

FLORIDA ECONOMIC FORECAST

2025 - 2034

Florida
TaxWatch

Q3 2025



2025

Sunny Start,
Afternoon
Showers



2026

Increasing
Clouds, Cooler
Temperatures



2027

Afternoon
Thunderstorms



2028

Storms
Clearing



2029

Mostly Sunny



2030

Sunny With Some
Passing Clouds



2031

Partly Sunny



2032

Partly Sunny



2033

Partly Sunny



2034

Partly Sunny



INTRODUCTION

Fueled by a strong global presence in tourism, trade, and real estate development, Florida's economy has grown to \$1.76 trillion in Q1 of 2025.¹ Florida entered 2025 with strong growth trends, ranking number one nationally in terms of economic strength.² The biggest question to be answered is whether Florida's impressive economic growth is sustainable over the next several years.

This is the third in a series of quarterly Florida TaxWatch economic forecasts for calendar year 2025. The data upon which these forecasts are based are provided through a partnership with the Regional Economic Consulting Group ("REC Group"), a research-based consulting firm that provides economic studies to help guide and inform business leaders and policy makers. Each quarter, beginning in the first quarter (Q1) of calendar year 2025, the REC Group provides Florida TaxWatch with annual data on the following:

- Population — Florida's resident population;
- Net Migration — the flow of population moving into Florida minus the flow of population moving out of Florida;
- Total Non-Farm Employment — the number of workers in Florida's economy, excluding proprietors, private household employees, unpaid volunteers, farm employees, and unincorporated self-employed;
- Unemployment Rate — the number of unemployed persons as a percentage of the workforce;
- Florida Gross Domestic Product (GDP) — the total market value of goods and services produced;
- Florida Real GDP — the total market value of goods and services produced, adjusted for price changes;
- Personal Income Per Capita — the total statewide income divided by the population; and
- Total Visitors — the total number of visitors coming to Florida.

Florida TaxWatch will use the REC Group data (which uses past trends and current data to project future conditions) to prepare a forecast for Florida's economy through 2034. Florida TaxWatch will use 2025 as a baseline for this forecast.

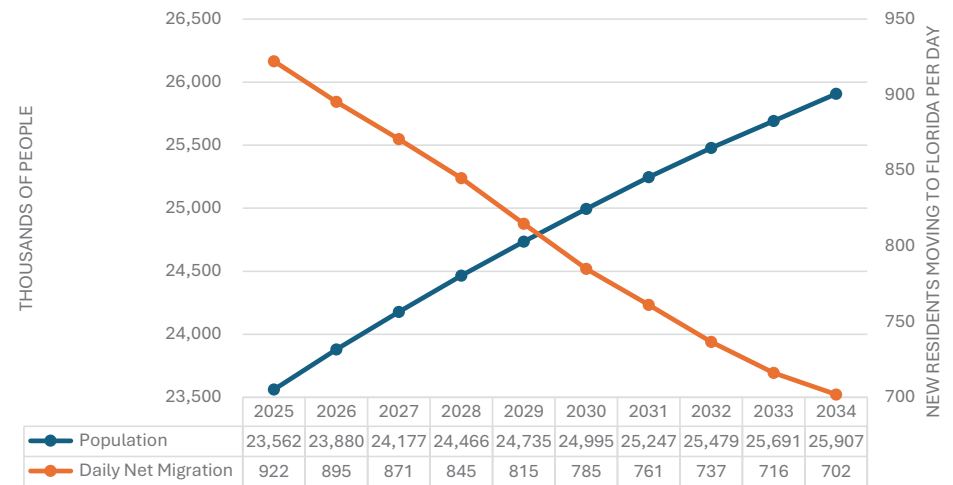
¹ Florida Chamber Foundation, "2025 Florida Business and Economic Mid-Year Report," July 2025.

² CNBC – Scott Cohn, "These are America's 10 Strongest State Economies Best Prepared for A Recession," retrieved from <https://www.cnbc.com/2025/07/12/10-strongest-us-economies-recession-top-states-for-business-rankings.html>, accessed on August 18, 2025.

