



# Forecasting Florida: What's Ahead for Our State and National Economies



Jacksonville, FL  
September 9<sup>th</sup>, 2016



# The Rules of the Game Matter

- They change the way the players play the game.
- They can change the outcome of the game itself.
- Freeze tag





# The Rules of the Game Matter

- *Federal Regulation and Aggregate Economic Growth*

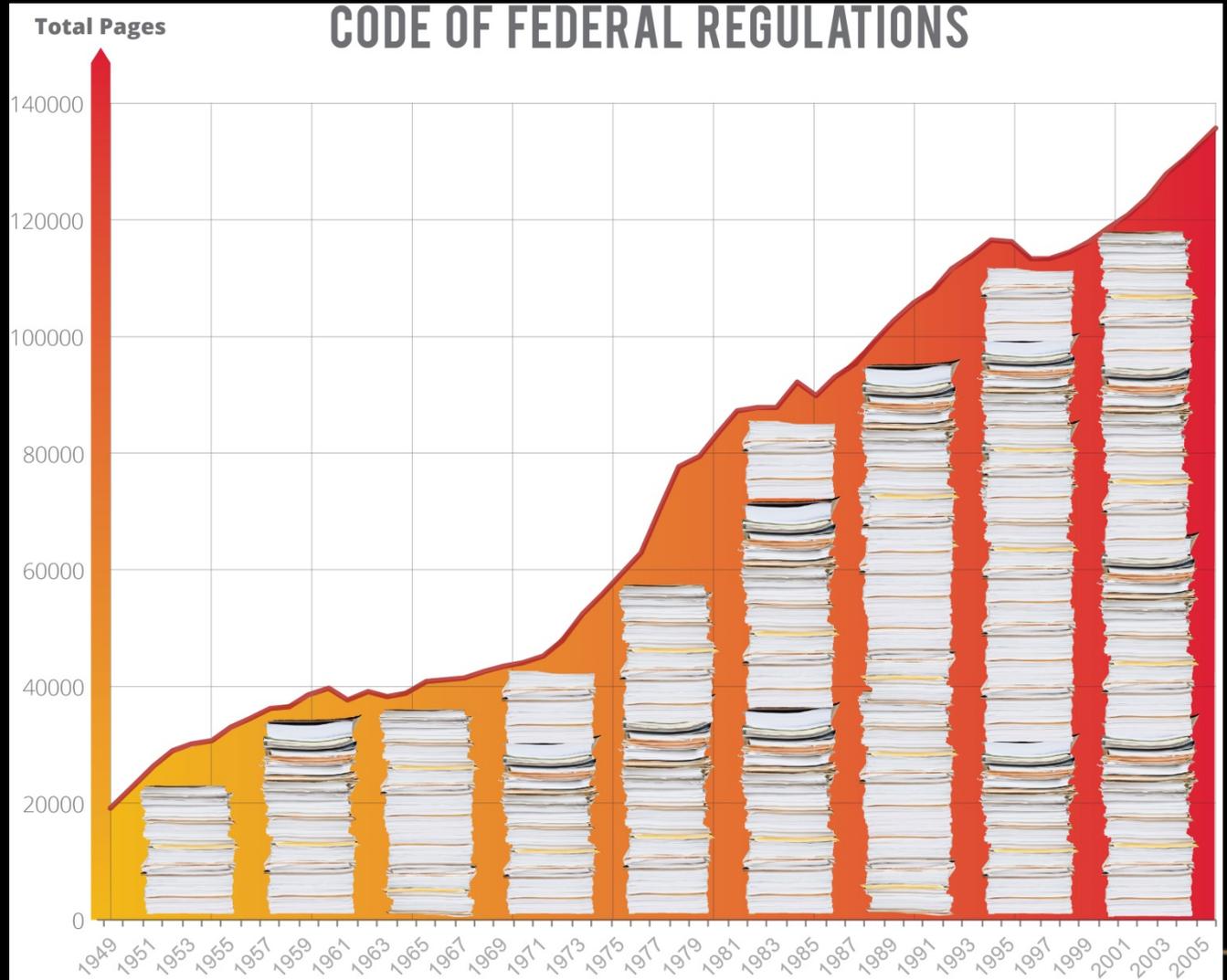
by John W. Dawson and John J. Seater

- Journal of Economic Growth  
(2013) 18:137-177

Examined Economic Growth and  
Productivity 1949-2005



# The Rules of the Game Matter



SOURCE: Federal Regulation and Aggregate Economic Growth, by John W. Dawson and John J. Seater



