida's existing home price gains roughly tracked national gains, but generally stayed below the national median price. From November 2021 through June 2024, Florida's median price was at or above the national median, peaking in February 2023 at 107 percent of the national median price. Florida's median price in May of 2025 is 96.5 percent of its April 2024 peak (\$429,900) and below the national median by the greatest amount since May 2020.

Florida and U.S. Median Gross Rent (in Current Dollars)						
Year	Median Gross Rent			Average Gross Rent		
	United States	Florida	Florida relative to United States	United States	Florida	Florida relative to United States
2005	728	809	111%	803	863	107%
2006	763	872	114%	844	932	110%
2007	789	925	117%	878	991	113%
2008	824	947	115%	919	1,015	110%
2009	842	952	113%	938	1,024	109%
2010	855	947	111%	954	1,017	107%
2011	871	949	109%	973	1,027	106%
2012	884	954	108%	990	1,037	105%
2013	905	972	107%	1,016	1,050	103%
2014	934	1,003	107%	1,047	1,087	104%
2015	959	1,046	109%	1,077	1,129	105%
2016	981	1,086	111%	1,105	1,161	105%
2017	1,012	1,128	111%	1,138	1,203	106%
2018	1,058	1,182	112%	1,182	1,251	106%
2019	1,097	1,238	113%	1,223	1,301	106%
2021	1,191	1,348	113%	1,341	1,429	107%
2022	1,300	1,525	117%	1,468	1,627	111%
2023	1,406	1,719	122%	1,575	1,810	115%

Source: U.S. Census Bureau, American Community Survey, 1-Year, 2006-2023

Residential rental prices in Florida have been strongly increasing over the eight-year period running from 2015 through 2023. However, the overall share of Florida's population living in rentals is not following this pattern. The share peaked in 2015 and then dropped each year after that, except for 2022 when it was essentially flat. Coupled with the low-to-normal vacancy rates, this suggests that the price pressure, at least in part, is coming from the supply-side.



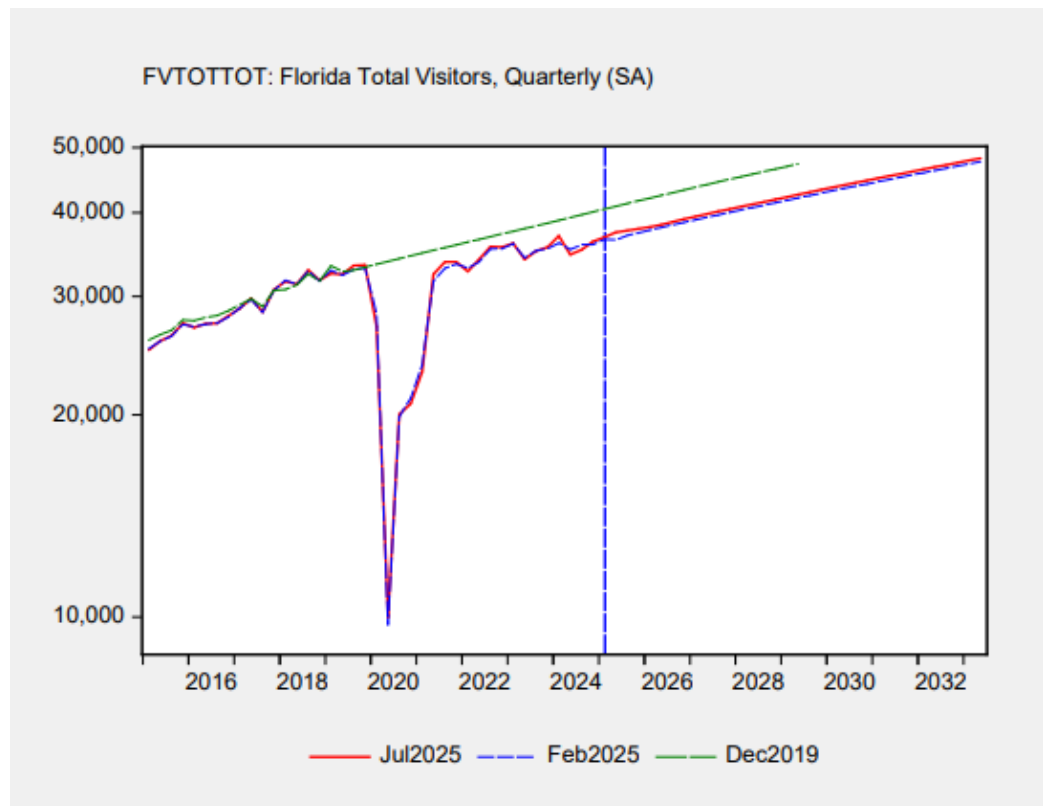
Florida Renter Fraction		
Date	US	Florida
2023	34.76%	31.93%
2022	34.82%	32.82%
2021	34.61%	32.61%
2019	35.89%	33.75%
2018	36.05%	34.08%
2017	36.13%	34.85%
2016	36.88%	35.87%
2015	36.97%	36.22%
2014	36.90%	35.95%
2013	36.50%	35.21%
2012	36.09%	34.36%
2011	35.42%	33.28%
2010	34.65%	31.85%
2009	34.13%	31.52%

