

Economic Perspectives

Florida's unemployment rate now highest in 35 years

March 13, 2010

Florida's unemployment rate surged to 12.2% in January 2010. The headline "seasonally adjusted" rate was 11.9%. Florida's unemployment rate is now equivalent to May 1975 — some 35 years ago — and is now the highest in the history of this data series. Florida, as well as the nation and all states also released revised historical data. That process is known as "benchmarking" and is done every March. Florida's unemployment rate remains significantly higher than the nation's 9.7% rate (10.6% not seasonally adjusted). The nation's rate has been stable for the last two months. Florida's unemployment rate a year ago in Florida was 8.7%.

Florida's non-agricultural employment stood at 7,144,300 in January after a month over month decline of 6,100 jobs. Florida has lost 303,200 jobs year over year — a workforce decline of 4.1%. Florida's total employment including agricultural is 8,131,000 indicating that nearly 1.0 million persons (986,700) are employed in agriculture.

The 12.2% unemployment rate does not represent the total extent of the Florida's unemployment stress as it does not include

Unemployment rates in Seacoast served counties — January 2010

County	January '10	December '09	January '09
State	12.2%	11.6%	8.9%
U.S.	9.7%	9.7%	10.0%
Orange	12.3%	11.7%	8.8%
Seminole	11.6%	10.9%	8.1
Lake	13.5%	12.6%	9.5%
Osceola	13.5%	13.0%	9.6%
Brevard	12.7%	11.9%	9.2%
Indian River	14.4%	13.7%	12.2%
St. Lucie	14.9%	14.2%	11.6%
Martin	13.6%	12.6%	9.5%
Palm Beach	12.5%	11.7%	9.0%
Okeechobee	13.9%	13.3%	10.7%
Glades	11.9%	10.7%	8.2%
Hendry	14.9%	14.6%	11.3%
DeSoto	11.2%	10.9%	8.1%
Highlands	12.3%	11.7%	9.6%
Hardee	12.3%	11.7%	8.1%

SOURCE: Florida Agency for Workforce Innovation (March 10, 2010)
 All Florida data are January 2010. U.S. data are February 2010
 All data are not seasonally adjusted.

persons working part time as they can't find full time employment. It also does not include those who are marginally attached to the work force or have given up looking for a job because they have come to believe there is not a job available for them. The national rate of *under* employment including those groups is about 16.8%. We suspect it is substantially higher in Florida but data are not available for a reliable estimate. The payroll numbers also do not include independent contractors such as many real estate sales people who are not eligible for unemployment compensation.

Looking behind the numbers, the usual suspects continue to dominate the job losses. The construction sector continued to lose the most jobs at 90,700 year over year. Over the year, construction has lost 20.4% of its sector jobs.

Transportation and utilities lost 56,600 jobs year over year or 3.7% of its work force. That sector is closely allied to construction and housing and is likely to continue to lose jobs or at least see its employment remain at a low level. Similarly, professional and business services lost 44,900 jobs year over year or another 4.2% of its workforce. Manufacturing was down 42,200 jobs; leisure and hospitality was down 39,700 jobs and financial activities lost 27,800 jobs. Local and state government lost 2,500 jobs.

Private education and health services added jobs. Together they added 23,600 jobs. Health services was the big winner once again with a gain of 19,500 jobs — primarily in ambulatory health care services. Private education gained 4,100 jobs after having lost jobs for several months.

The U.S. Census Bureau is currently hiring about 63,700 Floridians. Most will be temporary jobs paying \$9 to \$16 per hour.

Ten Florida Counties With Highest Unemployment Rates
 Seacoast Counties in Red

County	Rate
Flagler	17.1%
Hernando	15.7%
Marion	15.4%
St. Lucie	14.9%
Hendry	14.9%
Citrus	14.6%
Indian River	14.4%
Levy	14.3%
Pasco	14.3%
Putnam	14.2%

SOURCE: Florida Agency for Workforce Innovation | Released March 10, 2010

Annual Change In Employment In Seacoast Served Counties | January 2009 through January 2010

