

FLORIDA ECONOMIC FORECAST

2025 - 2035

Florida
TaxWatch

Q4 2025



2025

Sunny



2026

Mostly Sunny



2027

Partly Cloudy



2028

Partly Cloudy
with Clearing



2029

Partly Cloudy
with Clearing



2030

Mostly Cloudy



2031

Mostly Cloudy



2032

Mostly Cloudy



2033

Partly Sunny



2034

Partly Sunny

INTRODUCTION

Fueled by a strong global presence in tourism, trade, and real estate development, Florida's economy grew to \$1.85 trillion in Q3 of 2025.¹ Florida entered 2025 with strong growth trends, ranking number one among the 50 states and District of Columbia.² One question to be answered is whether Florida's impressive economic growth is sustainable over the next several years.

This is the fourth 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 labor force;
- Florida Gross Domestic Product (GDP)—the total market value of final goods and services produced;
- Florida Real GDP—the total market value of goods and services produced, adjusted for inflation;
- 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 2035. Florida TaxWatch will use 2025 as a baseline for this forecast.

¹ Florida Chamber Foundation, "Florida Scorecard," January 2026.

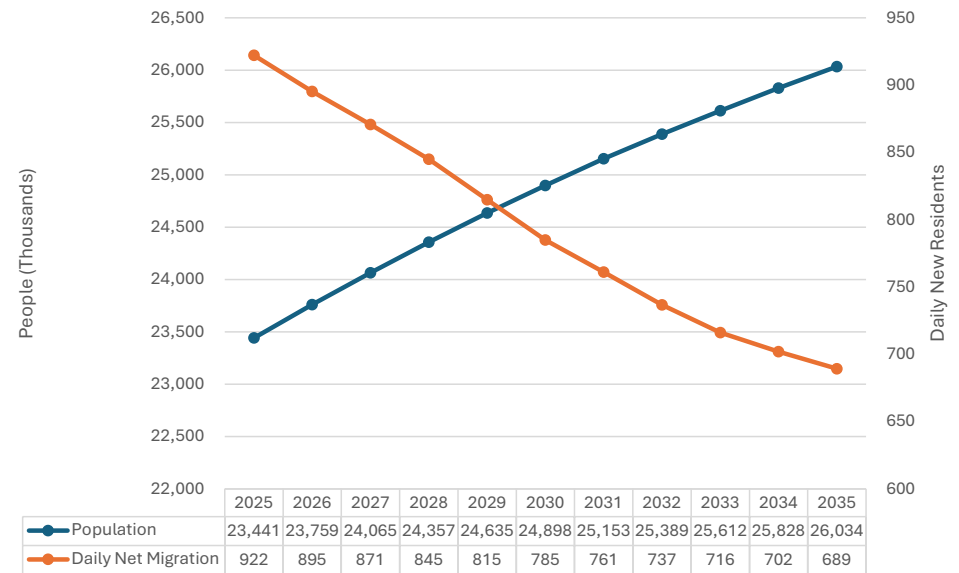
² CNBC – Scott Cohn, "These are America's 10 Strongest State Economies Best Prepared for A Recession," retrieved from <https://www.cnn.com/2025/07/12/10-strongest-us-economies-recession-top-states-for-business-rankings.html>, accessed on August 18, 2025.

POPULATION AND NET MIGRATION

As shown in Figure 1, Florida's population is projected to increase by about 2.6 million people (from 23.4 million to 26 million) from 2025 to 2035. 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 689 in 2035. This reflects a shift in the balance between people moving into Florida and people moving out of Florida. Converting this change to a percentage, the current growth rate of population is 1.4 percent and is projected to decrease to 0.8 percent by the end of 2035. As Florida's net migration decreases from 922 new residents each day to 895 over the next year, the population will continue to increase, but at a decreasing rate.

FIGURE 1.

FLORIDA'S POPULATION CONTINUES TO INCREASE 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

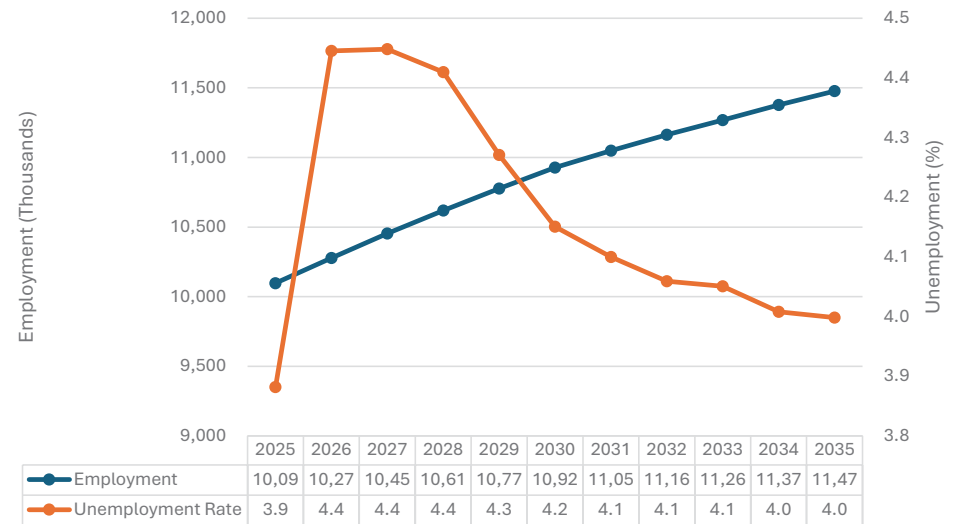
amenities, low cost of living, and no state personal income tax have stimulated Florida’s population growth over the past several decades, as they are still ranked as the second highest moving destination in the United States 2025.³