# The Rules of the Game Matter

- Results:
- Regulations have reduced real GDP growth an average of 2% per year.
- Real GDP in 2005 would have been \$53.9 trillion instead of the \$15.1 trillion





# The Rules of the Game Matter



- 2015 CFR 178,277
- Dodd-Frank law 2,300 pages
  - 23,000+ pages of rules so far
  - Another 13,000 on the way
- Affordable Care Act

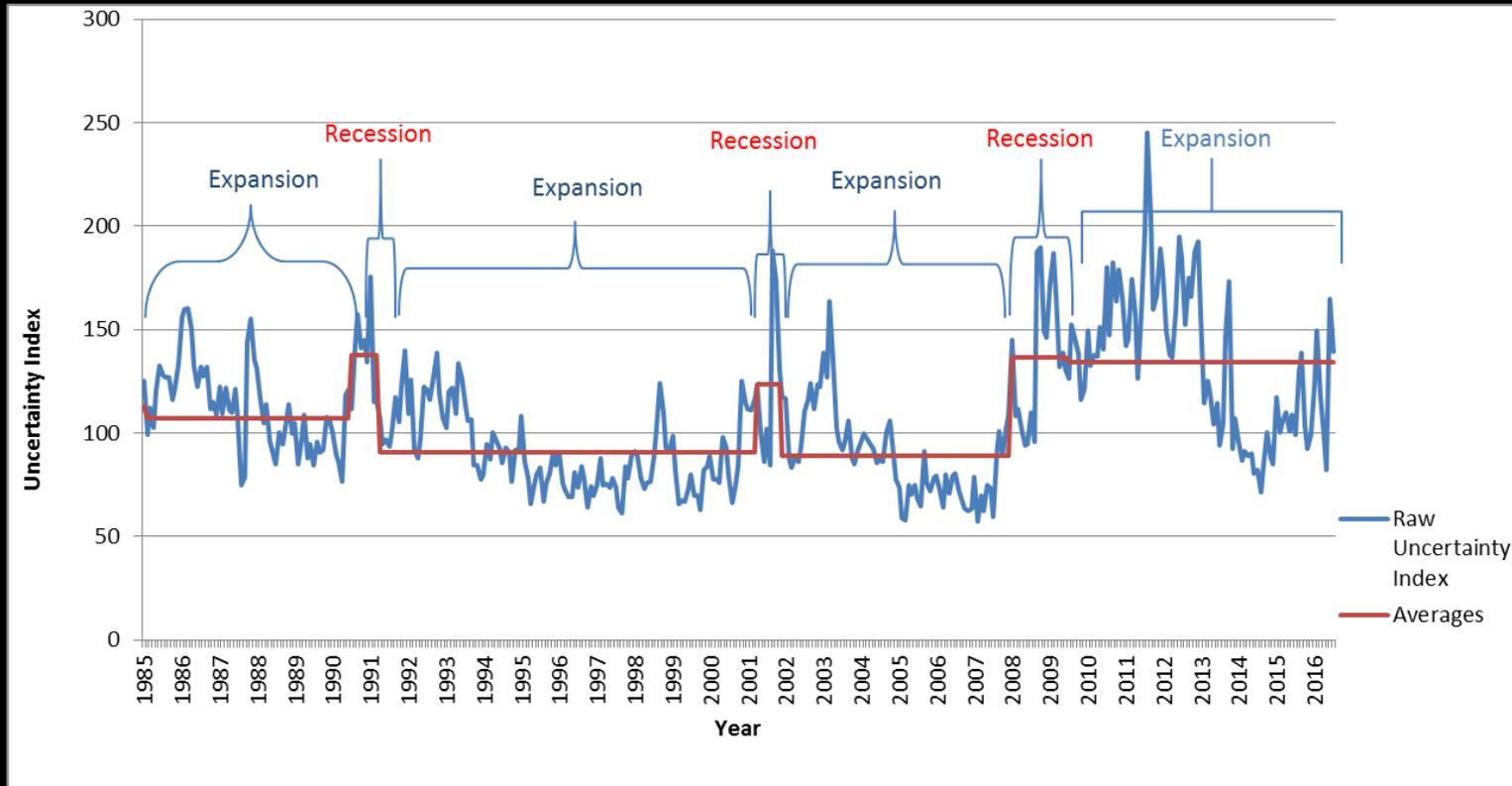


# The Rules of the Game Matter

- Dan Gallagher, Commissioner of the SEC:
- “And really, to me, Bob, the burden isn’t necessarily as much as the regulations that came from Dodd-Frank. Some of them are just ***completely nonsensical***. I mean, nothing to do with the financial crisis, aren’t really germane to the function of the SEC and that’s what happens when you get a ***runaway piece of legislation***.”

