

# FLORIDA ECONOMIC FORECAST

2023 - 2028

Florida  
**TaxWatch**

Q1 2024



**2023**

Sunny with  
warm breezes



**2024**

Mostly sunny,  
some clouds  
appear



**2025**

Overcast  
with chance  
of rain



**2026**

Rainy, with  
potential  
storms



**2027**

Clouds start to  
break, mild  
sunshine



**2028**

Clearing skies,  
returning to  
mild weather

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## INTRODUCTION

Fueled by a strong global presence in tourism, trade, and real estate development, Florida’s economy has grown to nearly \$1.5 trillion, making it the 14th largest economy in the world. Florida began 2024 with strong economic growth trends that outpaced those of the rest of the country. One question to be answered is whether Florida’s impressive economic growth is sustainable over the next several years.

This is the first in a series of quarterly Florida TaxWatch economic forecasts. The data upon which these forecasts are based is 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, the REC Group provides Florida TaxWatch with 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.

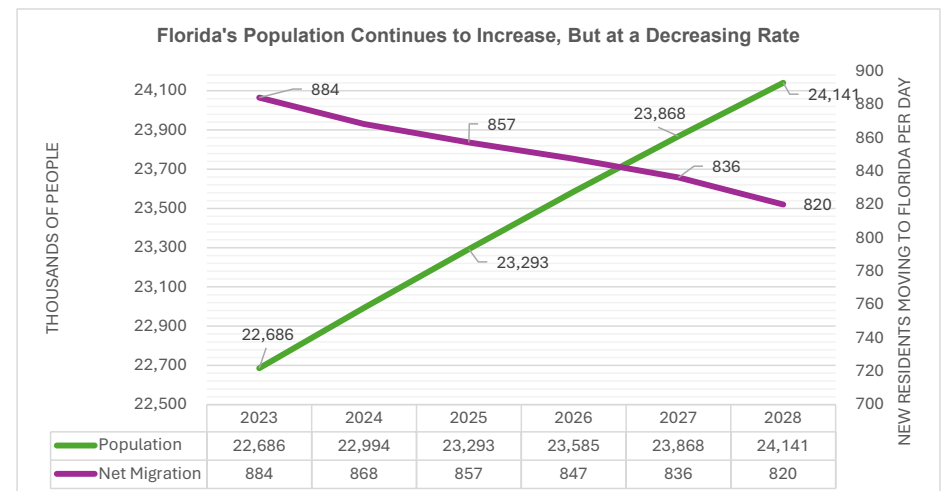
Florida TaxWatch will use the REC Group data, which uses past trends and current data to project future conditions, to prepare a forecast of Florida’s economy through 2028. Florida TaxWatch will use 2023, the last full year for which data are available, as a baseline for this forecast.

## POPULATION AND NET MIGRATION

As shown in Figure 1, Florida’s population is projected to increase by about 1.45 million people (from 22.7 million to 24.1 million) from 2023 to 2028. Although the state’s overall population is projected to continue to increase, the number of people moving to Florida each day is projected to decrease from 884 in 2023 to 820 in 2028. This reflects a shift in the balance between people moving into Florida and people moving out of Florida. The current growth rate of population is 1.3 percent and is projected to decrease to 1.1 percent by the end of 2028. As Florida’s net migration decreases from 884 new residents each day to 820 (a negative 1.5 percent growth rate annually), the population will continue to increase, but at a decreasing rate.

The projected slowdown in population growth 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, often citing increased costs of living, rising property taxes, rising property and automobile insurance, rising housing costs, worsening traffic, and more frequent and severe weather events.

Figure 1.