Recently, an increasing number of Floridians are leaving the state, often 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. Florida Atlantic University’s Business and Economics Polling Initiative poll showed that 80 percent of Floridians are worried about housing affordability and nearly 50 percent say they have considered moving out of Florida because of its prices.⁴ 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)⁵. Despite these concerns, Florida will likely continue to be one of the fastest growing states as other attractive destinations begin to run into the same growing pains.

EMPLOYMENT

As shown in Figure 2, the number of employed Floridians is projected to increase from 10.1 million in 2025 to 11.5 million in 2035. This 10-year increase has nearly doubled since the previous forecast was released, signifying a potentially improving labor market for Florida over the past few months. During this same period, Florida’s unemployment rate is projected to increase from 3.9 percent in 2025 to 4.4 percent until 2027, before decreasing slowly back to 4.0 percent by 2035. Like the 2025 Q3 forecast – this forecast shows an increase in the unemployment rate until 2027 and then a gradual decrease until 2035. The projected unemployment rate for the next 10 years as of Q4 2025 is 0.1 percentage point lower than reported in Q3 2025.

FIGURE 2.
TOTAL EMPLOYMENT INCREASE SLOWS, UNEMPLOYMENT SPIKES BEFORE DECLINING BACK TO CURRENT LEVELS



Source: REC Group

As of November 2025, there are 1.1 job openings for every unemployed worker⁶. This indicates that there are more unemployed people than the current job openings at an even higher level than expected during the last quarter. 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,⁷ interest rates are increased as a way to stem inflation. It is important to note that the Federal Reserve interest rate has been held constant in January 2025, maintaining the previously set range of 3.5 to 3.75 percent.⁸

³ Florida Realtors, ‘Florida Cities Lead 2025 U.S. Migration Rankings’ January 2026.

⁴ Florida Atlantic University, BEPI Polls, 2025.

⁵ 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.

⁶ U.S. Bureau of Labor Statistics, “Florida Jobs Openings and Labor Turnover – November 2025,” retrieved from https://www.bls.gov/regions/southeast/news-release/jobopeningslaborturnover_florida.htm, accessed on December 3rd, 2025.

⁷ The “full employment” unemployment rate is presumed to be about four percent.

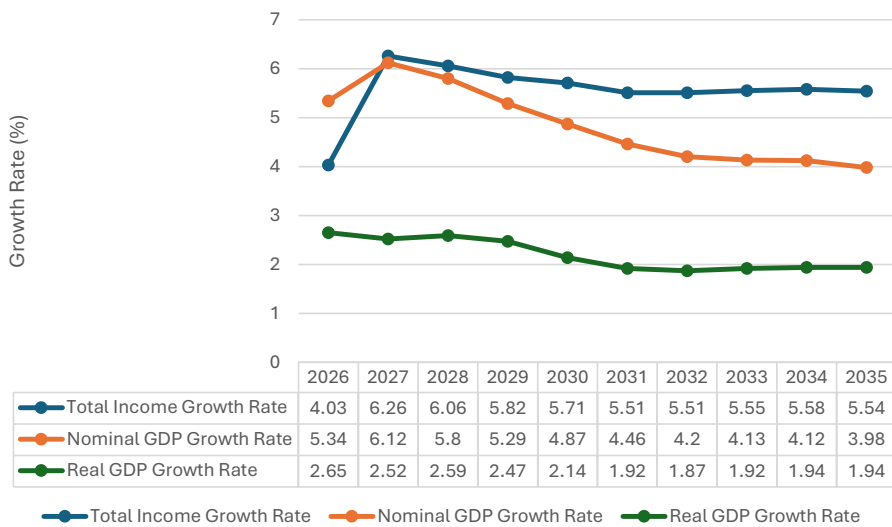
⁸ Federal Reserve Bank of New York, “Effective Federal Funds Rate,” retrieved from <https://www.newyorkfed.org/markets/reference-rates/effr>, accessed on February 23, 2026.