POPULATION AND NET MIGRATION

As shown in Figure 1, Florida's population is projected to increase by about 2.4 million people (from 23.5 million to 25.9 million) from 2025 to 2034. Although the state's overall population is projected to continue to increase, the number of new people moving to Florida (after subtracting those moving out of Florida) each day is projected to decrease from 922 in 2025 to 702 in 2034. The current annual growth rate of population is 1.4 percent and is projected to decrease to 0.8 percent by the end of 2034. This reflects a shift in the balance between people moving into Florida and people moving out of Florida. As Florida's net migration decreases from 922 new residents each day to 895 over the next year (a negative 2.9 percent growth rate), the population will continue to increase, but at a decreasing rate.

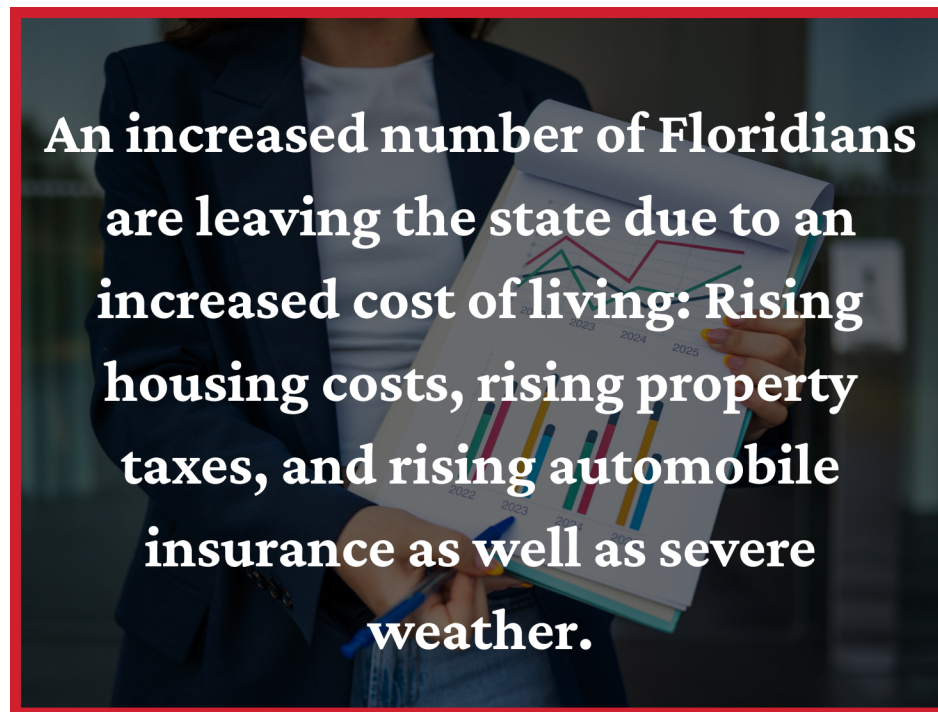
FIGURE 1.
FLORIDA'S POPULATION CONTINUES TO INCREASE, BUT AT A DECREASING RATE



Source: REC Group

The projected decrease in the growth rate of population and decrease in net migration into the state can be attributed in large part to Florida's past growth and the problems that come with it. An abundance of natural amenities, low cost of living, and no personal income tax have fueled Florida's rapid growth over the past several decades, as the number of people moving into Florida increased and the number of people moving out of Florida remained steady.

