



center for
Competitive
Florida

ECONOMIC COMMENTARY

A monthly look at Florida's Economy

FLORIDA'S 2013 JOB GROWTH

For the third straight year, the January edition of the Florida TaxWatch *Economic Commentary* looks at the change in jobs over the past twelve months in Florida.

Building on the increases seen in the 2012 job numbers, Florida's economy shows continued job growth, with an estimated 192,900 jobs created during 2013. All of the major private sector categories experienced job gains, with only Total Government Employment experiencing losses, led by a decrease in Federal Government jobs.

The 2013 jobs report shows substantial improvements from 2012, when in these same categories 135,400 jobs were created in Florida. This is more than 42 percent net job increase over the 2012 numbers.

Further, Florida's unemployment rate, 6.2 percent, remains lower than the national rate, 6.7 percent. More significantly, Florida experienced the second largest yearly percentage increase in nonfarm employment in the nation (2.6 percent), trailing only oil-rich North Dakota (with a 4 percent increase), and 2013 showed the highest number of private, nonfarm jobs created in Florida since 2005.¹

Florida is also the state with the largest per-capita increase in jobs² when compared to the three other most-populated states in the nation-California, Texas, and New York.

¹ Preliminary Seasonally Adjusted numbers from the Bureau of Labor Statistics. <http://www.bls.gov/news.release/laus.nr0.htm>

² U.S. Census Bureau 2013 population estimates were used for this calculation.

2013 ESTIMATED JOB GAINS AND LOSSES BY INDUSTRY (SEASONALLY ADJUSTED)



Source: U.S. Bureau of Labor Statistics. December 2013 values are preliminary.

2013 JOB GAINS

The sector with the largest estimated job gains in Florida was Retail Trade, followed by the Professional and Business Services, and Construction categories. With an estimated 28,800 construction jobs created, Florida experienced the second largest gain in construction jobs in the nation, only 100 jobs less than the nation's leader, California. Heavy and Civil Engineering construction experienced the highest growth (12.9 percent), followed by specialty trade contractors (8.7 percent).

These figures reflect the substantial investment that the public and private sectors are undertaking to improve Florida's infrastructure and become more competitive.

THE RETAIL SECTOR POSTED THE HIGHEST GAINS IN 2013

The retail sector has improved substantially, moving from the third-highest creator of jobs in 2012 to the top position during 2013, which is reflected by increases in consumer confidence. Florida's Consumer Sentiment Index, published by the Bureau of Economic and Business Research at the University of Florida, shows an increase of 3 percentage points between January 2013 (75) and January 2014 (78).

Building Materials, Garden Equipment and Supplies dealers experienced a 10 percent growth in jobs, and Food and Beverages retailers experienced an 8.9 percent growth. These two subcategories had the largest growth in the retail sector.

Last year's second-highest producer of net new jobs, Professional and Business Services showed an increase of 37,400 jobs in 2013. In this category, Professional, Scientific, and Technical Services jobs showed a 4 percent increase. Management of Companies and Enterprises showed a 0.6 percent increase, and there was a 3.5 percent increase in Administrative and Support, Waste Management, and Remediation jobs.

PROFESSIONAL AND BUSINESS SERVICES

	Dec. 2012	Dec. 2013	▲
Professional, Scientific and Technical Services	452,300	470,600	18,300
Management of Companies and Enterprises	84,800	85,300	500
Administrative and Support, Waste Management, Remediation	534,800	553,400	18,600

Tourism is Florida's largest employer, as shown in the 2013 Florida TaxWatch Research Report *Investing in Tourism*. The Leisure and Hospitality industry, one of the components of this important sector, also continued to grow in 2013 increasing by 24,500 jobs. The Arts, Entertainment, and Recreation component grew 2.7 percent, and Accommodation and Food Services grew by 2.3 percent.

LEISURE AND HOSPITALITY

	Dec. 2012	Dec. 2013	▲
Arts, Entertainment, and Recreation	198,000	203,400	5,400
Accommodation and Food Services	817,200	836,300	19,100

Adding 4,400 jobs, the Manufacturing industry grew from 318,000 to 322,400 jobs during 2013. This sector is expected to experience larger job growth in 2014 when the manufacturing machinery and equipment sales tax exemption becomes effective, starting April 2014.

2013 JOB LOSSES

Total Government was the only main category that experienced job losses in the 2013 calendar year. The largest loss was in Federal Government. Although state government employment also dropped, local government employment actually increased by 1,900 jobs. This is a change from 2012, when all government sectors showed job losses.

TOTAL GOVERNMENT

	Dec. 2012	Dec. 2013	▲
Federal	132,600	130,100	(2,500)
State	207,200	206,100	(1,100)
Local	733,700	735,600	1,900

CONCLUSION

Florida's economy continues to produce private sector jobs at a rate much higher than in 2011 and 2012. For the first time in three years, job gains were noted in all private sector categories.

Florida had a good year for job creation in 2013, creating the highest per capita job increases for any of the high-population states in the U.S. This, along with the continuing decrease in the state's unemployment rate, shows that Florida's economy has accelerated its job creation over the last two years and continues to improve.

Looking at potential job growth in 2014, Florida's economy is expected to continue to produce jobs in sectors important in diversifying the economy and creating high-wage jobs. Florida's key investments in infrastructure, led by improvement in our ports and connected parts of the logistics infrastructure will pay dividends. These investments, along with continued recruitment of companies to Florida as well as the expansion of Florida's existing companies will continue to produce jobs that will provide good incomes for Florida families, and keep graduates of Florida colleges and universities in our state.

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