



## **Florida Leads the U.S. Recovery**

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Florida's economy is the strongest in the United States, and our state is leading the U.S. recovery. For example, over the last twelve months Florida's economy has generated 90,000 new jobs, for the best record in the nation by far. In fact, the second best was Georgia with 45,000 jobs, then comes New Jersey at 23,000, Nevada with 22,000 and Texas at 18,000.

It is interesting to note that not only is Florida's total performance excellent, but also almost every metropolitan area in the state is doing well. Only Tallahassee, Gainesville, and Pensacola are flat year-over-year. The reason Tallahassee and Gainesville are under performing is that their economies are dominated by state government and state universities, where there is little momentum. Pensacola's softness is a reflection of its strength beginning last year, so that the year-over-year comparison is weak.

But everywhere else in peninsular Florida there is strong job growth. West Palm Beach, Orlando, Sarasota, and Ft. Lauderdale are the leaders, each posting gains of more than 10,000 new jobs. Even in beleaguered Melbourne and Miami job growth has resumed. This is due in part to a rebound in tourism this year, and it also reflects a general firming in defense and technology spending.

Furthermore, low interest rates have allowed people to continue to sell their homes and move to Florida. This is especially the case for retirees. As a result, Florida has enjoyed very strong population growth, which in turn has supported construction, trade, and services. Booming residential real estate markets have also produced a bumper crop of state documentary stamp tax revenues. In addition, the rebounding state economy has generated almost 6 percent more sales taxes than projected.

So Florida finds itself with over \$100 million more in revenue than was originally projected only last March. This good news means that the state will not have to

further restrict spending or cut back on employment, as many other states are being forced to do. Such actions retard recoveries elsewhere in the U.S. With this momentum and in light of the accelerating U.S. recovery, 2004 should be a great year for Florida's economy. Tourism will be particularly strong. However, higher interest rates projected for next year will limit any additional gains in residential construction. By 2005 the weight of higher interest rates will begin to slow the U.S. economy and affect Florida. But next year will be a great one.

This is Hank Fishkind for 90.7 FM, WMFE News.

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