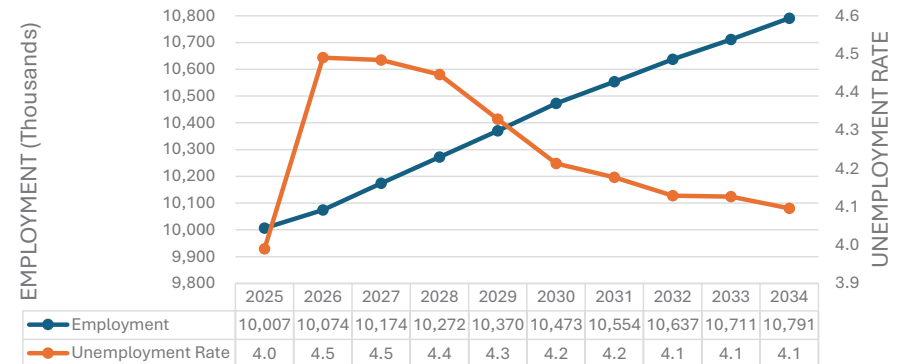
Recently, an increasing number of Floridians are leaving the state, citing increased costs of living, rising property taxes, rising property and automobile insurance, rising housing costs, and more frequent and severe weather events as reasons for leaving. Top destinations for those leaving Florida are either states with no personal income tax (e.g., Tennessee, Texas) or a lower cost of living than Florida (e.g., Georgia, North Carolina).³



EMPLOYMENT

As shown in Figure 2, the number of employed Floridians is projected to increase from 10.0 million in 2025 to 10.8 million in 2034. During this same period, Florida's unemployment rate is projected to increase from 4.0 percent in 2025 to 4.5 percent in 2027, before decreasing slowly back to 4.1 percent by 2034. Like the 2025 Q2 forecast – this forecast shows an increase in the unemployment rate until 2027 and then a gradual decrease until 2034. The projected unemployment rate for 2025 as of Q3 2025 is 0.1 percentage point lower than reported in Q2 2025.

FIGURE 2.
EMPLOYMENT IS INCREASING AT A SLOWER RATE, UNEMPLOYMENT WILL RISE BEFORE DECREASING



Source: REC Group

As of July 2025, there are 0.9 job openings for every unemployed worker.⁴ This indicates that there are more unemployed people than the current job openings – a first since Florida TaxWatch started this series in Q1 2024. Given the Federal Reserve's role in achieving sustainable employment rates, when unemployment rates become too high, interest rates are lowered as a way to stimulate job creation. Conversely, when unemployment rates become too low,⁵ interest rates are increased as a way to stem inflation. It is important to note that the Federal Reserve interest rate decreased 0.25 percentage points in October 2025, from a low of 4.0 percent to 3.75 percent.⁶

³ Fox13News, "Why are people flocking from Florida in record numbers?," retrieved from <https://www.fox13news.com/news/why-people-flocking-from-florida-record-numbers>, accessed on May 16, 2025.

⁴ U.S. Bureau of Labor Statistics, "Florida Jobs Openings and Labor Turnover – July 2025," retrieved from https://www.bls.gov/regions/southeast/news-release/jobopeningslaborturnover_florida.htm, accessed on December 3rd, 2025.

⁵ The "full employment" unemployment rate is presumed to be about four percent.

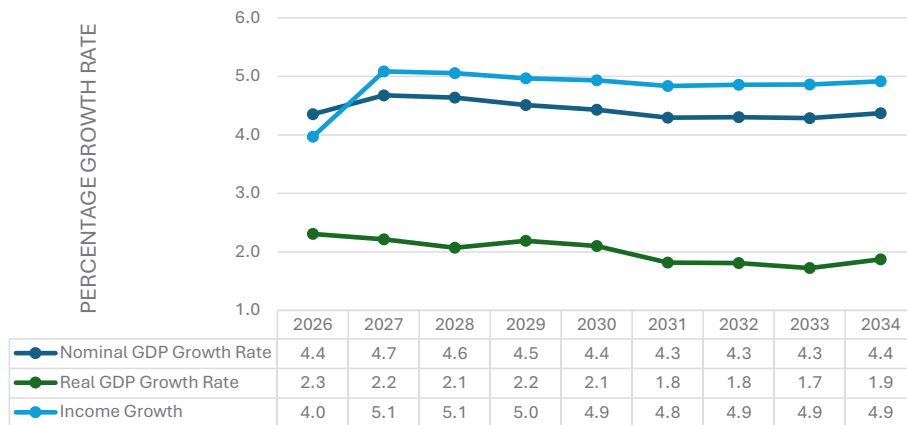
⁶ Federal Reserve Bank of New York, "Effective Federal Funds Rate," retrieved from <https://www.newyorkfed.org/markets/reference-rates/effr>, accessed on December 4th, 2025.