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 2.7 percent in 2026, which is projected to decrease to 1.9 percent by 2035. Comparing the difference in the growth rate of Florida’s GDP and real GDP, one can see that the difference is slightly closing in the long run. This suggests that the rate of inflation is expected to slightly decrease in the coming years, although this is largely subject to change with interest rate fluctuations during this time.

FIGURE 3.

FLORIDA EXPECTS SLOWING ECONOMIC AND INCOME GROWTH



Source: REC Group

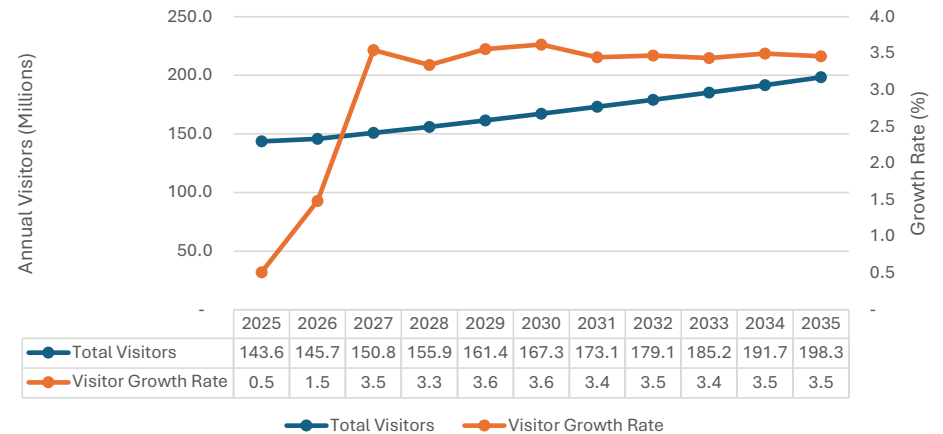
In terms of income growth, Figure 3 shows an increase to 6.26 percent through 2027, followed by a decline to around 5.54 percent through 2035. This projection follows the same pattern from Q3 but with a more intense high and low. It shows that the spending capabilities of Floridians will increase, but at a slower rate after a period of elevated growth. 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, historic sights, and other 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.⁹ As shown in Figure 4, growth in tourism is projected to slow down this year – with a growth rate of 0.5 percent. The growth rate of visitors is projected to increase until 2027 before stabilizing at the elevated level. Compared to the Q3 2025 forecast, this forecast shows improvement in the state’s tourism industry.

FIGURE 4.

STEADY GROWTH OF TOURISM EXPECTED AFTER INITIAL JUMP



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 over the next ten years, it is projected to stabilize this year. The maintenance around 3.5 percent growth for nearly ten years may suggest that, if Florida maintains its current focus on developing the industry, this can become Florida’s long-term growth rate. The bottom line is that tourism in Florida is expected to continue as a leader of growth in the state over the next decade.

⁹ 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 averaged a real GDP growth rate of 2.2 percent in 2025¹⁰ and projected to stay at this level through 2026 before dropping and maintaining a constant 2.0 percent growth rate. Florida’s real GDP growth rate is forecasted to be higher than the national rate through 2030.

Additionally, Florida’s unemployment rate remained below the national rate in 2025, as while the U.S. averaged 4.2 percent, Florida averaged 3.9 percent. Both are expected to average around the 4.2 percent mark for the next five years, although the U.S. rate is expected to vary more within this time.

Income growth, which determines the spending capacity of the population, is expected to increase through 2027 before decreasing at the national level. At the state level, income growth is also expected to peak in 2027 before declining, although its forecasted average is nearly a whole percentage point above the national expectation. This shows that while Floridians will experience ups and downs like the rest of the nation, their wages will end up growing faster because of Florida’s economic prosperity and growth.

TABLE 1.
SUMMARY OF THE U.S. ECONOMIC FORECAST 2025 - 2029¹¹

	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 ¹²	4.4%	4.6%	5.0%	4.6%	4.5%
<i>Source: Deloitte Insights and TD Economics</i>					

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%	2.5%	2.6%	2.5%	2.1%
Thousands of New Jobs	53	181	177	163	159	150
Unemployment Rate	3.9%	4.4%	4.4%	4.4%	4.3%	4.2%
Income Growth	5.1%	4.0%	6.3%	5.8%	5.7%	5.5%
<i>Source: REC Group</i>						

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.¹³ 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. The slight improvements in the short-term outlook of key indicators compared to the Q3 forecast show reasons for optimism when considering Florida’s economy.

¹⁰ U.S. Bureau of Economic Analysis, “GDP (Advance Estimate), 4th Quarter and Year 2025”

¹² 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.

¹² TD Economics, “Forecast Tables,” retrieved from <https://economics.td.com/ca-forecast-tables#lt-us>, accessed on December 4, 2025.

¹⁴ 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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