

Economic Perspectives

987,000 Floridians jobless in July — Unemployment rate now 10.7% August 22, 2009

Florida employers shed another 17,000 jobs in July leaving approximately 987,000 Floridians jobless out of a workforce of 9,193,000. The state's unemployment rate is now 10.7% — the highest since October 1975 when it was 11.0%. The July rate is unchanged from the June revised rate of 10.7% but it is 4.4 percentage points higher than a year earlier. An estimated 401,100 jobs have been lost year over year. This is steeper than the national rate of decline and continues a long series of job losses which began in August 2007. The decline started with construction jobs and has now spread to nearly every employment sector. Florida's historic low for unemployment was 3.3% in July 2006.

Florida's labor force has always been volatile due to its large share of real estate and construction employment together with its tourist and agriculture oriented activities. These sectors are usually among the first to be adversely affected in a recession and the current economic downturn is no exception.

Florida's job losses began in the construction sector following the housing down turn. Many of those displaced construction workers migrated to the commercial sector; a move that cushioned total job losses in the broader construction sector for at least a year. By mid 2008 however, many of the commercial construction jobs were lost too. Between July 2008 and July 2009, the construction sector lost 78,900 jobs or 15.6% of the sector total.

Unemployment rates in Seacoast served counties — July 2009

County	July '09	June '09 Adjusted	July '08
Orange	10.9	10.9	6.2
Seminole	10.4	10.3	5.9
Lake	11.6	11.3	6.6
Osceola	11.6	11.5	6.6
Brevard	10.9	10.8	7.0
Indian River	15.0	14.2	9.3
St. Lucie	14.7	14.1	9.8
Martin	11.3	11.2	7.5
Palm Beach	11.3	11.2	7.2
Broward	9.5	9.5	5.8
Okeechobee	12.9	12.1	9.3
Glades	10.6	10.2	8.0
Hendry	16.4	14.0	13.8
Desoto	11.4	9.7	7.7
Highlands	11.4	10.4	8.0
Hardee	12.7	10.2	8.4

Source: Florida Agency for Workforce Innovation | U.S. Bureau of Labor Statistics

In July 2009, by far the most jobs were lost in the trade, transportation and utilities sector. Approximately 99,100 jobs were lost year over year with most of them (-69,700) attributable to the recession driven decline in retail trade. We expect the retail component to continue to lose jobs and not reverse course until employment rebounds.

Financial activities lost 23,200 jobs year over year. That is 4.4% of the sector work force. Sector losses were divided between finance and insurance (-16,300) and real estate (-6,900).

Professional and business services, another large sector, lost 90,600 jobs or 7.9% of the sector work force year over year. Most of those jobs can be traced back to the decline that began in the housing sector. That clearly illustrates the huge effect housing has, both directly and indirectly, on the broader economy. An important take away here is that the broader economy cannot improve significantly until housing improves.

Leisure and hospitality lost 40,400 jobs year over year. That is about 4.3% of the sector work force. Within the sector, arts, entertainment and recreation lost 13,100 jobs while the accommodation sector, which includes hotels, motels and restaurants, lost 27,300 jobs. The latter is a clear reaction to the recessionary slow down in both leisure and business travel as well as meals away from home.

Government lost 9,900 jobs. Within the sector, local government lost 10,200 jobs while federal government in Florida had a small gain.

Education and health services gained 5,400 jobs year over year. That is the only sector to add jobs. Behind the numbers though, education lost 4,000 jobs while health services added 9,400 jobs.

Florida Counties With Highest Unemployment Seacoast Counties in red

County	Rate
Hendry	16.4%
Flagler	15.9%
Indian River	15.0%
St. Lucie	14.7%
Lee	13.2%

In Perspective States With Highest Unemployment

State	Rate
Michigan	15.0%
Rhode Island	12.7%
Nevada	12.5%
California	11.9%
Ohio	11.2%
Kentucky	11.0%

SOURCE: U.S. Bureau of Labor Statistics