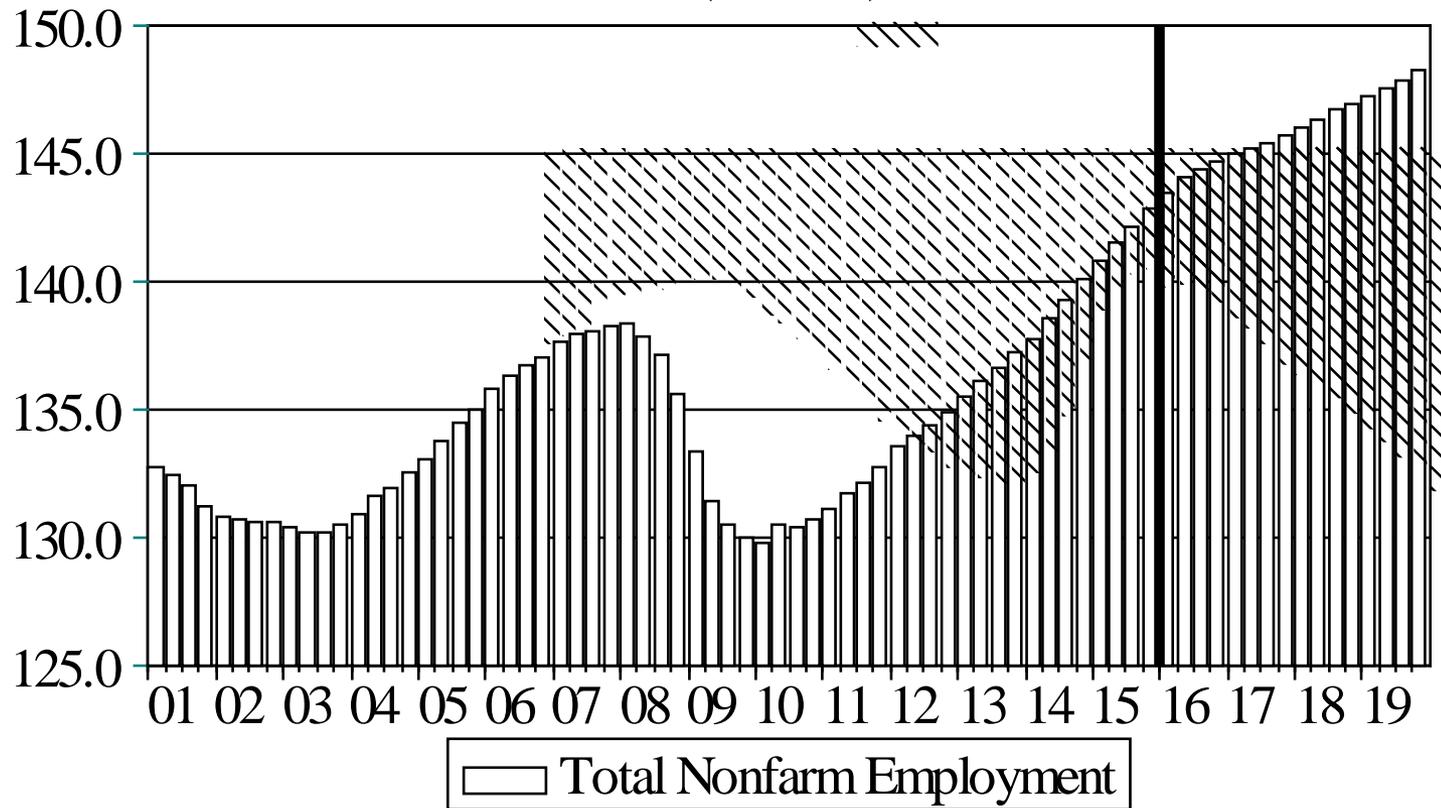


# Policy Uncertainty Persists





# Total Nonfarm Payroll Employment (Millions)



# U.S. Forecast



|                             | 2016<br>Q1 | 2016<br>Q2 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------|------------|------------|------|------|------|------|------|
| <b>GDP</b>                  |            |            |      |      |      |      |      |
| % Change, Annual Rate       | 0.8        | 1.1        | 2.6  | 1.5  | 2.2  | 2.2  | 2.1  |
| <b>Consumer Price Index</b> |            |            |      |      |      |      |      |
