

Florida Economy Maintains Momentum in Early 2017

The Florida economy is on pace to expand in the first half of 2017 as state real gross domestic product growth improves, boosted by strong job and income growth. Construction employment alone, which is the third largest labor sector after private services and government, added 15,800 jobs in the first three months of 2017. The growth story is no longer just about tourism and retirees. Florida manufacturing employment has grown at an average of 3.3 percent over the past three years, well above the U.S. average of 0.9 percent. The state economy continues to diversify by attracting new businesses and effectively capitalizing on its large number of educational institutions that develop skilled workers. However, there are potential headwinds in the near term. The Florida legislature recently approved a budget which would cut funding for Enterprise Florida, the primary economic development organization for the state and Visit Florida, an organization focused on marketing tourism. While tourism is not the only show in town, the leisure and hospitality industry still makes up 14 percent of total state employment. Governor Scott still has to decide whether to veto or sign the budget into state law.

Florida tourism is also experiencing a shift from international traveler demand to domestic demand. The economic slowdown in Canada and Brazil, and the strengthening of the U.S. dollar versus global currencies, led to declining international travel to Florida last year. A stronger overall U.S. economy will continue to boost domestic tourism into Florida, helping to fill the gap and support state consumer spending in 2017.

Florida Economic Outlook

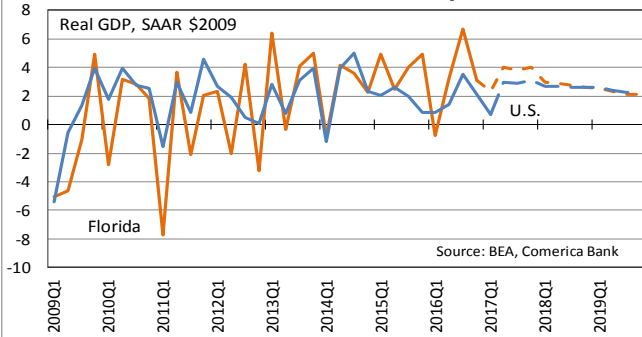
	4Q'16a	1Q'17a	2Q'17f	3Q'17f	4Q'17f	1Q'18f	2Q'18f	3Q'18f	2016a	2017f	2018f
State GDP											
Real GDP (Chained 2009 Millions \$)	827949	832740	840945	848846	857260	863593	869808	875771	815073	844948	872664
Percent Change Annualized	3.1	2.3	4.0	3.8	4.0	3.0	2.9	2.8	3.0	3.7	3.3
Labor and Demographics											
Payroll Jobs (Thousands)	8477	8550	8611	8670	8727	8783	8836	8888	8388	8639	8861
Percent Change Annualized	2.2	3.5	2.9	2.8	2.7	2.6	2.5	2.4	3.5	3.0	2.6
Unemployment Rate (Percent)	4.9	4.9	4.8	4.7	4.6	4.5	4.4	4.4	4.9	4.8	4.4
Population (Thousands)	20805	20904	21003	21103	21199	21295	21391	21486	20662	21052	21439
Percent Change Annualized	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.9	1.8
Net Migration (Thousands)	79.4	78.4	79.8	76.9	76.5	76.2	75.6	75.1	318.0	311.6	301.6
Personal Income											
Total Personal Income (Nom., Millions \$)	962937	975482	989136	1002766	1016806	1031033	1045312	1059948	944443	996048	1052745
Percent Change Annualized	4.2	5.3	5.7	5.6	5.7	5.7	5.7	5.7	4.9	5.5	5.7
Housing											
Housing Starts (Total, Ann. Rate)	114297	126236	119378	121247	123068	124579	126052	127311	111774	122482	126657
Percent Change Annualized	14.8	48.8	-20.0	6.4	6.1	5.0	4.8	4.1	8.9	9.6	3.4
SF Housing Starts (# of Units, Ann Rate)	79292	82278	83547	84830	85948	86988	87929	88763	77490	84151	88315
MF Housing Starts (# of Units, Ann Rate)	35005	43959	35831	36417	37120	37591	38123	38548	34284	38332	38343
Existing Home Sales (Ths. of Units, Ann Rate)	470	504	510	518	525	532	538	545	495	514	542
House Prices, FHFA (1991 Q1=100, SA)	272	278	283	288	294	300	305	311	263	286	308
Year/Year Percent Change	10.4	9.0	9.2	8.2	8.2	8.0	8.1	7.8	10.8	8.7	7.8
Bankruptcies											
Total Business (12 Months Ending)	1762	1725	1703	1686	1669	1651	1634	1617	1848	1696	1626
Total Personal (12 Months Ending)	43898	43090	41541	39668	37586	36646	35723	35812	47414	40471	36028