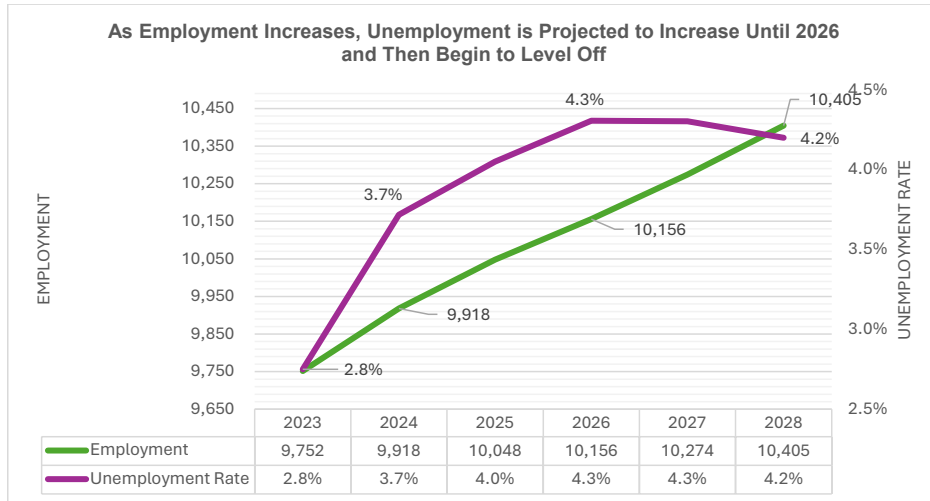


Source: REC Group

## EMPLOYMENT

As shown in Figure 2, the number of employed Floridians is projected to increase from 9.8 million in 2023 to 10.4 million in 2028. During this same period, Florida’s unemployment rate is projected to increase from 2.8 percent in 2023 to 4.3 percent in 2026, and then decrease to 4.2 percent in 2028.

**Figure 2.**



Source: REC Group

As of January 2024, there were 1.6 job openings for every unemployed worker.<sup>1</sup> This indicates that there are not enough unemployed persons to fill all of the current job openings. The projected increase in the unemployment rate from 2023 to 2026 can be attributed to the actions of the Federal Reserve to attempt to rein in inflation through higher inflation rates.<sup>2</sup> 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,<sup>3</sup> interest rates are increased as a way to stem inflation.

<sup>1</sup> TD Bank, “State Economic Forecast,” retrieved from <https://economics.td.com/state-economic-forecast>, April 22, 2024.

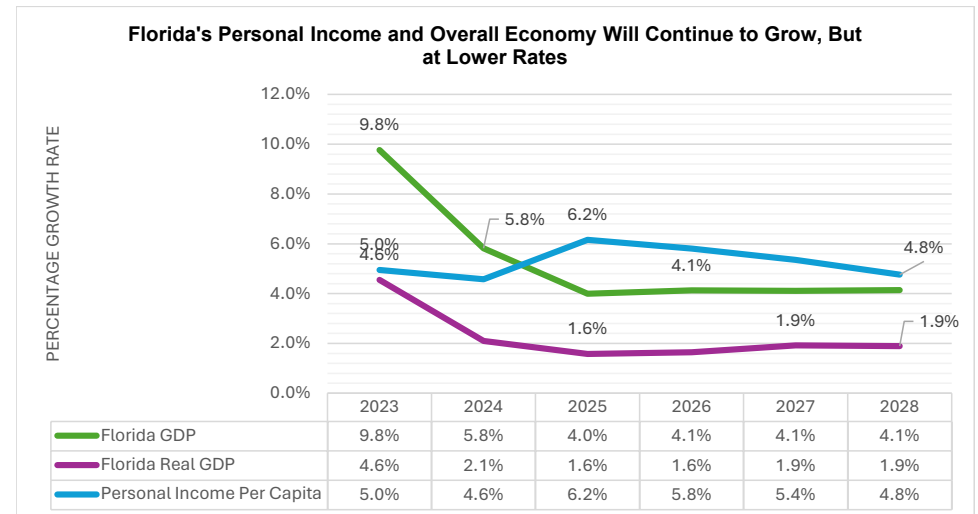
<sup>2</sup> Office of Economic and Demographic Research, “Florida: An Economic Overview,” January 22, 2014.

<sup>3</sup> The “full employment” unemployment rate is presumed to be about four percent.

## 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 had a real GDP growth rate of 4.6 percent in 2023; however, real GDP growth is projected to slow down to 1.6 percent in 2025 and slightly increase thereafter to 1.9 percent in 2027 and 2028. Comparing the difference in the growth rate of Florida’s GDP and real GDP, one can see that the difference is becoming smaller. In 2023, there was a 5.2 percentage point difference between the GDP and real GDP, and this difference decreases to 2.2 percentage points by 2028. This suggests that the rate of inflation is expected to decrease in the coming years.