| % Change, Annual Rate       | -0.3       | 2.5        | 0.1  | 1.2  | 2.3  | 2.2  | 2.4  |
| <b>Consumer Sentiment</b>   | 91.6       | 92.4       | 92.9 | 89.8 | 88.3 | 87.6 | 85.0 |
| <b>Consumption</b>          |            |            |      |      |      |      |      |
| % Change, Annual Rate       | 1.8        | 4.4        | 3.2  | 2.7  | 2.4  | 2.2  | 2.5  |

# Florida Housing Market

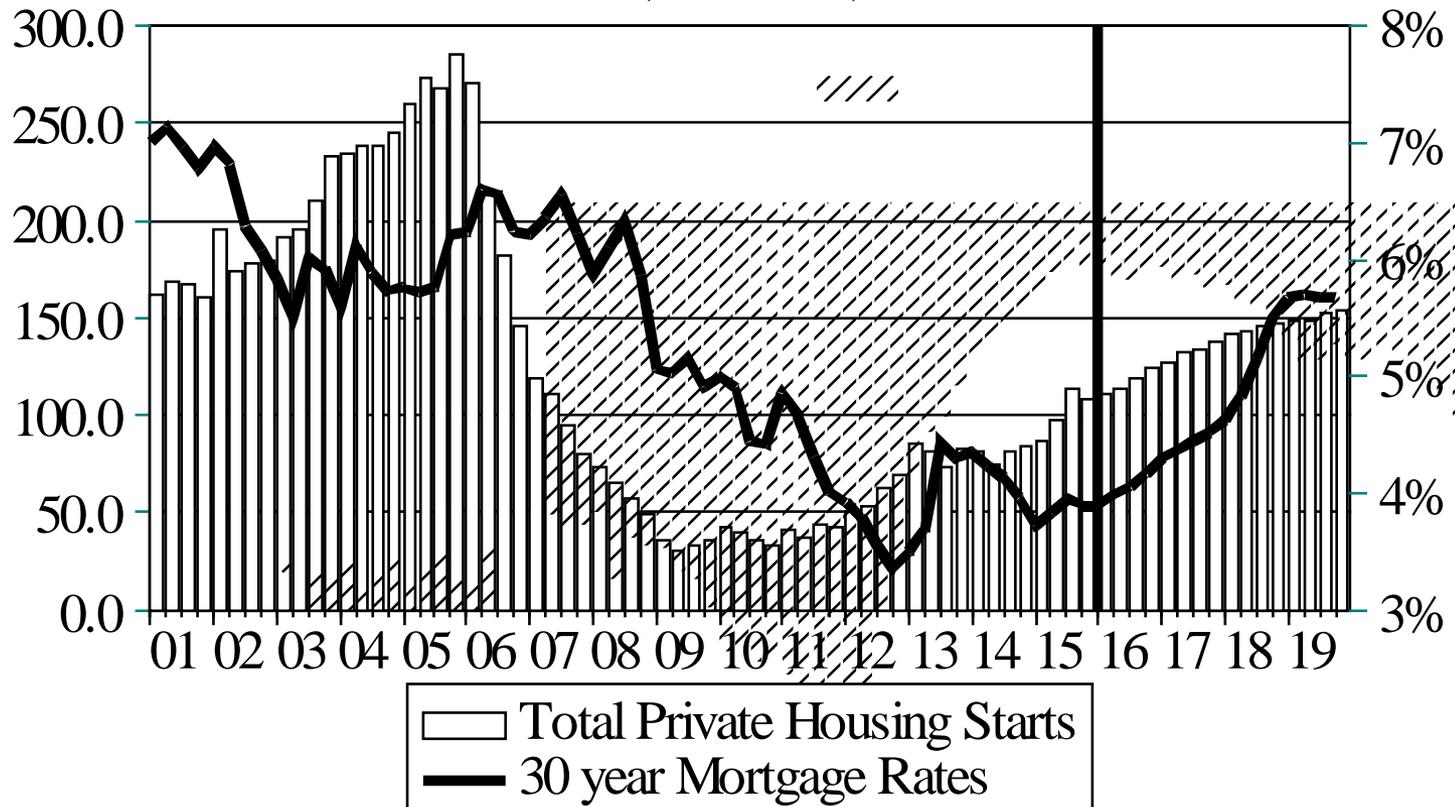
- Housing market recovery continues
- Double-digit price appreciation
  - Investors chasing ever shrinking pool of distressed properties
- Housing finance still an issue
  - New construction a bigger one