Source: U.S. Census Bureau, American Community Survey, 1-Year, 2009-2023

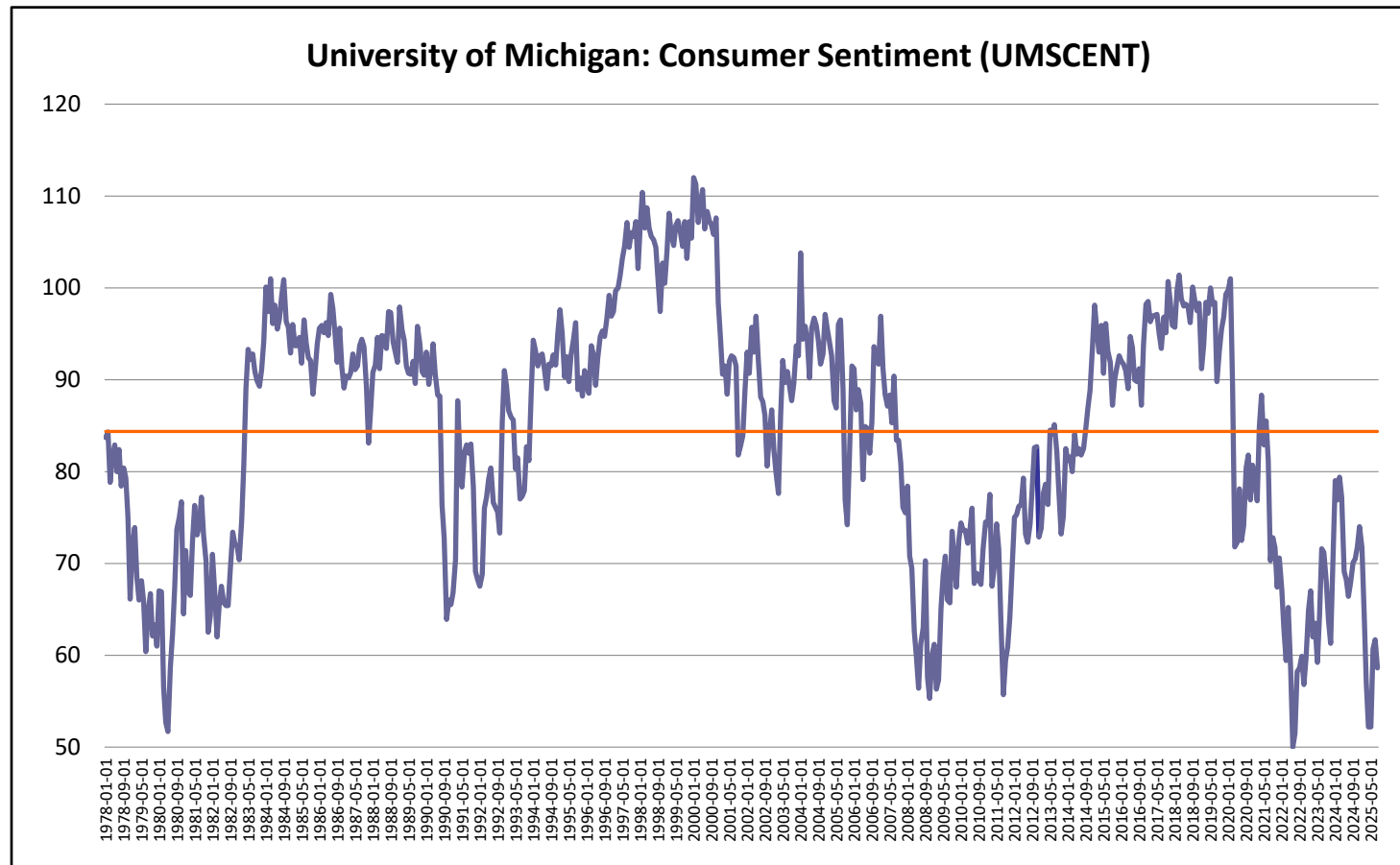
Tourism Has Customary Path Forward...