**Figure 3.**



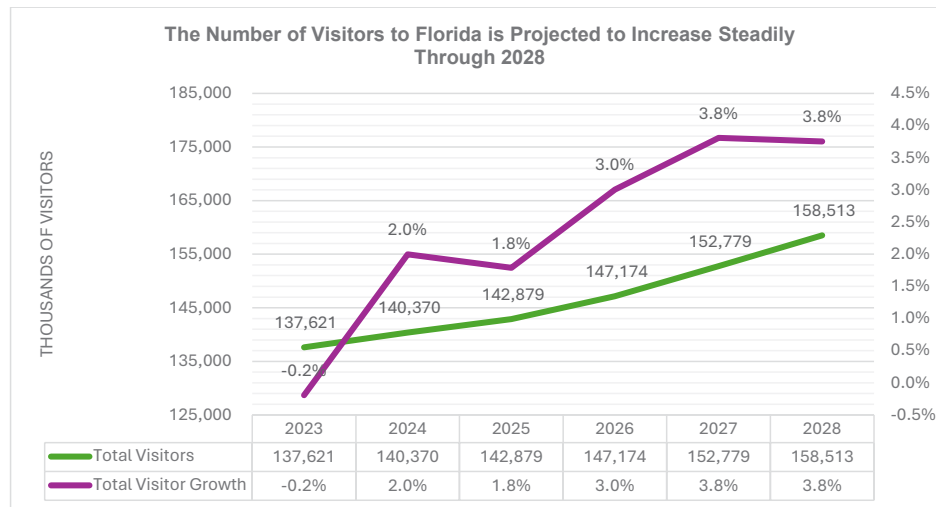
Source: REC Group

In terms of personal income per capita, Figure 1 shows a 1.2 percent growth through 2026, followed by a gradual (1.4 percent) tapering through 2028. The growth rate in per capita income was five percent in 2023, expected to rise to 6.2 percent in 2026 and then decrease down to 4.8 percent by 2028. That is an annual average growth rate of 5.9 percent, showing that the spending capabilities of Floridians will be on the rise.

# 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 2022, 137.4 million visitors spent a record \$124.9 billion, an average of \$333 million per day. Tourism directly supports 1.3 million jobs and is responsible for \$73 billion in employee wages. Thanks to tourism and the revenue tourism generates, every Florida household saves \$1,840 a year on state and local taxes.<sup>4</sup> As shown in Figure 4, tourism is projected to increase steadily through 2028.

**Figure 4.**



Source: REC Group

# 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 2028 is summarized in Table 1.

**Table 1.**

	2023	2024	2025	2026	2027	2028
Florida's Economic Growth	4.6%	2.1%	1.6%	1.6%	1.9%	1.9%
Thousands of New Jobs	323.0	166.4	130.0	108.0	118.4	130.3
Income Growth	5.0%	4.6%	6.2%	5.8%	5.4%	4.8%
New Residents Per Day	884	868	857	847	836	820
Millions of Tourists	137.6	140.4	142.9	147.2	152.8	158.5

Florida’s economic growth, expressed as real GDP, will continue to grow through 2028, albeit it at a reduced rate. Likewise, the number of new jobs created and personal income are also projected to grow at slower rates. Florida’s tourism industry is projected to continue its strong growth through 2028, with more visitors expected each year.

Overall, Table 1 reflects a projected a projected slowdown in the rate of growth of Florida’s economy through 2026, followed by a return to more characteristic 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 environment to a high interest rate environment.<sup>5</sup>

<sup>4</sup> Florida Restaurant & Lodging Association, “Florida Tourism Industry Promotes the Impacts and Benefits of Tourism During ‘Florida Tourism Days,’” retrieved from <https://frla.org/news-release/florida-tourism-industry-promotes-the-impacts-and-benefits-of-tourism-during-florida-tourism-days/#:~:text=In%202022%2C%20travelers%20spent%20a,per%20day%20to%20Florida's%20economy,> May 20, 2024.

<sup>5</sup> Office of Economic and Demographic Research, “Florida: An Economic Overview,” January 22, 2014.

## 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.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

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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 feel free to contact us if you feel that this paper is factually inaccurate.

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