# Florida Forecast



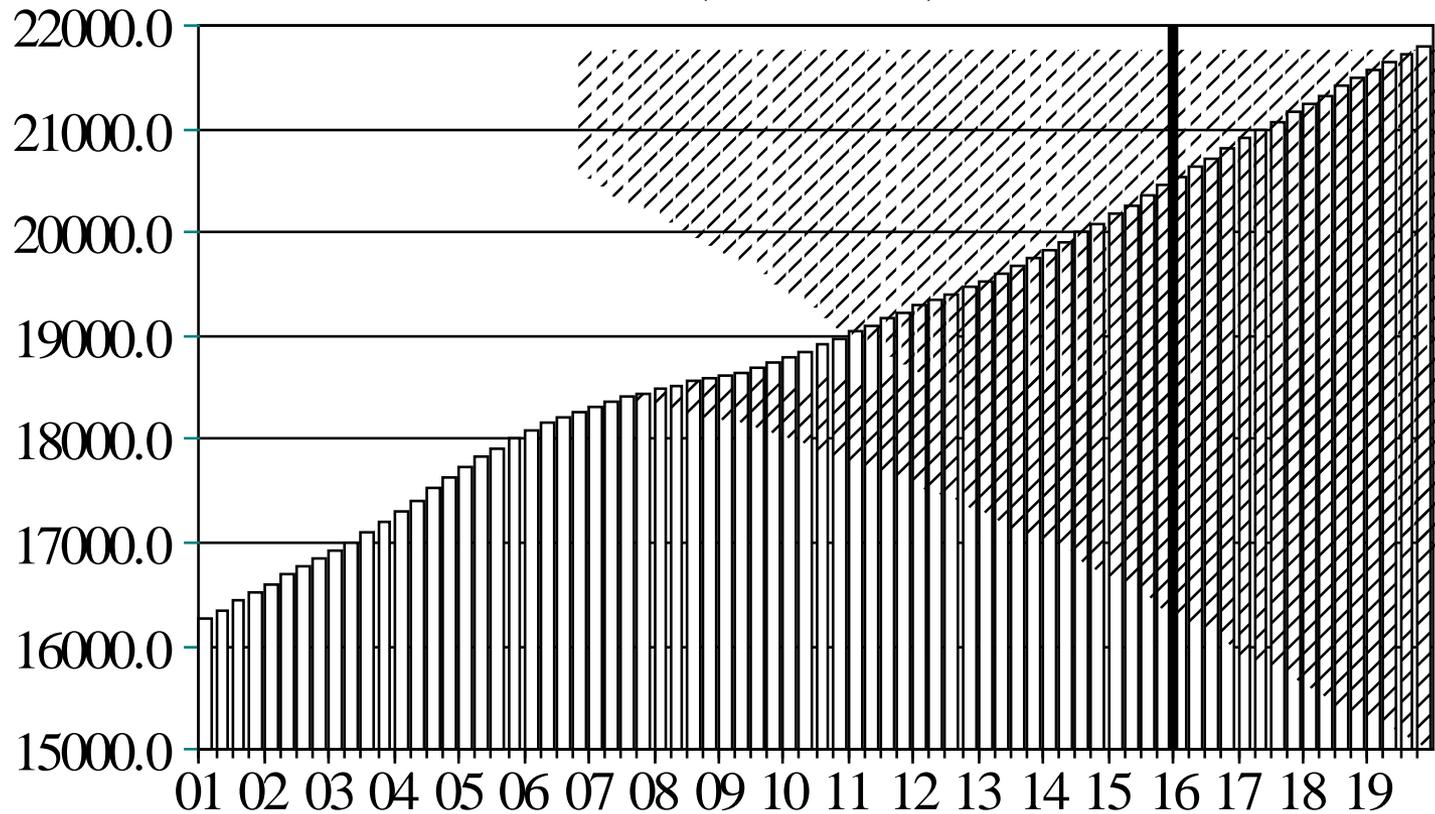
## Florida Housing Starts (thousands)



