

# Economic Perspectives

## Florida population declines — first since 1946 August 17, 2009

Demographers from the University of Florida's Bureau of Economic and Business Research (BEBR) reported last Friday that Florida's population declined by about 50,000 residents between April 2008 and April 2009. That is the first decline since hundreds of thousands of military personnel stationed in Florida were demobilized in 1946 following World War II. Not even during the Great Depression did population decline. During that time, new residents arrived in search of work.

The recession has slowed migration across the country but Florida, a destination for seniors and retirees, has been particularly hard hit. Prices began to rise in 2002 and eventually rose to the point that both retirees and families were priced out of the market and Florida lost its long time image of affordability. Many families left Florida in search of more affordable housing. Many others, who might have come to Florida, did not.

When the housing market began its long and painful slide in 2007, construction throughout most of Florida came to a halt. As is did, many construction workers — especially migrant construction workers — left the state in search of work elsewhere. That included thousands of Mexican workers who left the state as well as Columbians who had fled violence in their country in the 1980s and 1990s. Many returned to South America.

Now that affordability has returned to Florida housing, many residents of other states who might wish to migrate to Florida find they can't. Some are unable to sell their homes. Others have seen their household wealth deteriorate and are now financially unable to relocate.

Finally, Florida's job creation engine has stalled. Florida once had unemployment as low as 3.3%. Today, it is 10.6% and likely to increase modestly before improving late next year or in 2011. Even as unemployment improves, however, the rate is likely to remain elevated (7-8%) offering little employment incentive to

move to Florida.

Is Florida's first population loss in more than six decades a trend or demographic anomaly? While much will be made of the loss, 50,000 against a total state population of over 18.7 Million is statistically insignificant. In our view, the declining population will be a short lived anomaly. While Florida has temporarily lost its image of affordability and its job creation engine has temporarily stalled, the fundamentals that have attracted people to Florida for decades have not been lost. Florida's population will return to growth mode, albeit slow growth for the next few years. The widely touted statistic that 1,000 people move to Florida every day is not likely to resume anytime soon, but modest growth will.

Population Forecast Florida and Seacoast Counties | BEBR, University of Florida

Seacoast County	2008 Estimate	2010 Forecast	2015 Forecast	2020 Forecast
Orange	1,114,979	1,119,225	1,212,817	1,324,547
Seminole	426,413	424,594	447,198	474,150
Osceola	273,709	280,279	327,022	380,082
Lake	288,379	293,531	328,263	368,483
Brevard	556,213	556,739	587,938	625,215
Indian River	141,667	142,303	154,988	169,319
St. Lucie	276,585	276,658	313,077	354,289
Martin	143,868	143,640	149,687	157,115
Okeechobee	40,003	40,495	42,584	44,504
Hendry	41,216	42,666	45,732	49,241
DeSoto	34,487	35,090	36,634	38,388
Glades	11,323	11,633	12,063	12,552
Highlands	100,207	101,914	108,625	116,287
Hardee	27,909	28,362	28,905	29,521
Palm Beach	1,294,654	1,285,692	1,346,002	1,420,356
Broward	1,758,494	1,745,570	1,787,228	1,834,967
Florida	18,807,219	18,881,443	20,055,865	21,417,450

SOURCE: Forecasts by Bureau of Economic and Business Research, University of Florida | Florida Population Studies—June 2009

Red numerals = forecast population decline