Florida Hiring Rebounds Solidly in April

Employers added 16,700 net new jobs across Florida during April but job gains for the prior month were revised slightly lower. Florida’s jobless rate continues to trend lower, falling to just 3.4% in April.

Job Growth Bounced Back in April

Nonfarm employment bounced back solidly in April, following an uncharacteristically weak gain in March. We noted last month that this year’s unusually late Easter likely pushed some of the hiring that typically would occur in March into April, which had the effect of temporarily depressing job gains that month. Today’s figures show just 5,200 jobs were added in March but also show a relatively solid rise of 16,700 jobs in April.

Easter was on April 21 this year, which is the latest it has been since 2011. Easter will not fall this late in the calendar again until 2030. A late Easter is usually a positive development for Florida, as the traditional tourist season runs from Thanksgiving to Easter. This appears to be the case this year in terms of visitors, but overall job growth in tourist-related industries has remained fairly modest, possibly reflecting the state’s ever-tightening labor market and the inability of hotels, restaurants and tourist attractions to find all the workers they would like to hire. Employment in tourism-related industries has slowed in recent months. Comparisons with prior years are hampered by the structural decline in retailing, but hiring has slowed at restaurants, hotels and tourist attractions.

The intensifying trade dispute with China also appears to be impacting Florida’s economy. While only a relatively small portion of the state’s exports are destined for China, imports of Chinese-made goods have become more important to several major Florida ports, and the trade dispute appears to have added to volatility in industries tied to trade. Employment in transportation and warehousing has been a huge area of strength in Florida in recent years and remains up 5.7% year-over-year. Much of that strength occurred this past fall, as importers attempted to get ahead of higher tariffs. Shipments slowed this year, however, and hiring in logistics also moderated. Higher prices for imported goods and retaliatory tariffs on exports have also impacted some manufacturers and parts of Florida’s agriculture sector. Some commercial building projects were also likely delayed due to the spike in steel prices seen this past year.

Florida is not ground zero for trade-related distortions in economic activity. Much of the growth in the state’s manufacturing sector has been in the aerospace industry, which has been far less impacted by the trade restrictions. Florida’s agriculture sector is also much more closely tied to domestic economic conditions, and the state’s large cattle industry stands to benefit from increased demand for calves.

Florida’s unemployment rate fell 0.1 percentage point to 3.4% in April, which is slightly below the U.S. rate. This past month’s drop was due to a slightly larger drop in the labor force (-10,000) than household employment (-8,000). Over the past year, however, Florida’s labor force has grown more than twice as fast as the nation’s, rising 1.3%. Employment has risen even faster, climbing 1.6%, yielding a 0.3 percentage point drop in the unemployment rate over the past year.

Source: U.S. Department of Labor and Wells Fargo Securities