# Florida Forecast



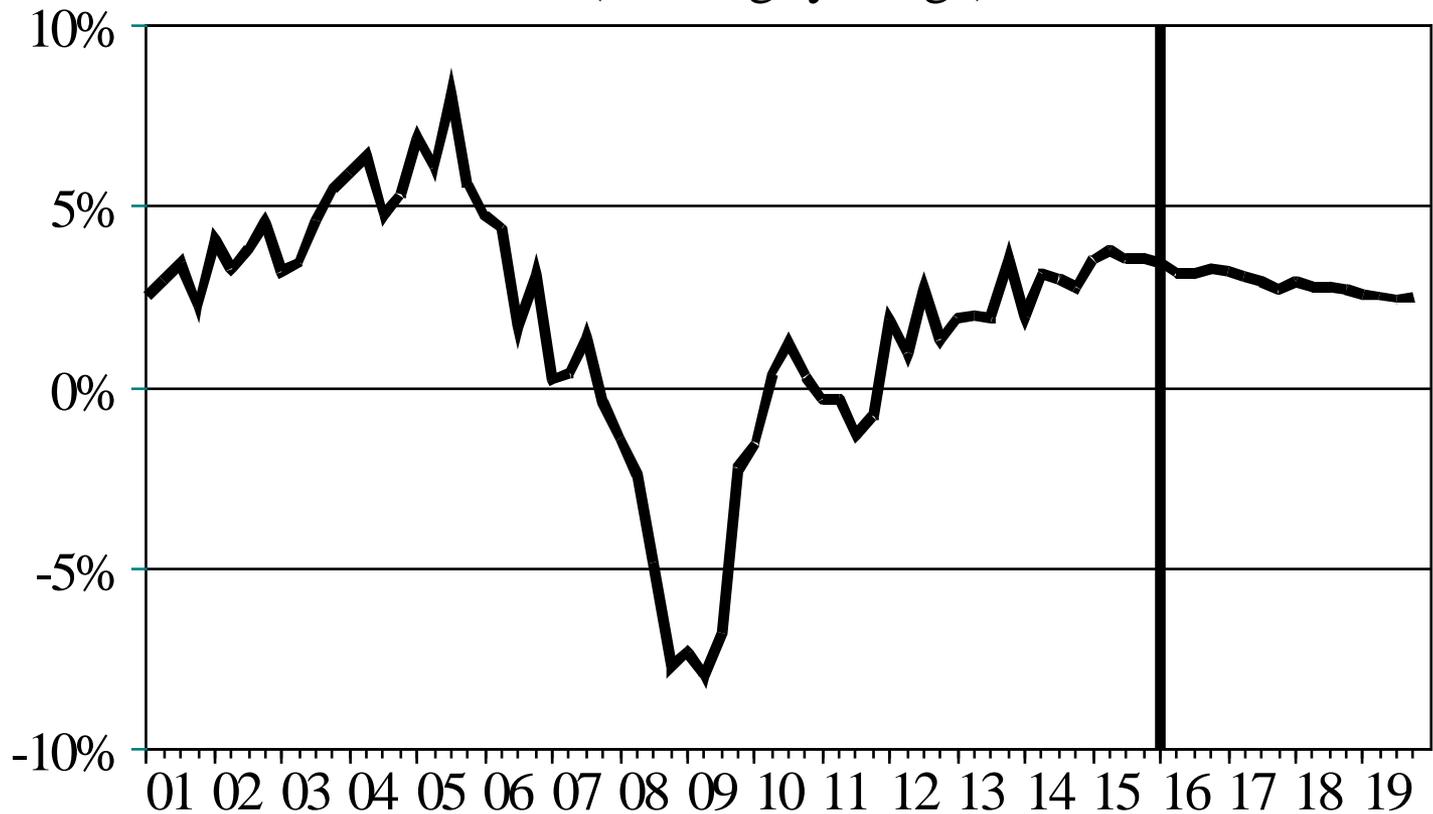
## Florida Population (Thousands)