GDP AND INCOME GROWTH

All the factors mentioned so far — population, migration, employment, and unemployment — ultimately affect the economy of Florida. As shown in Figure 3, Florida is expected to have a real GDP growth rate of 2.3 percent in 2026, which is projected to decrease to 1.9 percent by 2034. Comparing the difference in the growth rate of Florida’s nominal GDP and real GDP, one can see that the difference is becoming greater in the long run. This suggests that the rate of inflation is expected to increase in the coming years.

FIGURE 3.

FLORIDA WILL SEE A VERY SLOW INCREASE IN INCOME GROWTH AND ECONOMIC GROWTH



Source: REC Group

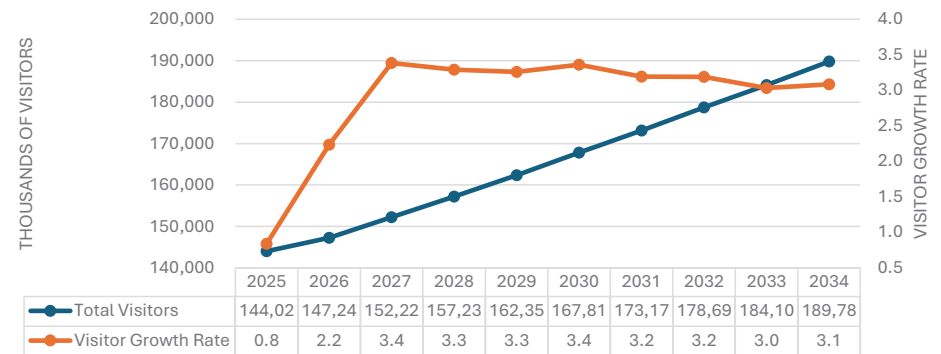
In terms of income growth, Figure 3 shows an increase to 5.1 percent through 2028, followed by a decline to around 4.9 percent through 2034. This projection follows the same pattern from Q2 but at a more increased level. It shows that the spending capabilities of Floridians will increase, but at a slower rate in the coming years. The difference in inflation and income growth will be reflected in the purchasing power of Floridians.

TOURISM

Tourism plays a major role in Florida’s economy. Visitors from all over the world come to experience Florida’s spectacular natural features, theme parks, and other natural and man-made attractions. In 2024, visitors spent a record \$134.9 billion. Tourism directly supports 1.8 million jobs and is responsible for \$79.9 billion in employee wages. Thanks to tourism and the revenue tourism generates, every Florida household saves \$1,730 a year on state and local taxes.⁷ As shown in Figure 4, tourism is projected to slow down this year – with a growth rate of 0.8 percent. The growth rate of visitors is projected to increase until 2027 before decreasing again. Compared to the Q2 2025 forecast, this forecast shows improvement in the state’s tourism industry.

FIGURE 4.

THE NUMBER OF VISITORS AND THE VISITOR GROWTH RATE INCREASES BEFORE DECREASING AGAIN



Source: REC Group

In 2024, Florida had a record number of visitors to the state – totaling more than 142.9 million. Although Florida’s tourism industry is expected to grow, it is projected to take a hit this year, as a possible result of uncertainty regarding new trade policies. The overall dip in total visitor growth rate may be a result of long-term reversion – meaning that it portrays a return to a growth rate which was normal to Florida pre-pandemic.

⁷ Visit Florida, “The Economic Impact of Travel and Tourism in Florida 2024,” retrieved from <https://visitflorida.app.box.com/s/1n07pedhhec65xntd11eq36gr44l2pvv>, accessed on December 3, 2025.