a = actual f = forecast

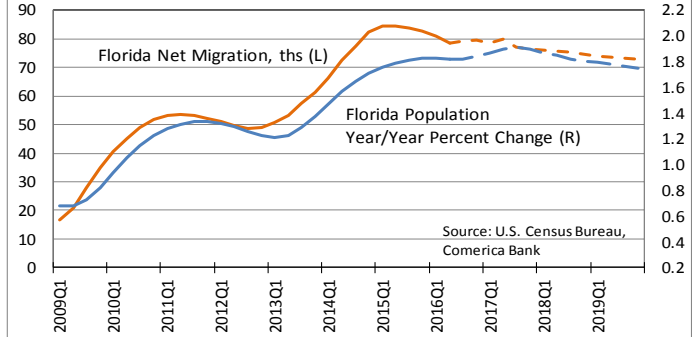
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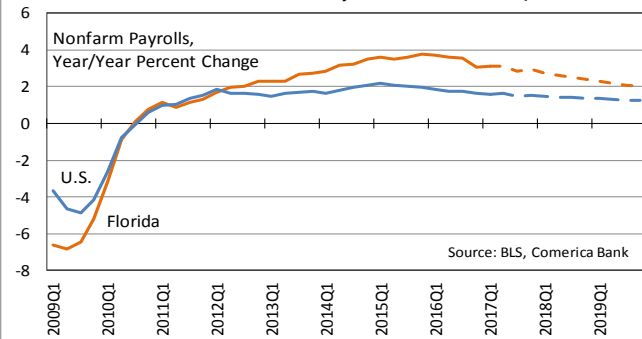
Florida 2016Q4 GDP Up 3.1%



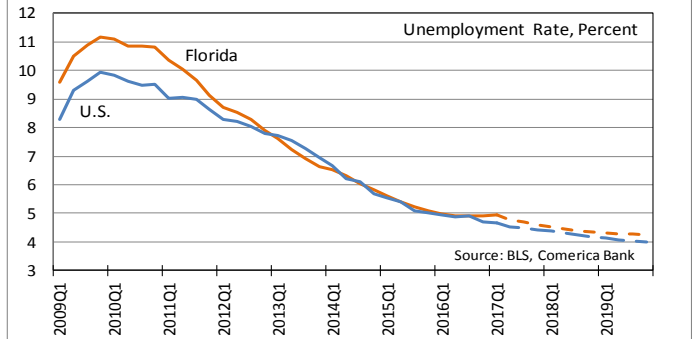
Jobs are Pulling People into Florida



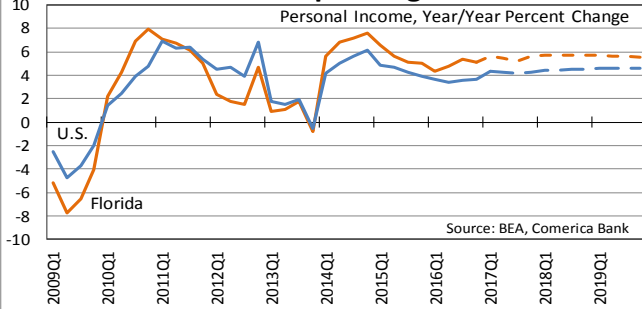
State Added 61,600 Jobs in Q1



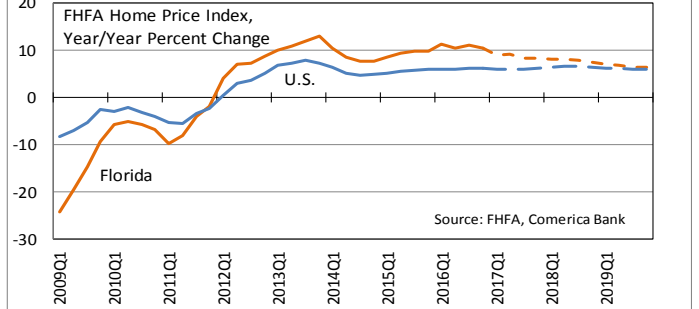
Florida March U. Rate Down to 4.8%



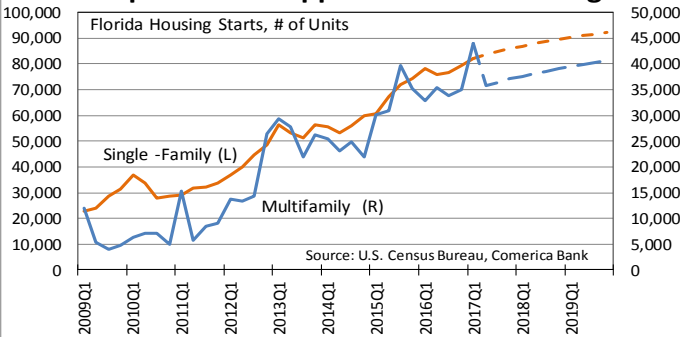
State Income Growth Will Support Consumer Spending in 2017



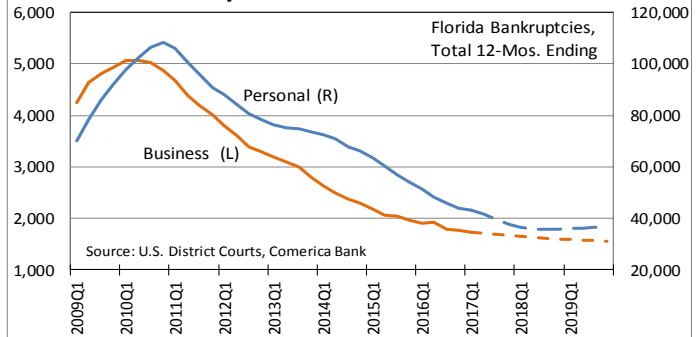
Strong Demand Boosts Florida Home Prices



Pop. Growth Supports Florida Housing



Bankruptcies Continue to Decline



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