# Florida Forecast



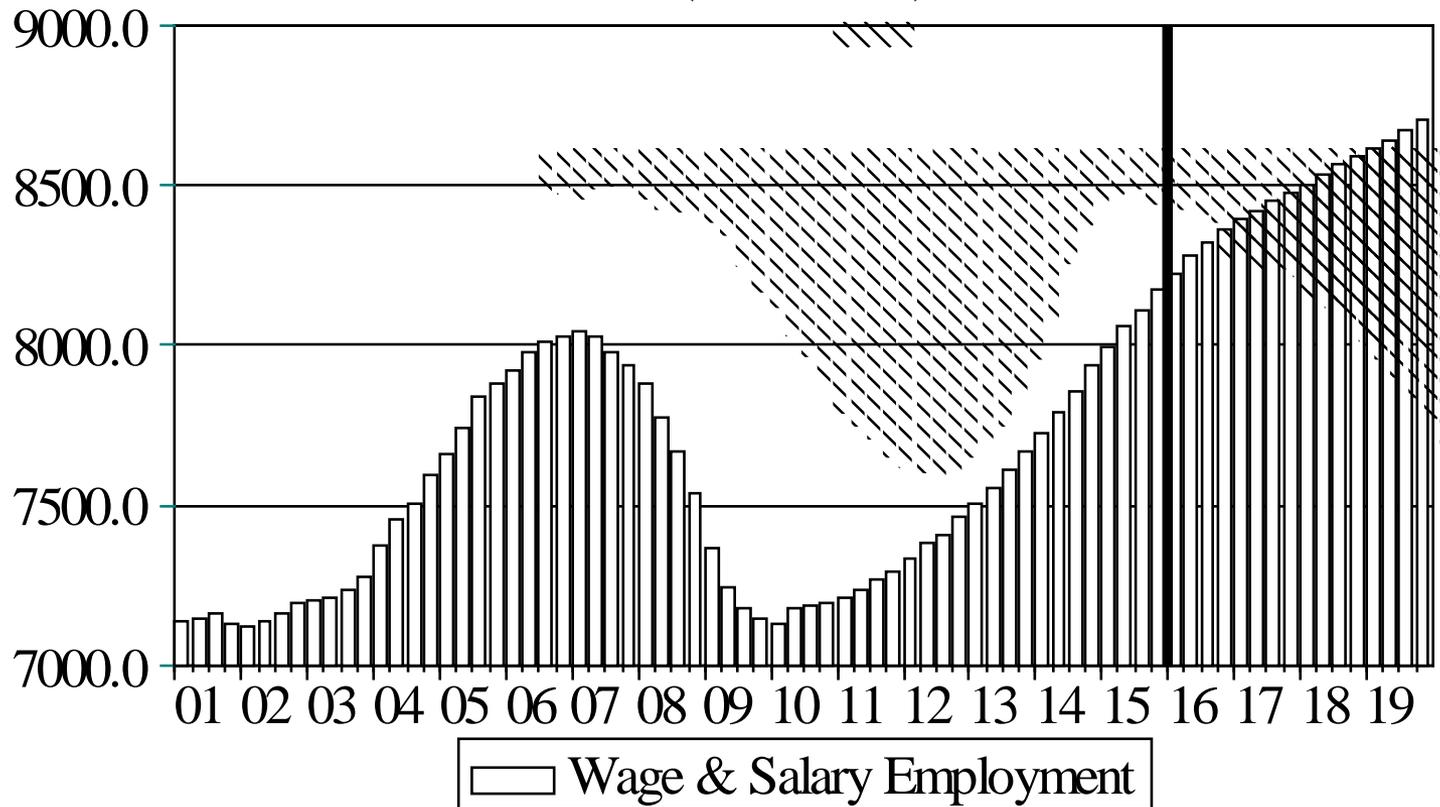
## Florida Real Gross State Product (% change year ago)