FLORIDA ECONOMY VS U.S ECONOMY

Looking at Table 1 and Table 2, Florida’s economy is expected to grow at around the same rate as the U.S. economy in most aspects. The U.S. economy is forecasted to have a real GDP growth rate of 1.8 percent in 2025, increasing to 2.1 percent in 2027, before decreasing again. Florida’s real GDP growth rate is forecasted to be 0.5 percentage points higher than the national rate in 2025 and in the long-term forecast, remaining above two percent until 2030. As of Q1 of 2025, Florida’s real GDP growth rate was 1.4 percent – outpacing the U.S. real GDP growth rate which was a negative 0.5 percent.⁸

Additionally, Florida’s unemployment rate remains below the national rate in 2025; while both the U.S. rate and Florida rate remain above 4.1 percent through 2029, Florida is projected to be consistently above the national average in unemployment rate through the next five years.

Income growth, which determines the spending capacity of the population, increases before decreasing at the national level. At the state level, we see a drop in 2025, followed by an increase through 2028 before it cools down again. As of 2025, Florida’s income growth rate (1.3 percent) was much lower than the national growth rate of 4.4 percent; however, it is projected to be higher than the national rate from 2027.

TABLE 1.
SUMMARY OF THE U.S. ECONOMIC FORECAST 2025 - 2029⁹

	2025	2026	2027	2028	2029
U.S. Economic Growth	1.8%	1.4%	2.1%	1.9%	1.9%
Thousands of New Jobs	1,452	216	876	780	660
Unemployment Rate	4.2%	4.5%	4.3%	4.1%	3.9%
Income Growth ¹⁰	4.4%	4.6%	5.0%	4.6%	4.5%

Source: Deloitte Insights and TD Economics

Overall, Florida’s economic growth pattern matches the national economic growth pattern for the next five years, experiencing a slowdown.

SUMMARY

Overall, Florida’s economy is now set to return to pre-pandemic growth rates over the next five years, after experiencing high economic growth in the past three years. Florida’s economic growth through 2030 is summarized in Table 2. This includes a forecast only until 2030 to remain consistent in comparison to the national level economic forecast.

TABLE 2.
SUMMARY OF FLORIDA’S ECONOMIC FORECAST 2025 - 2030

	2025	2026	2027	2028	2029	2030
Florida’s Economic Growth	2.3%	2.3%	2.2%	2.1%	2.2%	2.1%
Thousands of New Jobs	53	67	100	98	98	102
Unemployment Rate	4.0%	4.5%	4.5%	4.4%	4.3%	4.2%
Income Growth	1.3%	4.0%	5.1%	5.1%	5.0%	4.9%

Source: REC Group

Florida’s economic growth, expressed as real GDP, will continue to grow through 2030, albeit at a reduced rate. The number of new jobs available in Florida is projected to increase until 2027 before decreasing again. The unemployment rate follows the same pattern, increasing until 2027 before gradually decreasing.

Overall, Table 2 reflects a projected slowdown in the rate of growth of Florida’s economy through 2030, showing pre-pandemic growth rates. The economic experts that comprise the state’s Revenue Estimating Conference attribute this primarily to the transition of businesses and consumers from a high inflation/high-interest rate environment to more normal conditions.¹¹ This forecast continues to show the growth of Florida, but at a much slower rate than the previous forecasts. This can be, in part, due to economic uncertainty in the nation, as well as a lower level of consumer confidence in the economy.

⁸ Supra, refer to footnote 1.

⁹ Deloitte Insights, “United States Economic Forecast Q3 2025 – Figure 18,” retrieved from <https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html>, accessed on December 4, 2025.

¹⁰ TD Economics, “Forecast Tables,” retrieved from <https://economics.td.com/ca-forecast-tables#lt-us>, accessed on December 4, 2025.

¹¹ Office of Economic and Demographic Research, “Florida: An Economic Overview,” August 19, 2024.



ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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All Florida TaxWatch research is done under the direction of Lt. Governor Jeff Kottkamp, President, CEO, Publisher & Editor.

The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please contact us if you believe that this paper contains any factual inaccuracies.

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