

FLORIDA TAXWATCH

Economic Commentary

A Monthly Publication

SPECIAL EDITION - FEBRUARY 2017

Year in Review: Florida's Job Growth in 2016

For the past six years, Florida TaxWatch has published an annual review that has analyzed the most recent year's employment figures. As we begin 2017, TaxWatch looks to assess how our job market fared last year, based on data provided by the U.S. Bureau of Labor Statistics.¹

Florida's economy continued to generate new jobs in 2016 with total non-farm employment hitting a new high of 8.4 million jobs. Florida's employment growth for 2016 came in 3.2 percent higher than employment in 2015. Florida has experienced six consecutive years of job growth of 2.0 percent or more, and this year Florida ranked 2nd in the nation; only four states experienced job growth at 3.0 percent or higher.²

Table 1 – Increase in Florida Employment

THOUSANDS OF JOBS

	2012	2013	2014	2015	2016
Total Non-Farm Employment	7,396.3	7,582.3	7,824.6	8,095.7	8,352.7
Annual increase	144.1	186.0	242.3	271.0	257.0
Annual % Change	2.0%	2.5%	3.2%	3.5%	3.2%
Total Private Employment	6,317.4	6,506.3	6,750.3	7,014.6	7,257.2
Annual increase	158.5	189.0	244.0	264.3	242.6
Annual % Change	2.6%	3.0%	3.7%	3.9%	3.5%

Source: Florida TaxWatch analysis of Bureau of Labor Statistics data

Florida gained 257,000 employment positions in 2016, including government jobs. Private sector employment increased by 245,000, hitting a new high of 7.3 million workers. The private sector took the lead of job growth, as it has since the end of the recession in 2009, and job growth has accelerated since 2011. Florida has added 1.1 million jobs in the private sector from 2012 to 2016. The rate of growth from 2013 through 2015 has been a remarkable 3.6 percent per year. The rate of growth in private industry sectors slowed down a bit in 2016 to 3.5 percent, still a strong number.

¹ Bureau of Labor Statistics, "News Release," January 24, 2017.

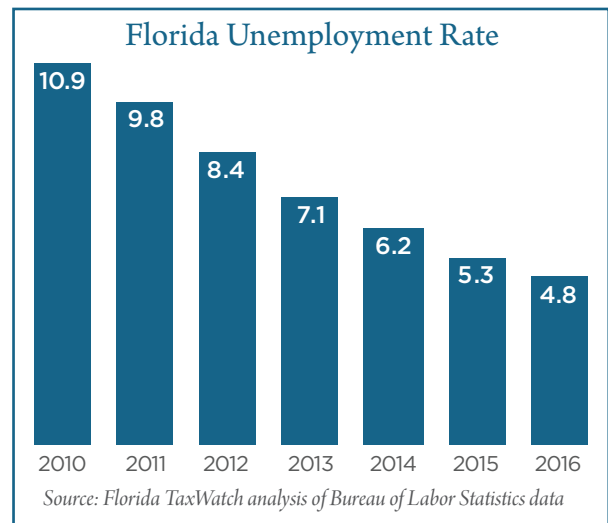
² Oregon, Florida and Nevada. Ibid.

As employment growth accelerated after 2011, unemployment rates in Florida began to diminish and have been cut by nearly half in the last 4 years. The unemployment rate dropped from 8.4 percent in 2012 to 4.8 in 2016.

EMPLOYMENT GROWTH BY INDUSTRY SECTOR: 2015 – 2016

The following five industries combined accounted for 65 percent of the increase in private sector jobs in 2016:

- Accommodation and Food Services, 38,200;
- Health Care and Social Assistance, 37,300;
- Administration, Support, and Waste Management, 32,200;
- Construction, 25,900; and
- Retail Trade, 23,100.



The Finance and Insurance sector increased employment by 13,100 jobs, while Professional, Scientific and Technology Services contributed 17,300 jobs. Manufacturing was a particularly bright spot last year, with an increase of 11,500 jobs (9,400 in production of durable goods, and 2,100 jobs in non-durable goods). The Information industry sector registered a decline 2,000 jobs, and employment in Mining and Logging was essentially unchanged (see Table 2).