Florida's tourism-sensitive economy is particularly vulnerable to the longer-term effects of a pandemic. The total number of tourists declined nearly -70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism recovered gradually, buttressed by the increased number of domestic visitors travelling to Florida by air or car. It took two years to reach recovery from this pandemic in domestic visitors, with Canadian and international visitors still at sub-peak levels. Total visitors, growing by 39.4 percent, surpassed the pre-pandemic peak by the end of Fiscal Year 2021-22, albeit with a different composition.

After posting only 2.4 percent growth in Fiscal Year 2024-25, the Conference expects a strong period of growth (4.3 percent) during Fiscal Year 2025-26, after which the annual growth rate generally moderates from 3.4 percent in Fiscal Year 2026-27 to 2.9 percent at the end of the forecast period. The expected 151.9 million visitors in FY 2025-26 will have a collective effect on Florida's infrastructure of an additional 2.35 million residents. The new forecast levels never exceed the pre-pandemic forecast levels for the overlapping years.



Consumer Perceptions Still Subdued



Nationally, the sentiment reading for August 2025 (58.6) is still near its lowest point since the current series began (June 2022 at 50.0). The lowest point prior to this was May 1980 at 51.7 during a period with high inflation, rising interest rates, high unemployment and a recession induced in part by the 1979 energy crisis. Over the past 38 months, consumer sentiment improved to 79.4 in March 2024, but has remained in the basement ever since. The August reading remains well below the long-run average (84.4). The National Economic Estimating Conference suggests sentiment will not move above the average during the forecast horizon.

General Revenue Forecast...

Fiscal Year	March 2025 Adj Forecast	August 2025 Forecast	Difference	Incremental YOY Growth \$	% Growth
2005-06	27074.8				8.4%
2006-07	26404.1				-2.5%
2007-08	24112.1				-8.7%
2008-09	21025.6				-12.8%
2009-10	21523.1				2.4%
2010-11	22551.6				4.8%
2011-12	23618.8				4.7%
2012-13	25314.6				7.2%
2013-14	26198.0				3.5%
2014-15	27681.1				5.7%
2015-16	28325.4				2.3%
2016-17	29594.5				4.5%
2017-18	31218.2				5.5%
2018-19	33413.8				7.0%
2019-20	31366.2				-6.1%
2020-21	36280.9				15.7%
2021-22	44035.7				21.4%
2022-23	47327.8				7.5%
2023-24	48342.0				2.1%
2024-25	49676.0				2.8%
2025-26	50,238.2	50,485.0	246.8	809.0	1.6%
2026-27	51,779.0	52,031.0	252.0	1,546.0	3.1%
2027-28	52,902.1	52,957.2	55.1	926.2	1.8%
2028-29	54,353.8	54,369.5	15.7	1,412.3	2.7%
2029-30	55,843.2	55,777.3	(65.9)	1,407.8	2.6%
2029-30	n/a	57,228.5	n/a	1,451.2	2.6%

Key variables from the new state and national economic forecasts adopted in July 2025 were noticeably weaker in the near term, with the Conference noting that the risk was predominantly to the downside. While economy was relatively stable in FY 2024-25, a less certain economic environment exists from this point forward. For these reasons, the forecast changes were comparatively minor given the size of the General Revenue Fund, with the old forecast largely retained as adopted in March 2025.

Total revenue collections for FY 2024-25 exceeded expectations since the last conference by \$391.8 million (or 0.8 percent), within the range that the Conference normally attributes to noise. After analyzing this year-to-date performance by source, the Conference increased the estimate for FY 2025-26 by \$176.7 million and added \$265.8 million to the estimate for FY 2026-27, yielding a two-year combined increase of just \$442.5 million. Neither adjustment is a material change to the overall forecast, although a few of the individual adjustments by revenue source were substantial given the size of the underlying sources.