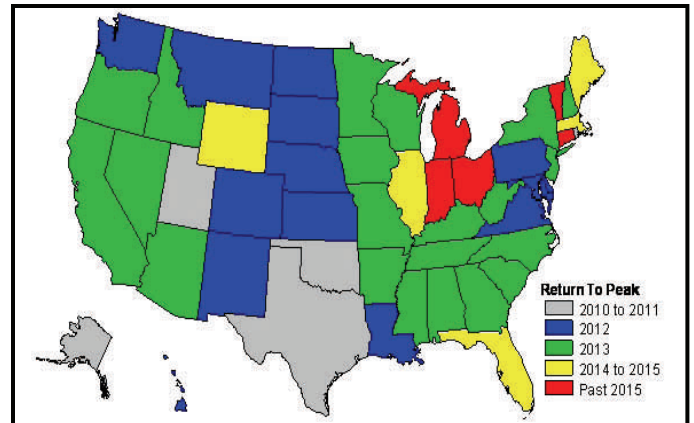
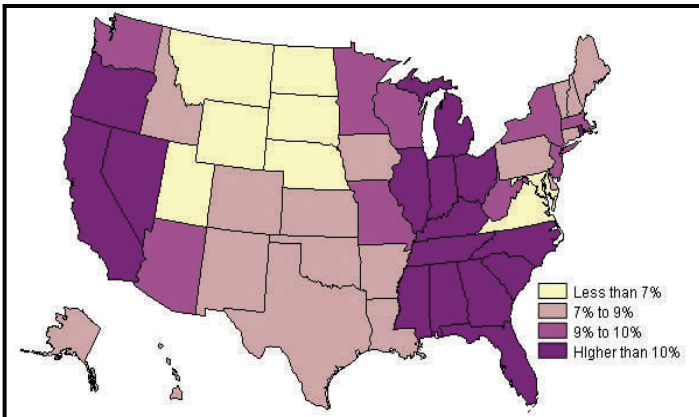
County	Employed 01/2010	Employed 01/2009	# Change	% Change	Total Market # Change
Orange	524,523	545,242	-20,719	-3.8%	
Seminole	210,238	218,542	-8,304	-3.8%	
Lake	118,271	122,943	-4,672	-3.8%	
Osceola	117,257	124,579	-7,322	-5.9%	Metro Orlando Change
Brevard	233,321	241,730	-8,409	-3.5%	-49,426
Indian River	52,042	55,720	-3,678	-6.6%	
St. Lucie	104,806	109,534	-4,728	-4.3%	Treasure Coast Change
Martin	54,666	57,081	-2,415	-4.2%	-10,821
Palm Beach	536,695	565,861	-29,166	-5.2%	Palm Beach Chg -29,166
Okeechobee	16,012	16,063	-51	-0.3%	
Glades	3,969	4,682	-713	-15.2%	
Hendry	15,375	15,562	-187	-1.2%	
DeSoto	14,015	14,017	-2	0.0%	
Highlands	36,778	36,921	-143	-0.4%	Big Lake Change
Hardee	10,713	10,970	-257	-2.3%	-1,353
TOTAL SEACOAST	2,048,681	2,139,447	-90,766	-4.2%	Total Seacoast -90,766 Jobs

The table above shows employment in Seacoast counties in both January 2009 and 2010. While Seacoast counties continue to lose jobs, the pace has slowed significantly. The largest numbers of job losses occurred between September 2008 and throughout most of 2009. Since late 2009, losses have been moderating. The continuing impact though is that employers are not yet hiring to any measurable extent. Many are clearly testing the water with temporary help before making a commitment to permanent hiring. That is surely a positive sign however Florida and the U.S. need very significant employment growth for sustained economic recovery.

The maps at the bottom of the page illustrate forecasts by Global Insight, in our view the premier global economic forecasting firm. The chart to the left suggests that 16 states including Florida will continue to experience greater than 10% unemployment throughout the remainder of 2010. The chart at the right suggests that return to peak employment in Florida will not occur until

2014 or 2015. We concur with both views.

Manufacturing has been declining in the U.S. for decades. While Florida never had a large manufacturing share, it did have a high level of construction for most of the last four or five decades. Construction became, in essence, the new manufacturing. Indeed, it was the leading employment sector for men in the 19-45 age group who had been displaced from manufacturing jobs in other states or who naturally migrated into Florida construction jobs. Today, the high level of construction jobs or even opportunities no longer exist in Florida and are not likely to exist at previous levels well into the foreseeable future. That will likely curtail employment growth for much of the current decade. Moreover, the hardest hit employment group is that same group (men, 19-45) who are not college educated — so-called blue collar workers. With what will very likely be fewer construction and trade jobs in the foreseeable future, unemployment in this sector will likely remain elevated.



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