# Florida Forecast



## Florida Employment (Thousands)





# 2016-2019 Averages; Q2 2016 Forecast



## Florida

| Sector                            | % Average Annual Growth |
|-----------------------------------|-------------------------|
| Professional & Business Services  | 6.3                     |
| Construction                      | 4.1                     |
| Trade, Transportation & Utilities | 2.3                     |
| Education-Health Services         | 1.8                     |
| Leisure & Hospitality             | 1.6                     |
| State & Local Government          | 1.2                     |
| Manufacturing                     | 0.9                     |
| Financial                         | 0.7                     |
| Information                       | 0.2                     |
| Federal Government                | -0.6                    |



# 2016-2019 Averages; Q2 2016 Forecast



| Region       | Population Growth |      |
|--------------|-------------------|------|
|              | Average % Chg     | Rank |
| Florida      | 1.5               | ---  |
| Deltona      | 1.7               | 3    |
| Gainesville  | 1.0               | 11   |
| Jacksonville | 1.6               | 5    |
| Lakeland     | 1.6               | 4    |
| Miami        | 1.2               | 10   |
| Naples       | 2.6               | 1    |
| Ocala        | 1.5               | 7    |
| Orlando      | 2.2               | 2    |
| Palm Bay     | 1.4               | 8    |
| Pensacola    | 0.9               | 12   |
| Tallahassee  | 1.3               | 9    |
| Tampa        | 1.6               | 6    |



# 2016-2019 Averages; Q2 2016 Forecast



| Region       | Employment Growth |      |
|--------------|-------------------|------|
|              | Average % Chg     | Rank |
| Florida      | 2.1               | ---  |
| Deltona      | 1.8               | 6    |
| Gainesville  | 1.2               | 11   |
| Jacksonville | 2.1               | 4    |
| Lakeland     | 1.5               | 9    |
| Miami        | 1.7               | 7    |
| Naples       | 2.3               | 2    |
| Ocala        | 2.0               | 5    |
| Orlando      | 2.8               | 1    |
| Palm Bay     | 1.6               | 8    |
| Pensacola    | 1.0               | 12   |
| Tallahassee  | 1.3               | 10   |
| Tampa        | 2.1               | 3    |



# Quarterly Forecast Publications Available



Florida & Metro Forecast

U.S. Forecast



Download for free at:

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# Thank you

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