FLORIDA'S GROSS DOMESTIC PRODUCT GROWTH

The U.S. economy in 2015 grew by 2.5 percent. Florida's GDP growth in 2015 is registered at 4.0 percent, showing strong growth over the state's 2.9 percent growth in 2014. Florida led GDP growth in the 12 states comprising the Southeast Region in 2015 and is expected to also lead the region in 2016.³ The third quarter of 2016 reported an annualized growth of 3.6 percent, outperforming the growth in the U.S. and in the Southeast Region. Florida provides 23 percent of the region's GDP, followed by Georgia and North Carolina with each providing 13 percent of the region's GDP.

³ The southeast region consists of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Table 2 – Employment Gains in 2016 by Industry Sector

Industry	Thousands of Jobs			Percent Change
	2015	2016	Change	
Mining and Logging	5.8	5.8	0.0	-0.4%
Construction	428.9	454.8	25.9	6.0%
Manufacturing	342.7	354.2	11.5	3.4%
Durable Goods	232.7	242.1	9.4	4.0%
Non-Durable Goods	110.0	112.1	2.1	1.9%
Wholesale Trade	334.8	340.6	5.9	1.7%
Retail Trade	1,081.4	1,104.5	23.1	2.1%
Transportation and Utilities	265.4	273.5	8.1	3.1%
Information	135.8	133.7	-2.0	-1.5%
Finance and Insurance	357.5	370.6	13.1	3.7%
Real Estate, Rental and Leasing	177.5	182.5	5.0	2.8%
Profess, Scientific, & Tech Serv.	507.4	524.6	17.3	3.4%
Mgmt of Comp. & Enterprises	96.8	99.3	2.5	2.6%
Admin, Support, Waste Mgmt & Remediation Svcs	619.4	651.7	32.2	5.2%
Educational Services	152.4	161.0	8.6	5.6%
Health Care & Social Assistance	1,046.9	1,084.1	37.3	3.6%
Arts, Entertainment, & Recreation	216.1	225.2	9.1	4.2%
Accommodation & Food Services	914.7	953.0	38.2	4.2%
Other Services	331.2	338.1	6.9	2.1%
Fed, State, & Local Gov't	1,081.0	1,095.4	14.4	1.3%

Source: Florida TaxWatch analysis of Bureau of Labor Statistics data

Florida's GDP in the third quarter is estimated at \$934 billion,⁴ and at the current pace it is likely that the GDP for 2016 will come in between \$940 billion to \$950 billion.

CONCLUSION

Florida's economy had a very robust year in 2015, and a modest deceleration of growth was expected in 2016. The strength of economic growth picked up in the 2nd and 3rd quarters of last year, and it's quite likely that the 4th quarter continued with some of that momentum. The recent data suggests that the economy in 2017 will benefit from the momentum of the 2nd half 2016, although a modest decline in the pace of growth should be expected as we move further into 2017.

⁴ Quarterly GDP estimates are expressed as an annual rate. That is, the estimate of economic output in the quarter is multiplied by 4. The BEA publishes the quarterly estimates at annual rates for ease of comparison with annual GDP estimates. (See https://www.bea.gov/faq/index.cfm?faq_id=122)

Economic Commentary is generously sponsored by:



Economic Commentary written by **Robert D. Cruz, Ph.D.**, Chief Economist

Robert Weissert, Executive VP & Counsel to the President & CEO

Robert D. Cruz, Ph.D., Chief Economist

Chris Barry, Director of Publications

Michelle A. Robinson Chairman of the Board of Trustees, Florida TaxWatch

Senator George LeMieux, Advisory Board Chairman, TaxWatch Center for Competitive Florida

Dominic M. Calabro, President and CEO, Publisher & Editor

Florida TaxWatch Research Institute, Inc.

www.floridataxwatch.org

Copyright © Florida TaxWatch, February 2017

